

# KITUI COUNTY GOVERNMENT



**MINISTRY OF FINANCE, ECONOMIC PLANNING  
& REVENUE MANAGEMENT**

## **COUNTY BUDGET REVIEW AND OUTLOOK PAPER FY2023/24**



**Department of Economic planning  
and Budgeting**

File

## COUNTY GOVERNMENT OF KITUI



TEL: 044-4422041, 4422304  
Email: finance@kitui.go.ke.

### COUNTY TREASURY

When replying please quote  
Ref No. CGKTI/CT/FIN/34/II(17)

2<sup>nd</sup> OCTOBER, 2024

The Ag. Clerk  
County Assembly of Kitui  
P.O. Box 694 – 90200

**KITUI**

Dear Madam,

### **RE: SUBMISSION OF COUNTY BUDGET REVIEW AND OUTLOOK PAPER 2023/2024**

Forwarded herewith please find attached the Kitui County Budget Review and Outlook Paper 2023/2024 in line with Section 118 (4)(a) of the Public Finance Management Act 2012.

COUNTY MINISTER  
MINISTRY OF FINANCE & ECONOMIC PLANNING  
Sign:.....  
02 OCT 2024  
Peter Mwikya, Kitui

**County Executive Committee Member  
Finance, Economic Planning and Revenue Management**

Copy to:

1. H. E. Governor
2. Ag. County Secretary
3. Speaker – County Assembly of Kitui



## FOREWORD

The County Budget Review and Outlook Paper (CBROP), is prepared in accordance with Public Finance Management Act, 2012. It is the eleventh to be prepared by the County Government of Kitui under the devolved governance structure. The outlook presents the actual fiscal performance of the FY 2023/2024 and projection of the 2024/25 FY hence making comparative analysis to the budget appropriations. The paper highlight the recent key economic development for the period under review for both the National and County Government. The report further provides an updated Medium Term Expenditure Framework (MTEF) financial forecasts and states how these projections deviated from estimates contained in the last County Fiscal Strategy Paper (CFSP) and actual budget for 2023/24 financial year (FY).

The paper also shows how the actual performance at the local and national level in 2023/24 FY affected the County's compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2024. The County Government in collaboration with the National Government is implementing strategies and reforms geared towards accelerated economic growth and realization of the sixteen sector manifesto that include; Agriculture, Water, Health, Education, Urban, Roads & Construction, Trade & Investments, Micro Small & Medium Enterprises (MSME), Cooperatives Societies, Tourism & Hospitality, Women Youth & PWDs, Environment, Energy, Information & Communication, Security and Bodaboda for the residents of Kitui County. Implementation of various projects in 2023/24 FY proved to bear fruits through successful irrigation project, water infrastructure, hybridization and piping, road gravelling and skills development among others.

The outlook gives a clear comparison of own revenue generation, grants and loans; and equitable share from the national government and other development partners hence gives appropriate recommendations on the changes in revenue. The County Government is committed and will continue to improve the welfare of the residents through implementation of life changing programs as outlined in the County Integrated Development Plan (CIDP) 2023 - 2027.



**Peter Mwikya Kilonzo,**  
**CECM, Ministry of Finance, Economic Planning & Revenue Management**  
**County Government of Kitui.**

## **ACKNOWLEDGEMENT**

The preparation of CBROP 2024 was collaborative, with stakeholders drawn from all sectors, departments and agencies of County Government of Kitui. The process was led by technical team from the department of Economic Planning and was accomplished through the commitment, dedication, sacrifice and determination of all the members of staff of the County Government.

I would like to pay special thanks to the officers working under Economic Planning Department, led by Director Paul Kimwele, Assistant Directors Victor Mwangi and Solomon Musembi and all County economists and statisticians – Daniel Mbathi, Bonface Muli, Faith Muna, Charles Mulatia, Geoffrey Gisaina, Linda Musee, Mary Muthui, Felistus Munyao, Gabriel Mitau, Dickens Mutunga, Onesmus Kaki, Joy James and Doris Samuel, for the critical role they played in the development of this County Budget Review and Outlook Paper. Their dedication on this course led to preparation of the plan within the stipulated timeframe

I may not mention everybody, but do acknowledge all those individuals who directly or indirectly contributed to the success of development and production of this paper.



**Patrick Masila Munuve,  
Chief Officer – Economic Planning & Budgeting  
County Government of Kitui**

## Table of Contents

FOREWORD.....	i
ACKNOWLEDGEMENT .....	iv
EXECUTIVE SUMMARY .....	1
I. INTRODUCTION .....	2
A. Objective of the County Budget Review and Outlook Paper (CBROP) 2024 .....	2
II. REVIEW OF FISCAL PERFORMANCE IN FY 2023/24 .....	3
B. Overview .....	3
C. 2023/24 Fiscal Performance .....	3
Revenue .....	4
a. Equitable Share and Grants .....	4
b. Grants .....	5
c. Own Source Revenue Generated .....	6
Expenditure.....	10
D. Implications of FY 2023/24 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2023 CFSP .....	20
III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK .....	23
Recent Economic Development .....	23
World Economic Outlook.....	23
Kenya’s Economic Performance and Outlook .....	24
Inflation Developments.....	27
Monetary and Credit Developments .....	29
Interest Rates Developments .....	30
External Sector Developments .....	32
Foreign Exchange Reserves .....	33
Exchange Rate Developments .....	33
Capital Markets Developments.....	34
County level .....	35
Kenya’s Macroeconomic Outlook.....	37
Monetary Policy Management .....	38
County Economic Outlook .....	40
Risks to the economic outlook .....	44
IV. RESOURCE ALLOCATION FRAMEWORK .....	46
Adjustments to 2024/25 Budget .....	46
Medium Term Expenditure Framework .....	47
Budget Framework 2023/2024 .....	48
V. CONCLUSION AND WAY FORWARD .....	52
ANNEXURES.....	54
Expenditure Analysis by Project/ Programme .....	54
3711: Office of the Governor .....	54
3728: Office of the Deputy Governor .....	56
3729: Ministry of Water & Irrigation .....	59
3730: Ministry of Education, Training & Skills Development .....	60
3731: Ministry of Roads, Public Works & Transport.....	62
3716: Ministry of Health and Sanitation .....	67
3732: Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives .....	73
3733: Ministry of Energy, Environment, Forestry, Natural & Mineral Resources .....	75
3734: Ministry of Culture, Gender, Youth, ICT, Sports & Social Services .....	83
3735: Ministry of Finance, Economic Planning & Revenue Management .....	86
3736: Ministry of Agriculture & Livestock.....	87
3737: Ministry of Lands, Housing and Urban Development .....	89
3722 County Public Service Board.....	91
3723 County Assembly.....	91
3724: Kitui Municipality .....	94
3725: Mwingi Municipality.....	99

## List of Tables

Table 1: Revenue and Expenditure Summary for 2022/23 -2023/24FY .....	3
Table 2: Schedule of Disbursement of Equitable Share in FY 2023/24 .....	5
Table 3: Grants performance in FY 2023/24 .....	5
Table 4: Grants Performance in FY 2023/24 .....	5
Table 5: Own Source Revenue Generated by Ministry for the Period ending 30th June 2024 .....	7
Table 6: Own Source Revenue Generated by Revenue Streams for the period ending 30 <sup>th</sup> June, 2024 .....	7
Table 7: Budget Absorption rate against the FY 2023/24 budget .....	12
Table 8: Recurrent expenditure in the FY 2023/24 .....	12
Table 9: Development Expenditure in the FY 2023/24 .....	13
Table 10: FY 2023/24 Expenditure by Entity .....	15
Table 11: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2024 (Kshs) .....	16
Table 12: CFSP Allocation versus Budget Allocation for FY 2023/24 .....	20
Table 13: Global Economic Performance.....	24
Table 14: Sectoral GDP Performance .....	25
Table 15: Money and Credit Developments (12 Months to June 2024, Ksh billion).....	29
Table 16: Balance of Payments (USD Million) .....	32
Table 17: Kenya's Macroeconomic Indicators and Projections .....	39
Table 18: Actual Revenue for 2020/21 – 2023/24 & Revenue Estimates for 2024/25 to 2026/27 FY .....	49
Table 19: Medium Term Expenditure Framework (MTEF) Actuals 2023/2024-2024/2025 FY & Projection up to 2026/2027 FY .....	52

## List of Figures

Figure 1: Pie Chart of Budgeted Revenue by Source .....	10
Figure 2: Bar graph of budgeted vs Actual Revenue by Source .....	10
Figure 3: Annual Real GDP Growth Rates, percent .....	27
Figure 4: Inflation Rate, Percent.....	28
Figure 5: Private Sector Credit.....	30
Figure 6: Short Term Interest Rates, Percent .....	31
Figure 7: Commercial Bank Rates, Percent .....	31
Figure 8: Foreign Exchange Reserves (USD Million).....	33
Figure 9: Kenya Shillings Exchange Rate .....	34
Figure 10: Performance of the Nairobi Securities Exchange.....	35
Figure 11: Kitui County Gross County Product (Kshs Mns).....	40

## **ABBREVIATIONS**

ADP	Annual Development Plan
ADSE	Anglican Development Services Eastern
ASDSP	Agricultural Sector Development Support Program
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CHPs	Community Health Promoters
CIDP	County Integrated Development Plan
CLIDP	Community Level Infrastructure Development Projects
CMMB	Catholic Medical Mission Board
COFOG	Classification of Functions of Government
COVID 19	Corona Virus Disease
CT	Computed Tomography
ECDE	Early Childhood Development Education
FY	Financial Year
GCP	Gross County Product
GDP	Gross Domestic Product
HDU	High Dependency Unit
ICU	Intensive Care Unit
IFMIS	Integrated Financial Management Information System
KCRH	Kitui County Referral Hospital
KDSP	Kenya Devolution Support Programme
KSHS	Kenya Shilling
MCH	Maternal and Child Health
MSME	Micro Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NBU	New - born Unit
O&M	Operation and Maintenance
OPD	Out Patient Department
PE	Personnel Emolument
PFMA	Public Finance Management Act
PO	Producer Organizations
SDL	State Department for livestock
SEKEB	South Eastern Kenyan Economic Block
SIVAP	Small Irrigation Value Addition Project
TIMPs	Technology, Innovations and Management Practices
VTC	Vocational Training Centre
WBR	World Bicycle Relief

### **Legal Basis for the Publication of the County Budget Review and Outlook Paper**

The County Budget Review and Outlook Paper is published in accordance with Section 118 of the Public Finance Management Act, 2012. The law states that:

1. A County Treasury shall –
  - a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
  - b) Submit the paper to the County Executive Committee by 30<sup>th</sup> September of that year.
  
2. In preparing the county Budget Review and Outlook Paper, the County Treasury shall specify –
  - a) details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
  - b) updated economic and financial forecasts with sufficient information to show changes from the most recent County Fiscal Strategy Paper;
  - c) information on –
    - i. any changes in the forecasts compared with the County Fiscal Strategy Paper;
    - ii. how actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principle, or the financial objective in the County Fiscal Strategy Paper for that year; and
  - d) Reasons for the deviations from the financial objectives in the County Fiscal Strategy Paper together with proposal to address the deviations and estimated time for doing so.
  
3. The County Executive Committee shall consider the County Budget Review Paper with a view to approving it, with or without amendments, within fourteen day after its submission.
  
4. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall –
  - a) Arrange for the Paper to be laid before the County Assembly; and
  - b) As soon as practicable after having done so, publish and publicise the Paper.



## **Fiscal Responsibility Principles for the County Governments**

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM Act, 2012, (Section 107) states that:

- 1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
- 2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles- (a) the county government's recurrent expenditure shall not exceed the county government's total revenue; (b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure; (c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly; (d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure; (e) the county debt shall be maintained at a sustainable level as approved by county assembly; (f) the fiscal risks shall be managed prudently; and (g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
- 3) For the purposes of subsection (2) (d), short-term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
- 4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
- 5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

## **EXECUTIVE SUMMARY**

The core purpose of the 2024 CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles. These are set out in the last County Fiscal Strategy Paper (CFSP), which provides the basis for the revision of the current budget in the context of supplementary estimates and informs the choice of broad fiscal parameters underpinning the next budget and medium-term expenditure framework.

Analysis of the 2023/24 FY fiscal performance shows an increase in absorption rate of development funds from 84.10% to 87.12%. There was a great improvement in the performance in revenue collection owing to setting realistic historical target, strict enforcement and favourable economic activities in the county.

Kenya's economic performance is projected to remain stable over the medium term. Growth is expected to moderate from 5.6 percent in 2023 to a forecast of 5.2 percent in 2024 and 5.4 percent in 2025. The growth in 2024 and 2025 will benefit from the enhanced agricultural productivity and a resilient services sector. The rebound in Kenya's agricultural sector is expected to be largely driven by favourable weather conditions and productivity-enhancing government interventions.

The departments need to rationalise their budget to align resources availability to needs, allocating funds to high impact projects. The Ministry of Finance, Economic Planning & Revenue Management plans to fully automate its revenue collection to improve revenue collection. The County Government managed to collect Kshs. 517,049,815 from own source revenue reflecting 88.38% of the targeted amount of Kshs. 585,000,000. This represents an 11.3% increase from 2022/23 FY performance whereby Kshs. 464,354,468 was collected. The increase was majorly attributed to the realistic target setting, strict enforcement and favourable economic activities in the County.

On the expenditure side, the County Government continued to rationalize expenditures to improve efficiency and reduce wastage. In the medium term, expenditure management is expected to improve given the various budget rationalisation reforms undertaken and because of tightening of the fiscal framework to create room for more productive expenditures.

Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023. The outlook reflects economic recovery in China, Euro area and UK, despite a slowdown in activity in the USA and Japan. The main risks to the global growth outlook relate to further escalation of geopolitical tensions, interest rates remaining higher-for-even-longer in advanced economies, and policy uncertainty attributed to changes of Government in some major economies. Global inflation has moderated, with central banks in some major economies lowering interest rates. International oil prices have moderated, but the risk premium from the Middle East conflict has increased following the recent escalation.

## **I. INTRODUCTION**

### **A. Objective of the County Budget Review and Outlook Paper (CBROP) 2024**

1. The main objective of the 2024 County Budget Review and Outlook Paper (CBROP) is to review the fiscal performance for 2023/24 FY and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper 2023/24 released in February 2023. The paper further outlines the expenditure and revenue in 2023/24 FY providing budgeting basis in the current financial year of 2024/25 and medium term expenditure.
2. The CBROP, like the CFSP links policy, planning and the budgeting through reviewing the performance of the government in line with the budget and the laid down policies as tied to the broad priorities. These policies include the Kenya Vision 2030 and its Medium Term Plans I, II, III & IV (MTP I, II, III & IV), the County Integrated Development Plan (CIDP (2023-2027) and all other national and county policies relevant to planning.
3. The report rolls out the implementation of the development projects initiated in 2023/24 financial year, and continues to address the “Kitui Promise” under the sixteen sector manifesto priority areas. These sectors include Agriculture, Water, Health, Education, Urban, Roads & Construction, Trade & Investments, Micro Small & Medium Enterprises (MSME), Cooperatives Societies, Tourism & Hospitality, Women Youth & PWDs, Environment, Energy, Information & Communication, Security and Bodaboda.
4. The rest of the paper is organised as follows: Section II provides a review of the fiscal performance in FY 2023/24 and its implications on the financial objectives set out in 2023/2024. This is followed by brief highlights of the recent economic developments and updated revenue and expenditure in section III. Section IV provides the resources allocation framework, while Section V gives the development projects implemented in 2023/2024 FY.

## II. REVIEW OF FISCAL PERFORMANCE IN FY 2023/24

### B. Overview

5. The fiscal performance shows an increase in absorption rate from 84.1% in FY 2022/23 to 87.12% absorption in FY 2023/24, and revenue side where revenue collection improved by 11.3% from Kshs. 464,354,468 in FY 2022/23 to Kshs. 517,049,815 in FY 2023/24.

6. The total revenue generated by the county over the period was Kshs, 517,049,815 up from Kshs 464,354,468 collected during FY 2022/2023 amounting to an 11.35% increase. The table 5 shows performance of revenue collection per ministry in the period under review. The county achieved 88.38% of the set revenue target amounting to Kshs. 585,000,000. The NHIF arrears amounting to Kshs. 121,742,201 was not remitted to the Ministry of Health and Sanitation by close of FY 2023/24. This means that inclusive of the NHIF arrears and Revenue from Public Health, the County achieved Kshs. 646,067,266 on own source revenue.

### C. 2023/24 Fiscal Performance

7. The table below presents the fiscal performance for the FY 2022/23 and FY 2023/24 together with the deviations from the original budget estimates of FY 2023/24.

**Table 1: Revenue and Expenditure Summary for 2022/23 -2023/24FY**

	2022/23		2023/24		Deviations (Actual/Target FY2023/24)	Percentage Deviation (2023- 24/2022- 23)
	Actual	Target	Actual	Target		
<b>A. TOTAL REVENUE AND GRANT</b>						
<b>1. Revenue</b>	<b>11,976,326,523</b>	<b>11,931,972,056</b>	<b>12,492,382,697</b>	<b>13,426,691,833</b>	-7.0%	4.3%
Equitable Share	10,393,970,413	10,393,970,413	9,963,127,985	10,829,486,936	-8.0%	-4.1%
Other Revenues	<b>1,582,356,110</b>	<b>1,538,001,643</b>	<b>2,529,254,712</b>	<b>2,597,204,897</b>	-2.6%	59.8%
Locally Generated Revenue	464,354,467	420,000,000	517,049,816	585,000,000	-11.6%	11.3%
Unspent Balances b/fwd.	1,118,001,643	1,118,001,643	2,012,204,897	2,012,204,897	0.0%	80.0%
<b>2. Grants</b>						
HSSF/HSPS - (DANIDA/IDA)	28,405,688	28,405,688	16,112,250	16,112,250	0.0%	-43.3%
Urban Institutional Grant (KUSP)	2,339,915	2,339,915				-100.0%
Agriculture Sector Development Support Programme (ASDSP)	11,636,683	11,636,683	1,792,965	1,292,965	38.7%	-84.6%
World Bank loan for National Agricultural and Rural Inclusive Growth Project	227,100,709	169,475,223	4,261,826	5,000,000	-14.8%	-98.1%
World Bank (Emergency Locust Response Project (ELRP))	68,522,528	70,223,000	132,498,510	133,683,244	-0.9%	93.4%
IDA(World bank)Credit National Agricultural Value Chain Development Project(NAVCDP)	67,192,729	70,000,000	199,781,563	200,000,000	-0.1%	197.3%
World bank Credit to Finance Locally -Led	11,000,000	22,000,000	216,807,064	216,807,064	0.0%	1871.0%



	2022/23		2023/24		Deviations (Actual/Target FY2023/24)	Percentage Deviation (2023- 24/2022- 23)
	Actual	Target	Actual	Target	(%)	%
Climate Action Program (FLLoCA)						
Court fines				50,000	-100.0%	
Mineral royalties				336,118	-100.0%	
Livestock Value Chain Support Projects				14,323,680	-100.0%	
De-Risking and Value Enhancement (DRIVE)				63,341,980	-100.0%	
Fertilizer Subsidy				179,499,580	-100.0%	
<b>Total Grants</b>	<b>416,198,252</b>	<b>374,080,509</b>	<b>571,254,178</b>	<b>830,446,881</b>	<b>-31.2%</b>	<b>37.3%</b>
<b>Total</b>	<b>12,392,524,775</b>	<b>12,306,052,565</b>	<b>13,063,636,876</b>	<b>14,257,138,714</b>	<b>-8.4%</b>	<b>5.4%</b>
<b>B. EXPENDITURE</b>						
<b>1. Recurrent</b>	<b>8,209,066,423</b>	<b>8,662,902,604</b>	<b>8,590,482,401</b>	<b>8,881,658,967</b>	<b>-3.3%</b>	<b>4.6%</b>
Salaries and Wages	4,727,336,691	4,787,527,652	5,363,094,440	5,394,680,360	-0.6%	13.4%
O&M/Others	3,481,729,732	3,875,374,952	3,227,387,961	3,486,978,607	-7.4%	-7.3%
<b>2. Development</b>	<b>3,227,387,961</b>	<b>3,643,149,961</b>	<b>3,830,886,978</b>	<b>5,375,479,746</b>	<b>-28.7%</b>	<b>18.7%</b>
<b>Total</b>	<b>11,436,454,384</b>	<b>12,306,052,565</b>	<b>12,421,369,379</b>	<b>14,257,138,713</b>	<b>-12.9%</b>	<b>8.6%</b>
<b>C. SURPLUS/ (DEFICIT)</b>	<b>956,070,391</b>		<b>642,267,497</b>			

*Source: Ministry of Finance, Economic Planning & Revenue Management*

## Notes

- i. **Equitable share:** This is the amount of funds the county government expected to receive from the national government, as shared out using the Commission on Revenue Allocation formula, which was not disbursed in full for the review period.

## Revenue

### a. Equitable Share and Grants

The total disbursement to the county revenue fund account during the financial year 2023/2024 was Kshs 9,963,127,985, representing 92% of the total equitable share the county expected to receive from National Treasury. The amount disbursed reduced by 4.15% from previous financial year of 2022/23 FY which was Kshs. 10,393,970,413. A disbursement of Kshs 866,358,951 for FY 2023/24 was received in the month of July 2024. Therefore, this will be revoted in FY 2024/25 during supplementary appropriation.

Over the same period, the county expected to receive grants totalling to Kshs 830,446,881 from international donors (World Bank, SWEDEN and DANIDA) and conditional grants from the National Government. However, the County Government received grants totalling to Kshs. 571,254,178 during the period under review as shown in Table 2.

Cumulatively, the amount of grants budgeted during the year was Kshs. 830,446,881. This includes the revote amount of Kshs. 291,399,610, which is part of Kshs 2,012,204,897 revote that was brought forward (see table 4). Nevertheless, only Kshs 571,254,178 was received as grants, representing 68.75% of the total budgeted grants leaving a balance of Kshs 259,679,693 which may or may not be received depending with the discretion of the respective donor organization. Table 2 shows schedule of disbursement of equitable share under the review period.

**Table 2: Schedule of Disbursement of Equitable Share in FY 2023/24**

Month	Date received	Amount
July	28-Jul-23	920,506,390
August	25-Oct-23	866,358,955
September	24-Nov-23	920,506,390
October	20-Dec-23	866,358,955
November	25-Jan-24	920,506,390
December	20-Feb-24	866,358,955
January	27-Mar-24	920,506,390
February	24-Apr-24	920,506,390
March	23-May-24	866,358,955
April	20-Jun-24	974,653,825
May	26-Jun-24	920,506,390
	<b>TOTAL</b>	<b>9,963,127,985</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

#### **b. Grants**

In addition, the County Government received grants totalling to Kshs. 571,254,178 during the period under review. The breakdown for the grants was as follows: -

**Table 3: Grants performance in FY 2023/24**

Source	Date received	Amount
Agriculture Sector Development Support Programme (ASDSP)	6-Oct-23	500,000
	27-Mar-24	1,292,965
	<b>Sub Totals</b>	<b>1,792,965</b>
HSSF/HSPS - (DANIDA/IDA)	21-Jun-24	16,112,250
	<b>Sub Totals</b>	<b>16,112,250</b>
World bank Credit to Finance Locally -Led Climate Action Program (FLLoCA)	2-Apr-24	102,903,532
	25-Jun-24	102,903,532
	5-Jul-24	11,000,000
	<b>Sub Totals</b>	<b>216,807,064</b>
World Bank (Emergency Locust Response Project (ELRP))	5-Apr-24	95,513,836
	25-Jun-24	36,984,674
	<b>Sub Totals</b>	<b>132,498,510</b>
World Bank loan for National Agricultural and Rural Inclusive Growth Project (NARIGP)	20-Mar-24	4,261,826
	<b>Sub Totals</b>	<b>4,261,826</b>
IDA(World bank)Credit National Agricultural Value Chain Development Project(NAVCDP)	20-Mar-24	195,087,953
	25-Jun-24	4,693,610
	<b>Sub Totals</b>	<b>199,781,563</b>
	<b>Totals</b>	<b>571,254,178</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

**Table 4: Grants Performance in FY 2023/24**

Source	Amount Approved in CARA	Grant Revote from FY 2022/23	Cumulative Grant Amount FY 2023/24	Receipts in the FY 2023/24	Outstanding Balance not Received
Agriculture Sector Development Support Programme	1,292,965	486,990	1,779,955	1,792,965	-13,010

Source	Amount Approved in CARA	Grant Revote from FY 2022/23	Cumulative Grant Amount FY 2023/24	Receipts in the FY 2023/24	Outstanding Balance not Received
(ASDSP)					
World bank Credit to Finance Locally -Led Climate Action Program (FLLoCA)	216,807,064	11,019,260	227,826,324	227,826,324	0
KDSP - World Bank		139,956,716	139,956,716	139,956,716	0
World Bank loan for National Agricultural and Rural Inclusive Growth Project (NARIGP)	5,000,000	38,669,471	43,669,471	42,931,297	738,174
World Bank (Emergency Locust Response Project (ELRP))	133,683,244	25,146,724	158,829,968	157,645,234	1,184,734
IDA(World bank)Credit National Agricultural Value Chain Development Project(NAVCDP)	200,000,000	67,192,729	267,192,729	266,974,292	218,437
HSSF/HSPS - (DANIDA/IDA)	16,112,250		16,112,250	16,112,250	0
Court fines	50,000		50,000	-	50,000
Mineral royalties	336,118		336,118	-	336,118
Livestock Value Chain Support Projects	14,323,680		14,323,680	-	14,323,680
De-Risking and Value Enhancement (DRIVE)	63,341,980		63,341,980	-	63,341,980
Fertilizer Subsidy	179,499,580		179,499,580	-	179,499,580
Road Maintenance Fuel Levy		8,927,720	8,927,720	8,927,720	0
<b>Total</b>	<b>830,446,881</b>	<b>291,399,610</b>	<b>1,121,846,491</b>	<b>862,166,798</b>	<b>259,679,693</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

The County received grants amounting to Kshs. 571,254,178 for the period under review registering a deficit of Kshs 259,679,693 above the total cumulative grants.

### c. Own Source Revenue Generated

8. The total revenue generated by the county over the period was **Kshs, 517,049,815** up from Kshs 464,354,468 collected during FY 2022/2023 amounting to an 11.35% increase. The table 5 shows performance of revenue collection per ministry in the period under review. The county achieved **88.38%** of the set revenue target amounting to Kshs. 585,000,000. The NHIF arrears amounting to Kshs. 121,742,201 was not remitted to the Ministry of Health and Sanitation by close of FY 2023/24. This means that inclusive of the NHIF arrears and Revenue from Public Health, the County achieved **Kshs. 646,067,266** on own source revenue.

**Table 5: Own Source Revenue Generated by Ministry for the Period ending 30th June 2024**

Spending Entity	Annual Target	Annual Realization	Percentage Realized
Office of the Governor	14,468,391	22,476,805	155.35%
Office of the Deputy Governor	107,171		0.00%
Ministry of Water & Irrigation	2,163,121	1,017,000	47.02%
Ministry of Education, Training & Skills Development	107,173	-	0.00%
Ministry of Roads, Public Works & Transport	3,457,410	3,289,568	95.15%
Ministry of Health & Sanitation	350,500,826	272,308,709	77.69%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	3,268,785	861,124	26.34%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	6,182,327	573,500	9.28%
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	214,347	251,480	117.32%
Ministry of Finance, Economic Planning & Revenue Management	87,798,589	94,151,509	107.24%
Ministry of Agriculture & Livestock	10,484,458	14,434,340	137.67%
Ministry of Lands, Housing and Urban Development	26,070,796	25,791,050	98.93%
Kitui Municipality	53,160,532	53,227,811	100.13%
Mwingi Municipality	27,016,074	28,666,919	106.11%
<b>Totals</b>	<b>585,000,000</b>	<b>517,049,815</b>	<b>88.38%</b>
NHIF Arrears		121,742,201	
Revenue From Public Health not Swipped into CRF by close of FY 2023/24		7,275,250	
<b>Total Collection inclusive of NHIF arrears and Revenue from Public Health</b>		<b>646,067,266</b>	

*Source: Ministry of Finance, Economic Planning & Revenue Management*

Office of the Governor performed well in the collection of revenue with a 155.35 percent collecting Kshs 22,476,805 against a target of Kshs 14,468,391. The performance under the Office of the Governor was driven by Alcoholic Drinks License (liquor license). Ministry of Agriculture & Livestock was the second-best performing entity with increased collection in Agriculture show and trade exhibition and Training/Learning Centre (ATC) Fee. Table 6 gives reasons for underperformance or over performance of each revenue stream.

**Table 6: Own Source Revenue Generated by Revenue Streams for the period ending 30<sup>th</sup> June, 2024**

No	Revenue Stream	Annual Targeted Revenue (Kshs) 2022/23	Actual Revenue 2022/23	Annual Targeted Revenue (Kshs) 2023/24	Actual Revenue 2023/24	Variance	Remarks
1	Receipts from Sale of Agricultural Goods (Sell of seedlings from ATC)			671,222	1,015,530	344,308	Target Achieved
2	Borehole Drilling	3,012,040		2,156,369	1,011,000	-1,145,369	Machinery



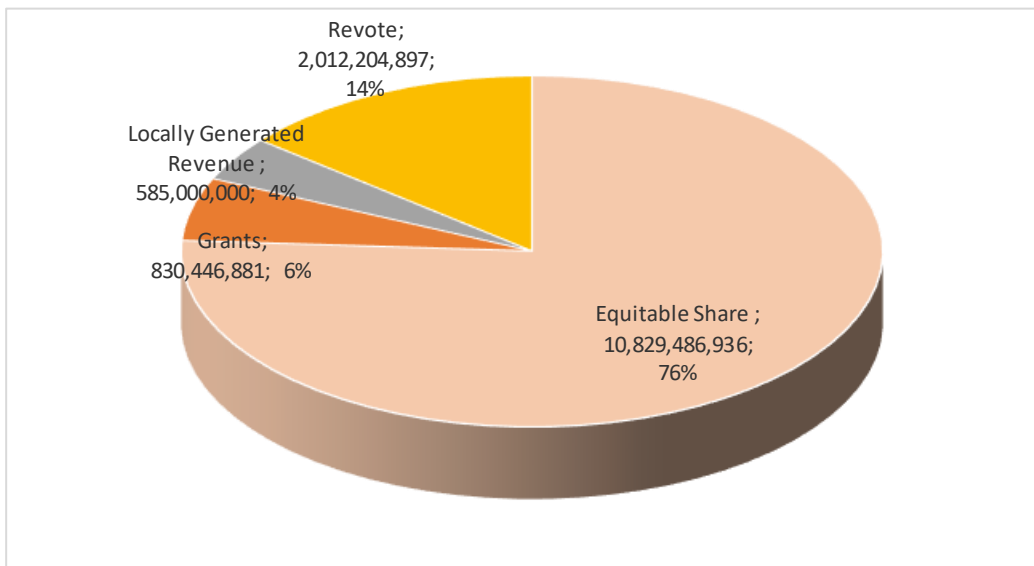
No	Revenue Stream	Annual Targeted Revenue (Kshs) 2022/23	Actual Revenue 2022/23	Annual Targeted Revenue (Kshs) 2023/24	Actual Revenue 2023/24	Variance	Remarks
							Breakdown
3	Engineering and Works Levy	188,650		6,752	6,000	-752	Minimal Soil Analysis Tests
4	Ploughing	52,296	41,000	46,142	157,650	111,508	Target Achieved
5	Training/Learning Centre Fee	2,027,413	4,418,250	5,627,014	7,622,608	1,995,594	Target Achieved
6	Agricultural show			2,813,506	3,982,200	1,168,694	Target Achieved
7	Slaughter Houses Inspection Fee	29,000	40,225	45,270	19,400	-25,870	Enhanced inspection of slaughter houses
8	Meat Inspection/ Veterinary Services	342,301	775,910	873,211	1,030,312	157,101	Target Achieved
9	Certificate to Transport/Movement permits	253,335	351,920	401,000	601,340	200,340	Target Achieved
10	Dispatch note & Flayer License	15,500	10,700	7,091	12,300	5,209	Target Achieved
11	Sand approval fee, pollution & penalties	2,183,168	525,200	6,182,327	566,500	-5,615,827	Implementation of sand management act will lead to improved performance
12	Ministry of Health and Sanitation	220,367,881	278,937,695	350,500,826	272,308,709	-78,192,117	The Ministry didn't achieve their target fully due to NHIF arrears amounting to Kshs. 121,742,201
13	Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	79,718	111,000	214,347	251,480	37,133	Target Achieved
14	Land rates	15,889,581	11,599,653	15,912,597	12,776,097	-3,136,500	Target will be realised once valuation roll is implemented
15	Penalties & penalties	25,000	116,290	126,068	192,240	66,172	Target Achieved
16	Land Administration Fees	11,318,385	8,393,476	12,862,327	13,215,053	352,726	Target Achieved
17	Alcoholic Drinks License	10,106,642	12,461,000	14,468,391	22,476,805	8,008,414	Target Achieved
18	Inspection of Schools and ECD centres			107,173	0	-107,173	The revenue stream was proposed but not yet implemented
19	Sale of Goods eg cabros, interlocking bricks	6,676,524	21,014			0	
20	Weights and measures	533,838	560,431	750,213	485,330	-264,883	Need for Enhanced enforcement and continued inspection

No	Revenue Stream	Annual Targeted Revenue (Kshs) 2022/23	Actual Revenue 2022/23	Annual Targeted Revenue (Kshs) 2023/24	Actual Revenue 2023/24	Variance	Remarks
21	Other county investments-Crusher	1,451,965		1,607,598	0	-1,607,598	At time of target setting the County Crusher was anticipated to generate revenue but the investment has since been proposed for Community ownership through Cooperative
22	Cooperative Audit			375,107	375,794	687	Target Achieved
23	Hire of Machines in Trade Department			535,867	1,226,368	690,501	Target Achieved
24	Game reserves and park fees			107,171		-107,171	The revenue stream was proposed but not yet implemented
25	Livestock Transportation	376,820	35,343			0	
26	Single Business Permits	68,984,258	70,024,710	83,056,943	86,654,680	3,597,737	Target Achieved
27	House and Stalls Rents	1,999,800	2,805,640	3,010,359	2,917,240	-93,119	Some stalls have remained un-occupied due to high cost of living
28	Market Fees	10,941,907	14,853,052	16,060,908	15,129,916	-930,992	Enhanced enforcement of markets & stock fees
29	Cess	5,656,840	6,913,075	9,913,071	15,576,016	5,662,945	Target has been achieved
30	Sign Board & Advertising	28,534,716	22,912,545	25,430,931	21,979,450	-3,451,481	Reduced Advertising due to low business resulting from high cost of living
31	Transportation Fees	13,416,550	11,342,130	12,768,772	15,671,600	2,902,828	Target Achieved
32	Slaughter Fees	3,064,210	1,816,130	1,946,406	2,598,455	652,049	Target Achieved
33	Burial Fees	17,400	15,200	16,290	17,900	1,610	Its an act of God
34	Parking fees	12,447,962	15,256,278	16,380,733	17,166,243	785,510	Target Achieved
35	Sale & search of assets	6,300	16,600	17,996	5,600	-12,396	Number of Records searched
	<b>TOTAL OWN SOURCE REVENUE</b>	<b>420,000,000</b>	<b>464,354,467</b>	<b>585,000,000</b>	<b>517,049,816</b>	<b>- 67,950,184</b>	
	NHIF Arrears				121,742,201		
	Revenue From Public Health not Swipped				7,275,250		

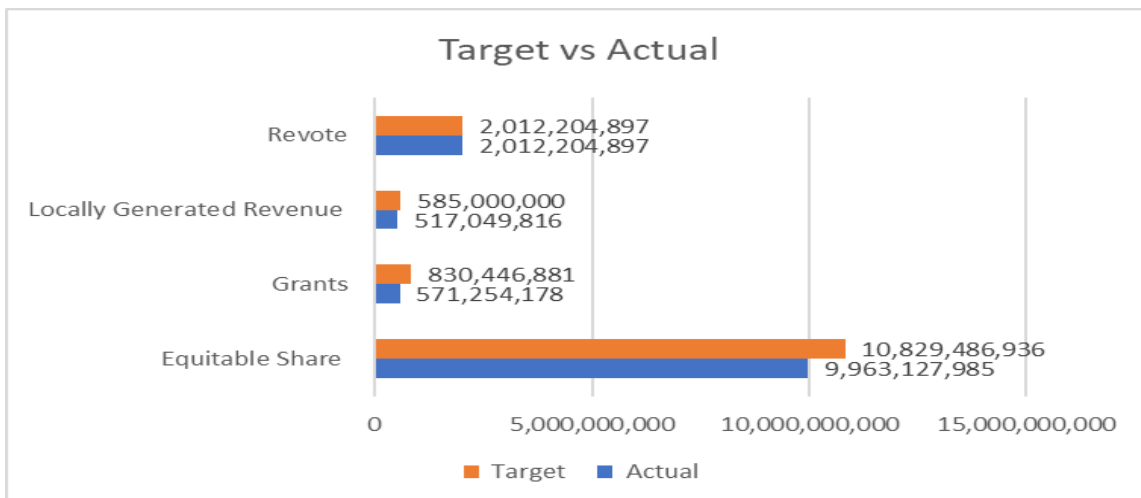
No	Revenue Stream	Annual Targeted Revenue (Kshs) 2022/23	Actual Revenue 2022/23	Annual Targeted Revenue (Kshs) 2023/24	Actual Revenue 2023/24	Variance	Remarks
	into CRF by close of FY 2023/24						
	<b>Total Collection inclusive of NHIF arrears and Unswipped Revenue from Public Health</b>				<b>646,067,267</b>		

*Source: Ministry of Finance, Economic Planning & Revenue Management*

**Figure 1: Pie Chart of Budgeted Revenue by Source**



**Figure 2: Bar graph of budgeted vs Actual Revenue by Source**



**Expenditure**

9. During FY 2023/2024, the approved budget for the county was Kshs. 14,257,138,714 comprising of 62.3% recurrent (Kshs 8,881,658,968) and 37.7% development (Kshs

5,375,479,746). This represents 7.7% above recommended ceiling for funds allocation to development expenditure. This was driven by revote of **Kshs 2,012,204,897** which was mainly development in nature. Additionally, timely planning and procurement of programmes, training and capacity building of contractors to improve their efficiency and timely payments led to increased absorption in development.

10. Total expenditure for the year ending 30th June 2024 amounted to Kshs 12,421,369,379; representing gross absorption of 87.12%, up from 84.1% in 2022/23 FY, of this expenditure, recurrent expenditure was Kshs 8,590,482,401 (69.2%) while development expenditure amounted to Kshs 3,830,886,978 (30.8%).

11. Analysis of recurrent expenditure shows that Personnel Emoluments (PE) - Kshs. 5,363,094,440 (43.2%) and Operations, and Maintenance (O&M) – Kshs. 3,227,387,961 (26.0%) of the total expenditure, compared to 41.3% and 30.4% respectively in the previous financial year. This reveals an upward trend for PE and reduced O&M expenses. The reduction on O&M was due to rationalization and adoption of austerity measures, reliance on our decentralized units already in the wards to carry out roles or duties where headquarter staff would have been required to travel to the wards. The saving on O&M was reallocated to development expenditure.

12. The increment in PE is driven by implementation of new scheme of service for ECDE Teachers amounting to an increment of Kshs 304,602,781. In FY 2023/2024, there were additional increments in statutory deductions i.e. Housing Levy, NSSF, annual salary increments for all cadres and promotion of doctors. This impacted PE by an addition of Kshs 208.4 million per annum. This had an overall annual impact of PE increment of Kshs 513 million.

13. Personnel emoluments at 43.2% exceeded the 35% threshold as stipulated in the PFM Act, 2012 Section 107 2(c) as well as Regulations 25 1(a) & (b) of PFM Regulation, 2015 Counties. The county government is working towards harmonising the findings of human resource audit conducted in FY 2023/24 by amicably reducing recruitments in the forthcoming years as well as maximize the available workforce for efficient service delivery. Development expenditure was above the minimum threshold leading to an accelerated absorption within the review period.

14. The overall expenditure significantly increased by 8.6% from Kshs 11,436,454,384 in the financial year 2022/23 to Kshs 12,421,369,379 in 2023/24 FY. The proportion of actual development expenditure to the total expenditure increased from 28.2 % in 2022/23 to 30.8% in 2023/24 FY. However, recurrent expenditure decreased from 71.8% to 69.2% in 2023/24 financial year.

15. Within the financial year 2023/24, the actual expenditure on the recurrent budget realised the highest level of utilisation at 96.7% up from 94.7% in the previous year. Development budget expenditure was 71.2% in 2023/24 up from 58.8% in 2022/23. The utilisation rate in both development and recurrent expenditures resulted from timely implementation of procurement plans as well as payment for processed claims for staff and



merchants (overall absorption rate rising to 87.12% (see table 7), which was higher compared to 84.10% realised in the previous period).

16. Table 10 presents analysis of the total expenditure by county spending entities giving the overall absorption rate. Amounts in the variance column indicate the deviation from the planned target expenditures.

17. The amount of Kshs 1,835,769,335 indicated in table 11 as not having been absorbed included funds budgeted as equitable share of Kshs. 866,358,951 that were not disbursed during the review period, unrealised local revenue that was never collected of Kshs. 67,950,184 and an additional amount of Kshs 259,679,693 that were grants not received amongst other monies.

18. The development expenditure for the period 2023/24 FY was Kshs 3,830,886,978 (30.8%) compared to Kshs 3,227,387,961 (28.2%) spent in the 2022/23 financial year. This represents a growth of 2.6 percentage points in the financial year 2023/24 above the amount absorbed on development budget in the previous year. With this increased level of development, the county programmes have been noticed across all the 40 wards and 247 villages and positive feedback passed by Kitui residents.

**Table 7: Budget Absorption rate against the FY 2023/24 budget**

County Ministry	Total Budget Estimates	Actual Expenditure	% Absorption rate
Office of the Governor	2,561,198,253	2,321,543,440	90.64
Office of the Deputy Governor	235,259,259	222,030,920	94.38
Ministry of Water & Irrigation	905,527,831	769,253,389	84.95
Ministry of Education, Training & Skills Development	1,048,077,114	1,010,931,780	96.46
Ministry of Roads, Public Works & Transport	699,593,517	674,193,144	96.37
Ministry of Health & Sanitation	3,717,865,328	3,674,930,239	98.85
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	480,571,418	340,726,878	70.90
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	461,386,010	229,433,109	49.73
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	235,575,222	214,083,099	90.88
Ministry of Finance, Economic Planning & Revenue Management	657,695,933	609,075,873	92.61
Ministry of Agriculture & Livestock	1,266,506,286	853,285,822	67.37
Ministry of Lands, Housing and Urban Development	209,087,968	147,877,241	70.72
County Public Service Board	79,333,803	61,518,926	77.54
County Assembly Service Board	1,409,872,841	1,022,961,294	72.56
Kitui Municipality	192,453,208	176,914,566	91.93
Mwingi Municipality	97,134,723	92,609,659	95.34
<b>Totals</b>	<b>14,257,138,714</b>	<b>12,421,369,379</b>	<b>87.12</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

**Table 8: Recurrent expenditure in the FY 2023/24**

Spending Entity	Recurrent Budget	Total Recurrent Expenditure	Variance
Office of the Governor	1,275,451,666	1,275,401,152	50,514

Spending Entity	Recurrent Budget	Total Recurrent Expenditure	Variance
Office of the Deputy Governor	185,320,858	174,694,296	10,626,562
Ministry of Water & Irrigation	115,780,706	105,171,729	10,608,977
Ministry of Education, Training & Skills Development	854,332,520	851,057,470	3,275,050
Ministry of Roads, Public Works & Transport	194,720,047	184,177,202	10,542,845
Ministry of Health & Sanitation	3,467,530,515	3,454,500,875	13,029,640
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	188,423,831	180,675,973	7,747,858
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	91,613,716	91,318,800	294,916
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	112,494,780	103,244,185	9,250,595
Ministry of Finance, Economic Planning & Revenue Management	517,739,217	507,488,138	10,251,079
Ministry of Agriculture & Livestock	361,569,752	356,924,477	4,645,275
Ministry of Lands, Housing and Urban Development	113,857,558	96,445,604	17,411,954
County Public Service Board	64,333,803	61,518,926	2,814,877
County Assembly Service Board	1,180,814,288	996,761,294	184,052,994
Kitui Municipality	92,555,842	90,486,843	2,068,999
Mwingi Municipality	65,119,869	60,615,437	4,504,432
<b>Totals</b>	<b>8,881,658,968</b>	<b>8,590,482,401</b>	<b>291,176,567</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

**Table 9: Development Expenditure in the FY 2023/24**

Spending Entity	Development Budget	Total Development Expenditure	Variance
Office of the Governor	1,285,746,587	1,046,142,288	239,604,299
Office of the Deputy Governor	49,938,401	47,336,624	2,601,777
Ministry of Water & Irrigation	789,747,125	664,081,660	125,665,465
Ministry of Education, Training & Skills Development	193,744,594	159,874,310	33,870,284
Ministry of Roads, Public Works & Transport	504,873,470	490,015,942	4,857,528
Ministry of Health & Sanitation	250,334,813	220,429,364	29,905,449
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	292,147,587	160,050,905	132,096,682
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	369,772,294	138,114,309	231,657,985
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	123,080,442	110,838,914	12,241,528
Ministry of Finance, Economic Planning & Revenue Management	139,956,716	101,587,735	38,368,981
Ministry of Agriculture & Livestock	904,936,534	496,361,345	408,575,189
Ministry of Lands, Housing and Urban Development	95,230,410	51,431,637	43,798,773
County Public Service Board	15,000,000	0	15,000,000
County Assembly Service Board	229,058,553	26,200,000	202,858,553
Kitui Municipality	99,897,366	86,427,723	13,469,643
Mwingi Municipality	32,014,854	31,994,222	20,632
<b>Totals</b>	<b>5,375,479,746</b>	<b>3,830,886,978</b>	<b>1,544,592,768</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

**Table 10: FY 2023/24 Expenditure by Entity**

Spending Entity	Personnel Emoluments	%	Operations and Maintenance	%	Development	%	Grand Total
Office of the Governor	544,724,352	23.46	730,676,800	31.47	1,046,142,288	45.06	2,321,543,440
Office of the Deputy Governor	88,975,644	40.07	85,718,652	38.61	47,336,624	21.32	222,030,920
Ministry of Water & Irrigation	58,194,462	7.57	46,977,267	6.11	664,081,660	86.33	769,253,389
Ministry of Education, Training & Skills Development	784,880,264	77.64	66,177,206	6.55	159,874,310	15.81	1,010,931,780
Ministry of Roads, Public Works & Transport	100,303,247	14.88	83,873,955	12.44	490,015,942	72.68	674,193,144
Ministry of Health & Sanitation	2,491,308,236	67.79	963,192,639	26.21	220,429,364	6.00	3,674,930,239
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	77,077,073	22.62	103,598,900	30.41	160,050,905	46.97	340,726,878
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	48,151,071	20.99	43,167,729	18.81	138,114,309	60.20	229,433,109
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	22,123,636	10.33	81,120,549	37.89	110,838,914	51.77	214,083,099
Ministry of Finance, Economic Planning & Revenue Management	323,172,807	53.06	184,315,331	30.26	101,587,735	16.68	609,075,873
Ministry of Agriculture & Livestock	265,231,905	31.08	91,692,572	10.75	496,361,345	58.17	853,285,822
Ministry of Lands, Housing and Urban Development	42,657,104	28.85	53,788,500	36.37	51,431,637	34.78	147,877,241
County Public Service Board	31,847,496	51.77	29,671,430	48.23	0	-	61,518,926
County Assembly Service Board	425,874,109	41.63	570,887,185	55.81	26,200,000	2.56	1,022,961,294
Kitui Municipality	29,366,000	16.60	61,120,843	34.55	86,427,723	48.85	176,914,566
Mwingi Municipality	29,207,034	31.54	31,408,403	33.91	31,994,222	34.55	92,609,659
<b>Totals</b>	<b>5,363,094,440</b>	<b>43.18</b>	<b>3,227,387,961</b>	<b>25.98</b>	<b>3,830,886,978</b>	<b>30.84</b>	<b>12,421,369,379</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

**Table 11: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2024 (Kshs)**

Spending Entity	Recurrent		Variance	Absorpti on Rate	Development		Variance	Absorpti on Rate	Total		Variance	Absorpti on Rate
	Actual	Target			Actual	Target			Actual	Target		
Office of the Governor	1,275,401,152	1,275,451,666	50,514	100.00%	1,046,142,288	1,285,746,587	239,604,299	81.36%	2,321,543,440	2,561,198,253	239,654,813	90.64%
Office of the Deputy Governor	174,694,296	185,320,858	10,626,562	94.27%	47,336,624	49,938,401	2,601,777	94.79%	222,030,920	235,259,259	13,228,339	94.38%
Ministry of Water & Irrigation	105,171,729	115,780,706	10,608,977	90.84%	664,081,660	789,747,125	125,665,465	84.09%	769,253,389	905,527,831	136,274,442	84.95%
Ministry of Education, Training & Skills Development	851,057,470	854,332,520	3,275,050	99.62%	159,874,310	193,744,594	33,870,284	82.52%	1,010,931,780	1,048,077,114	37,145,334	96.46%
Ministry of Roads, Public Works & Transport	184,177,202	194,720,047	10,542,845	94.59%	490,015,942	504,873,470	14,857,528	97.06%	674,193,144	699,593,517	25,400,373	96.37%
Ministry of Health & Sanitation	3,454,500,875	3,467,530,515	13,029,640	99.62%	220,429,364	250,334,813	29,905,449	88.05%	3,674,930,239	3,717,865,328	42,935,089	98.85%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	180,675,973	188,423,831	7,747,858	95.89%	160,050,905	292,147,587	132,096,682	54.78%	340,726,878	480,571,418	139,844,540	70.90%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	91,318,800	91,613,716	294,916	99.68%	138,114,309	369,772,294	231,657,985	37.35%	229,433,109	461,386,010	231,952,901	49.73%

Spending Entity	Recurrent		Variance	Absorpti on Rate	Development		Variance	Absorpti on Rate	Total		Variance	Absorpti on Rate
	Actual	Target			Actual	Target			Actual	Target		
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	103,244,185	112,494,780	9,250,595	91.78%	110,838,914	123,080,442	12,241,528	90.05%	214,083,099	235,575,222	21,492,123	90.88%
Ministry of Finance, Economic Planning & Revenue Management	507,488,138	517,739,217	10,251,079	98.02%	101,587,735	139,956,716	38,368,981	72.59%	609,075,873	657,695,933	48,620,060	92.61%
Ministry of Agriculture & Livestock	356,924,477	361,569,752	4,645,275	98.72%	496,361,345	904,936,534	408,575,189	54.85%	853,285,822	1,266,506,286	413,220,464	67.37%
Ministry of Lands, Housing and Urban Development	96,445,604	113,857,558	17,411,954	84.71%	51,431,637	95,230,410	43,798,773	54.01%	147,877,241	209,087,968	61,210,727	70.72%
County Public Service Board	61,518,926	64,333,803	2,814,877	95.62%	0	15,000,000	15,000,000	0.00%	61,518,926	79,333,803	17,814,877	77.54%
County Assembly Service Board	996,761,294	1,180,814,288	184,052,994	84.41%	26,200,000	229,058,553	202,858,553	11.44%	1,022,961,294	1,409,872,841	386,911,547	72.56%
Kitui Municipality	90,486,843	92,555,842	2,068,999	97.76%	86,427,723	99,897,366	13,469,643	86.52%	176,914,566	192,453,208	15,538,642	91.93%
Mwingi Municipality	60,615,437	65,119,869	4,504,432	93.08%	31,994,222	32,014,854	20,632	99.94%	92,609,659	97,134,723	4,525,064	95.34%
<b>Totals</b>	<b>8,590,482,401</b>	<b>8,881,658,968</b>	<b>291,176,567</b>	<b>96.72%</b>	<b>3,830,886,978</b>	<b>5,375,479,746</b>	<b>1,544,592,768</b>	<b>71.27%</b>	<b>12,421,369,379</b>	<b>14,257,138,714</b>	<b>1,835,769,335</b>	<b>87.12%</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

### ***Notes on Absorption of Development Budget***

The overall absorption across ministries was affected by the reason that the County did not receive June 2024 disbursement from the exchequer amounting to Kshs 866,358,951.

The Office of the Governor absorbed 81.36% of the allocated development funds as a result of timely procurement of CLIDP projects as well as allocation for construction of police stations.

The Office of the Deputy Governor achieved 94.79% absorption on development budget owing to timely implementation of the procurement plan. The budgeted projects were procured in good time. These included construction of Snake Cages at Mutomo Reptile Park, Renovation of Masyungwa Entrance Gate, installation of Benches and waste Bins at Kalundu Eco-Park, Solarisation of Kalalani Borehole, completion of snake pit at Mutomo Reptile Park, Renovation of gate at Mutomo reptile park, Construction of 4-Pit latrine at Mutomo reptile park and Drilling and equipping of Borehole at Kaningo in Mwingi National Reserve

The Ministry of Water & Irrigation absorbed 84.09% of allocated development funds owing to timely implementation of their procurement plan, particularly construction for water structures, subsidies for water service providers (KITWASCO and KIMWASCO), irrigation clusters and construction of sand dams.

The County Ministry of Education, Training & Skills Development achieved 82.52% due to timely procurement of ECDE classroom and VTCs construction & renovations. Notwithstanding, few projects were not paid due to delayed disbursement of funds.

The Ministry of Roads, Public Works & Transport achieved 97.06% absorption on development budget as a result of timely implementation of the procurement plan. Key projects implement in FY 2023/24 included spot improvement of various roads across the county, construction and repair of drifts as well as construction of modern boda boda sheds.

The County Ministry of Health & Sanitation absorbed 88.05% of its development funds resulting from timely procurement of construction works in various health facilities. However, the allocation the construction of South Eastern renal centre at Kitui County Referral Hospital did not kick off affecting the overall development absorption.

The Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives achieved 54.78% of their development budget during the period under review. The national government did not transmit their matching fund for County Aggregation and Industrial Park (CAIP) and a result the procurement on budgetary allocation did not kick off.

The County Ministry of Energy, Environment, Forestry, Natural & Mineral Resources absorption was 37.35%. The low absorption was because FLoCCA grant resources were received at a time when the financial year was about to close and therefore funds could not be fully absorbed due to IFMIs challenges.

The Ministry of Culture, Gender, Youth, ICT, Sports & Social Services absorbed 90.05% of the allocated development funds. This was the result of timely procurement and payment of development of 13 playground in various wards.

The Ministry of Finance, Economic Planning & Revenue Management achieved 72.59% absorption on development allocation. This resulted from reduced absorption in KDSP I conditional grant from World Bank.



The County Ministry of Agriculture & Livestock absorbed 54.85% of development allocation resulting from delayed disbursement of grants by donors, that is, NARIGP, ELRP and NAVCD.

The Ministry of Lands, Housing and Urban Development absorbed 54.01% of their development budget by the end of the financial year. This absorption was mainly affected by non-payment of allocated works as well as an incomplete procurement process for purchase of land in Tharaka Ward whose delay was due to land acquisition procedure (identification, valuation, survey, ownership confirmation etc) which had to be undertaken before payments are made. Further, there was delayed procurement of Land Information Management System (LIMS).

County Public Service Board did not achieve their target as a result of delay in procurement of the contractor for the construction of office block.

The poor absorption of 11.44% on development allocation for the County Assembly Service Board was as a result of delay in sourcing for the contractor for construction of Speaker's residence and Assembly's office block.

Kitui Municipality achieved 86.52% of their development funds. This was attributed to timely procurement of the budgeted development projects.

The Mwingi Municipality achieved 99.94% as a result of timely procurement of the budgeted development projects.

**D. Implications of FY 2023/24 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2023 CFSP.**

19. The performance of FY 2023/2024 budget estimates was aligned to the financial objectives set out in the 2023 CFSP and the budget for FY 2023/24. However:

- i. The accelerated absorption rate recorded in 2023/24 FY is likely to inform the reallocation of funds during supplementary budget. However, this will have to be done within the broader priorities set out in the FY 2024/25 CFSP and all other medium-term policies; and
- ii. Funds not spent in the previous year (i.e. FY 2023/24) whether recurrent or development will be reallocated/ revoted to cater for outstanding commitments for both recurrent and development in current year (FY 2024/25).

20. Deviations from CFSP arose from emerging priorities such as settlement of pending bills, desiltation of sand dams and alignment of the approved budget with the actual balances that were brought forward. The equitable share for the review period was slightly adjusted to 10,829,486,936 from 10,822,198,611 recorded in the CFSP 2024. Targeted revenue was adjusted from 450M to 585M due to a positive trend from the previous financial year and as the County geared for automation of own source revenue. On the other hand, the targeted grants for the year under review increased from 374M to 830M. However, there were balances brought forward from FY 2022/23 amounting to 2.012B inclusive of grants. These necessitated ministerial alignments amongst other emerging issues geared towards improving service delivery. These changes were reflected in the succeeding supplementary budgets undertaken within the review period.

**Table 12: CFSP Allocation versus Budget Allocation for FY 2023/24**

<b>Vote</b>	<b>Spending Entity</b>	<b>Budget Allocation 2023/24</b>	<b>CFSP Estimates 2023/24</b>	<b>Variance</b>	<b>Remarks</b>
3711	Office of the Governor	2,561,198,253	1,984,644,129	576,554,124	Increase in revote balances
3728	Office of the Deputy Governor	235,259,259	190,357,186	44,902,073	Increase in revote balances
3729	Ministry of Water & Irrigation	905,527,831	585,959,519	319,568,312	Increase in revote balances
3730	Ministry of Education, Training & Skills Development	1,048,077,114	898,981,726	149,095,388	Increase in revote balances
3731	Ministry of Roads, Public Works & Transport	699,593,517	722,559,699	-22,966,182	The reduction resulted from alignment of County Government's Priorities, Programmes

<b>Vote</b>	<b>Spending Entity</b>	<b>Budget Allocation 2023/24</b>	<b>CFSP Estimates 2023/24</b>	<b>Variance</b>	<b>Remarks</b>
					and Projects
3716	Ministry of Health & Sanitation	3,717,865,328	3,621,709,875	96,155,453	Increase in revote balances and adjusted allocation for conditional grants
3732	Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	480,571,418	415,902,998	64,668,420	Increase in revote balances
3733	Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	461,386,010	248,649,157	212,736,853	Increase in revote balances and adjusted allocation for conditional grants
3734	Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	235,575,222	193,203,936	42,371,286	Increase in revote balances
3735	Ministry of Finance, Economic Planning & Revenue Management	657,695,933	571,122,273	86,573,660	Increase in revote balances
3736	Ministry of Agriculture & Livestock	1,266,506,286	803,447,720	463,058,566	Increase in revote balances and adjusted allocation for conditional grants
3737	Ministry of Lands, Housing and Urban Development	209,087,968	152,988,034	56,099,934	Increase in revote balances
3722	County Public Service Board	79,333,803	81,252,043	-1,918,240	The decrease resulted from alignment of County Priorities, Programmes and Projects and balances brought forward from FY 2022/23
3723	County Assembly Service Board	1,409,872,841	909,689,957	500,182,884	Increase in revote balances
3724	Kitui Municipality	192,453,208	178,448,399	14,004,809	Increase in revote balances
3725	Mwingi Municipality	97,134,723	87,362,469	9,772,254	Increase in revote balances
	<b>Total Voted Expenditure Kshs</b>	<b>14,257,138,714</b>	<b>11,646,279,120</b>	<b>2,610,859,594</b>	The overall

Vote	Spending Entity	Budget Allocation 2023/24	CFSP Estimates 2023/24	Variance	Remarks
					increase was facilitated by inclusion of revote, increase in equitable share, increase in grants amounts and increase in revenue targets

Source	Budget 2023/24	CFSP 2023/24	Variance
Revenue	585,000,000	450,000,000	135,000,000
Grants	830,446,881	374,080,509	456,366,372
Equitable Share	10,829,486,936	10,822,198,611	7,288,325
Revote	2,012,204,897		2,012,204,897
<b>Total Deviation</b>	<b>14,257,138,713</b>	<b>11,646,279,120</b>	<b>2,610,859,593</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

23. The projected own source revenue of Kshs. 600,000,000 as per the Approved FY 2024/25 Budget Estimates has been reviewed upwards to Kshs. 825,277,630 in the FY 2024/25 supplementary budgets I to be submitted to the County Assembly in due course. The revised target has been necessitated by the planned implementation of own source revenue enhancement strategies such as; increased own source revenue at our health facilities due to implementation of Facilities Improvement Financing Act, 2023, implementation of the Kitui County River Basin Sand Utilization and Conservation Act, 2023, implementation of new rates as per the valuation roll, full automation of all revenue streams and Enforcement of Finance Act 2024.

24. The county economy is based on the Agriculture sector; several measures to boost the food security were put in place during the period under review. These measures included the drilling of boreholes, construction and desilting of earth dams to increase the availability of water, pest and vector control, bee keeping and honey production and the irrigation project.

### III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

#### Recent Economic Development

##### World Economic Outlook

25. The whole world continues to grapple with a highly challenging economic downturn caused mainly by the effects of wars between Ukraine and Russia, the ranging Israel-Hamas-Hezbollah war in the Middle East, and the volatile situation in Sudan Dafur and Somalia, among many other hotspots. The outcome of the forthcoming November 2nd, 2024 US elections is keenly being followed in many regions and countries in the world including by our own country Kenya. This is because the outcome has the potential for creating positive or negative impacts in the global financial markets and economy.

26. Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023 (**Table 13**). The outlook reflects economic recovery in China, Euro area and UK, despite a slowdown in activity in the USA and Japan. The main risks to the global growth outlook relate to further escalation of geopolitical tensions, interest rates remaining higher-for-even-longer in advanced economies, and policy uncertainty attributed to changes of Government in some major economies. Global inflation has moderated, with central banks in some major economies lowering interest rates. International oil prices have moderated, but the risk premium from the Middle East conflict has increased following the recent escalation.

27. Global economic output showed resilience in the first half of 2024, with modest growth anticipated in 2024 and 2025, mainly due to improving economic activities in the United States, China, and India. Global growth was estimated at 3.3 percent for 2023 is projected to continue at the same pace in 2024 and 2025. However, the divergence in output across the countries at the beginning of the year narrowed partly attributed to waning cyclical factors and a better alignment of growth with the potential. Even though global headline inflation concerns are diminishing, core inflation remains persistently high. Financial market conditions have remained stable throughout 2024, reflecting improved global investor sentiment and a softening of labor markets. However, the outlook faces significant downside risks, including escalating conflicts in the Middle East, uncertainties around the US elections, and consistently high interest rates in advanced economies.

**Table 13: Global Economic Performance**

Economy	Growth (%)			
	Actual	Estimate	Projections	
	2022	2023	2024	2025
<b>World</b>	3.5	3.3	3.2	3.3
<b>Advanced Economies</b>	2.6	1.7	1.7	1.8
<i>Of which: USA</i>	1.9	2.5	2.6	1.9
<i>Euro Area</i>	3.4	0.5	0.9	1.5
<i>United Kingdom</i>	4.3	0.1	0.7	1.5
<i>Japan</i>	1.0	1.9	0.7	1.0
<b>Emerging and Developing Economies</b>	4.1	4.4	4.3	4.3
<i>Of which: China</i>	3.0	5.2	5.0	4.5
<i>India</i>	7.0	8.2	7.0	6.5
<b>Sub-Saharan Africa</b>	4.0	3.4	3.7	4.1
<i>Of which: South Africa</i>	1.9	0.7	0.9	1.2
<b>Nigeria</b>	3.3	2.9	3.1	3.0
<b>Kenya*</b>	4.9	5.6	5.2	5.4

Source: IMF World Economic Outlook, July 2024. \*National Treasury Projection

28. Growth in the advanced economies is projected to remain stable at 1.7 percent in 2024 and 1.8 percent in 2025. Growth in the US has been revised downwards by 0.1 percentage points from the World Economic Outlook (WEO) April projections as consumption moderated and the labor market eased. Growth prospects for the Euro area were revised upwards by 0.1 percentage points following strong momentum in the services sector and higher than expected net exports in the first half of the year. The Euro area and the UK are projected to grow by 0.9 percent and 0.7 percent, respectively in 2024. In the emerging market and developing economies, growth is projected at 4.3 percent in 2024 and 2025, reflecting stronger activity in Asia particularly China and India. In Sub-Saharan Africa (SSA), economic growth is projected to rise from an estimated 3.4 percent in 2023 to 3.7 percent in 2024 and 4.1 percent in 2025. Growth has been revised downwards by 0.1 percentage points in the April WEO attributed to a weaker growth outlook in Nigeria on account of weaker than expected activity in the first quarter of 2024. Nigeria and South Africa are expected to grow by 3.1 percent and 0.9 percent in 2024, respectively.

29. Global financial conditions remained accommodative boosted by positive corporate valuations. Global headline inflation is expected to fall to 5.9 percent and 4.4 percent in 2024 and 2025, respectively. which is a slower pace due to higher-than-average inflation in services prices. World trade growth is expected to increase 3.1 percent and 3.4 percent in 2024 and 2025, respectively. Annual average oil prices and non-fuel commodity prices are projected to increase by 0.8 percent and 5.0 percent in 2024, respectively.

### **Kenya's Economic Performance and Outlook**

30. The Kenyan economy is currently unwinding from the effects of negative and persistent global and domestic shocks that had pushed the economy to its lowest activity



level. These shocks included COVID-19 pandemic and its ensuing effects, conflict in Eastern Europe and Middle East that led to global supply chain disruptions and the adverse effects of climate change from the prolonged drought in 2021 to the floods in the first half of 2024. These shocks escalated the cost of essential household commodities including fuel prices, and led to a rapid depreciation of the Kenya Shilling exchange rate, piling pressure on public debt.

31. Various government interventions, structural reforms and policies have supported economic recovery. The economy grew by 5.6 percent in 2023 from 4.9 percent in 2022, a demonstration of resilience and the beginning of economic recovery. The growth was largely driven by a strong rebound in the agricultural subsector, which benefited from favorable weather conditions after two years of severe droughts and the robust performance of the services sector. The performance of the industrial sector, particularly manufacturing which has remained subdued. This growth momentum has continued in 2024 with the economy expanding by 5.0 percent in the first quarter compared to a growth of 5.5 percent in the corresponding quarter in 2023.

32. The primary sector grew by 5.0 percent in the first quarter of 2024 compared to a growth of 5.3 percent in the first quarter of 2023. This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector despite a contraction in the mining and quarrying sub sector. Activities in the agriculture, forestry and fishing sub-sector expanded by 6.1 percent in the first quarter of 2024 compared to a growth of 6.4 percent in a similar quarter in 2023 (**Table 14**). The performance was evident in the significant increase in production of tea, milk and sugarcane during the quarter under review. Mining and Quarrying sub-sector contracted by 14.8 percent in the first quarter of 2024 compared to a contraction of 11.0 percent over the same period in 2023. This was due to a decline in production of most minerals such as titanium, soda ash and gemstone.

**Table 14: Sectoral GDP Performance**

Sectors	Annual Growth Rates		Quarterly Growth Rates	
	2022	2023	2023 Q1	2024 Q1
<b>1. Primary Industry</b>	<b>(0.8)</b>	<b>5.6</b>	<b>5.3</b>	<b>5.0</b>
1.1. Agriculture, Forestry and Fishing	(1.5)	6.5	6.4	6.1
1.2 Mining and Quarrying	9.3	(6.5)	(11.0)	(14.8)
<b>2. Secondary Sector (Industry)</b>	<b>3.5</b>	<b>2.5</b>	<b>2.5</b>	<b>1.1</b>
2.1. Manufacturing	2.6	2.0	1.7	1.3
2.2. Electricity and Water supply	5.5	2.8	3.7	2.4
2.3. Construction	4.1	3.0	3.0	0.1
<b>3. Tertiary sector (Services)</b>	<b>6.6</b>	<b>6.8</b>	<b>6.5</b>	<b>6.2</b>
3.1. Wholesale and Retail trade	3.5	2.7	2.9	4.9
3.2. Accomodation and Restaurant	26.8	33.6	47.1	28.0
3.3. Transport and Storage	5.8	6.2	6.6	3.8
3.4. Information and Communication	9.0	9.3	9.5	7.8
3.5. Financial and Insurance	12.0	10.1	5.9	7.0
3.6. Public Administration	5.1	4.6	7.6	5.8
3.7. Others	5.3	6.1	5.7	5.9
of which: Professional, Admin & Support Services	9.4	9.4	8.6	9.9
Real Estate	4.5	7.3	7.3	6.6
Education	5.2	3.1	2.0	4.0
Health	3.4	4.9	5.1	5.5
FISIM	0.2	2.7	0.6	5.8
Taxes less subsidies	6.7	2.2	3.0	4.7
<b>Real GDP</b>	<b>4.9</b>	<b>5.6</b>	<b>5.5</b>	<b>5.0</b>

Source of Data: Kenya National Bureau of Statistics

33. **Industrial sector performance** remained subdued, with growth of the sector slowing down to 1.1 percent in the first quarter of 2024 from a growth of 2.5 percent in a similar quarter of 2023. This was mainly on account of a slowdown in activities in all its sub-sectors i.e. the manufacturing, electricity & water supply and construction subsectors.

34. The Manufacturing sub-sector grew by 1.3 percent in the first quarter of 2024 compared to 1.7 percent growth in the corresponding quarter of 2023. In the manufacture of food products, growth was supported by tea and dairy processing inspite of the decline in the production of soft drink. In addition, the production of cement declined in the review period. The Electricity and water supply sub-sector also recorded a decelerated growth of 2.4 percent in the first quarter of 2024 compared to a growth of 3.7 percent in the corresponding quarter of 2023 supported by an increase in hydroelectric power generation and a decrease in thermal power generation . . Activities in the construction sub-sector similarly registered a decelerated growth of 0.1 percent compared to 3.0 percent growth recorded in the first quarter of 2023. The slowdown in the construction sub-sector was reflected in the decline in the volume of cement consumption and imported bitumen. However, the volume of iron and steel imported increased during the review period.

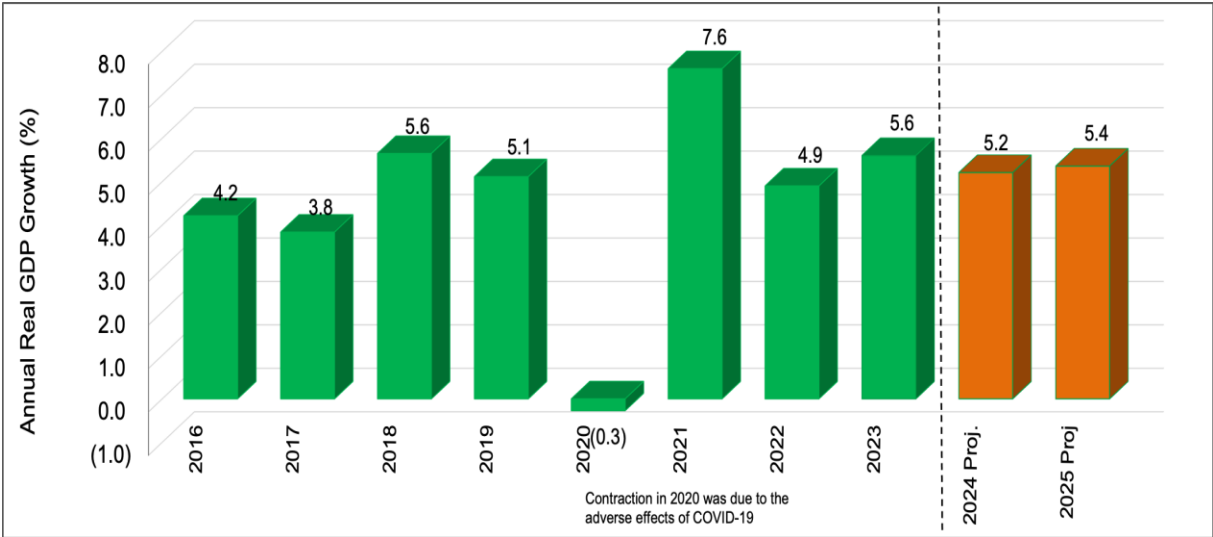
35. The activities in the **services sector** continued to sustain strong growth momentum in the first quarter of 2024 and grew by 6.2 percent compared to a growth of 6.5 percent in a similar period in 2023. The performance was largely characterized by significant growths in accommodation and food service, financial and insurance, information and communication, real estate, and wholesale and retail trade sub-sectors. Accommodation and food service

activities reflected post COVID recovery inspite of the lingering effects of the pandemic. Consequently, the sub-sector grew by 28.0 percent in the first quarter of 2024 compared to a growth of 47.1 percent recorded in the corresponding quarter of 2023.

36. Financial and insurance sub-sector sector grew by 7.0 percent in the first quarter of 2024 compared to 5.9 percent in the corresponding quarter of 2023 on account of increased profitability of the subsector. The information and communication subsector grew by 7.8 percent compared to a growth of 9.5 percent, over the same period supported by increased voice traffic, internet use and mobile money despite a decline in the use of domestic Short Messaging Services (SMSs). Activities in Transportation and Storage sub-sector slowed down to record a growth of 3.8 percent in the first quarter of 2024 compared to a growth of 6.6 percent in a corresponding period in 2023. The growth in the sub-sector was mainly supported by increased activities in Port throughput and an increase in the number of international passenger arrivals and departures.

37. Available economic indicators for the first half of 2024 point to mixed performance in the economy reflecting sustained performance in agriculture, improved exports and services sector and subdued industrial sector.. In view of this and other consideration including domestic and external factors, economic growth is projected at 5.2 per cent in 2024 and 5.4 per cent from earlier projections of 5.5 per cent, respectively. This projections are underpinned by broad- based private sector growth and ongoing Government interventions and strategies under the Bottom Up Economic Transformation Agenda (BETA). Additionally, implementation of prudent fiscal and monetary policies will continue to support economic activity (Figure 3).

**Figure 3: Annual Real GDP Growth Rates, percent**



Source of Data: Kenya National Bureau of Statistics

**Inflation Developments**

38. The overall year-on year inflation is within the Government target range of 5±2.5 percent largely driven by easing food and fuel prices. Overall inflation remained stable at

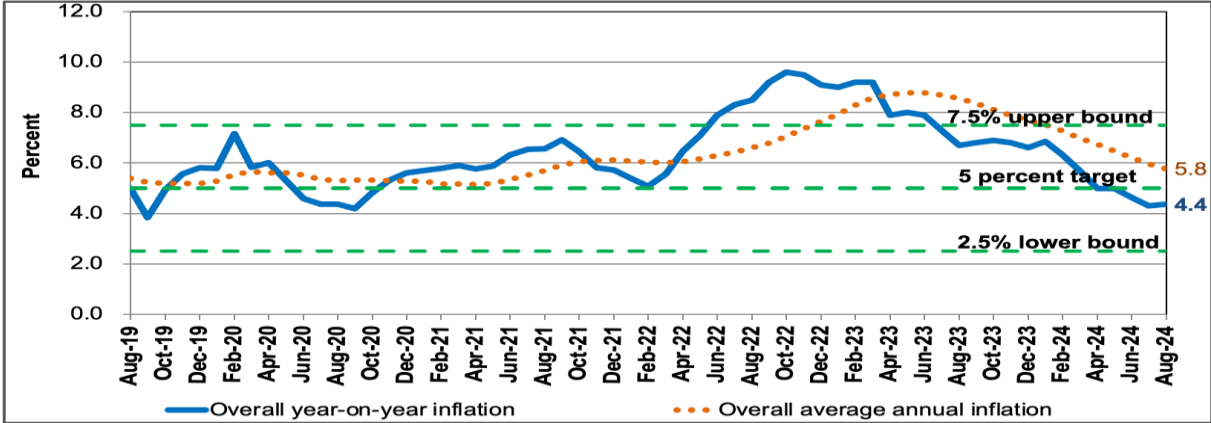
4.4 percent and 4.3 percent in August and July 2024, respectively, thereby remaining below the mid-point of the target for three consecutive months. This is a drop from 6.7 percent in August 2023, and a peak of 9.6 percent in October 2022 (**Figure 4**). Favourable weather conditions coupled with targeted government interventions have partly led to the reduction in the cost of food production thereby lowering food inflation. Other factors expected to support low inflation include the pass-through effects of the strengthening exchange rate, decreases in electricity and pump prices and the CBK monetary policy stance.

39. To anchor inflation expectations and address exchange rate pressures, the Central Bank of Kenya through the Monetary Policy Committee (MPC) tightened the monetary policy by raising the Central Bank Rate (CBR) from 10.5 percent in July 2023 to 13.0 percent in February 2024. However, in the MPC meeting held on August 6, 2024, the Committee decided to lower the CBR to 12.75 percent as the previous measures had contributed to lowering overall inflation to below the mid-point of the target range, stabilized the exchange rate, and anchored inflationary expectations.

40. Food inflation remained a key driver of overall year-on-year inflation though it declined to 5.3 percent in August 2024 from 7.5 percent in August 2023. The easing of food prices was supported by increased food supply arising from favorable weather conditions, continued Government interventions particularly through subsidized fertilizer, and the general easing of international food prices. Prices of most vegetable food items increased in the month of August 2024 compared to the same period in 2023 while those of non-vegetable food items declined during the same period.

41. Fuel inflation declined to 4.7 percent in August 2024 from 14.2 percent in August 2023. The decline largely reflecting the easing global oil prices and appreciation of the Kenya Shilling's which resulted in a downward adjustment of pump prices; and lower electricity prices. Core (non-food non-fuel) inflation has remained low and stable reflecting the impact of tight monetary policy and muted demand pressures.

**Figure 4: Inflation Rate, Percent**



Source of Data: Kenya National Bureau of Statistics

## Monetary and Credit Developments

42. Broad money supply, M3, grew by 6.0 percent in the year to June 2024 compared to a growth of 13.4 percent in the year to June 2023 (**Table 15**). The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system. The NFA of the banking system in the year to June 2024 expanded by 53.2 percent compared to a growth of 29.5 percent in the year to June 2023. The increase in Net Foreign Assets, mainly reflected an increase in commercial banks' Foreign Assets.

43. Net Domestic Assets (NDA) contracted by 0.2 percent in the year to June 2024, compared to a growth of 11.5 percent over a similar period in 2023. The slowdown in growth of the NDA reflects a decline in growth of the domestic credit to both the Government and the private sector. The domestic credit extended by the banking system to the Government decreased to a growth of 7.9 percent in the year to June 2024 compared to a growth of 13.0 percent in the year to June 2023. Lending to other public sectors grew by 1.5 percent compared to a contraction of 0.5 percent over the same period.

**Table 15: Money and Credit Developments (12 Months to June 2024, Ksh billion)**

				Change		Percent Change	
	2022 June	2023 June	2024 June	2022-2023 June	2023-2024 June	2022-2023 June	2023-2024 June
<b>COMPONENTS OF M3</b>							
1. Money supply, M1 (1.1+1.2+1.3)	1,906.8	2,098.2	2,023.8	191.4	(74.4)	10.0	(3.5)
1.1 currency outside banks (M0)	251.4	257.9	274.2	6.5	16.3	2.6	6.3
1.2 Demand deposits	1,552.0	1,680.7	1,572.9	128.7	(107.8)	8.3	(6.4)
1.3 Other deposits at CBK	103.5	159.6	176.8	56.2	17.2	54.3	10.7
2. Money supply, M2 (1+2.1)	3,551.5	3,852.2	4,001.8	300.7	149.6	8.5	3.9
2.1 Time and savings deposits	1,644.7	1,754.0	1,978.0	109.3	224.0	6.645	12.8
<b>Money supply, M3 (2+3.1)</b>	<b>4,443.0</b>	<b>5,037.4</b>	<b>5,341.5</b>	<b>594.4</b>	<b>304.1</b>	<b>13.4</b>	<b>6.0</b>
3.1 Foreign currency deposits	891.5	1,185.2	1,339.7	293.7	154.5	32.9	13.0
<b>SOURCES OF M3</b>							
<b>1. Net foreign assets (1.1+1.2)</b>	<b>456.8</b>	<b>591.5</b>	<b>905.9</b>	<b>134.6</b>	<b>314.4</b>	<b>29.5</b>	<b>53.2</b>
1.1 Central Bank	641.5	616.9	479.2	(24.6)	(137.7)	(3.8)	(22.3)
1.2 Banking Institutions	(184.7)	(25.4)	426.7	159.3	452.1	86.2	1,780.1
<b>2. Net domestic assets (2.1+2.2)</b>	<b>3,986.2</b>	<b>4,445.9</b>	<b>4,435.6</b>	<b>459.7</b>	<b>(10.3)</b>	<b>11.5</b>	<b>(0.2)</b>
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	5,185.8	5,820.2	6,130.3	634.4	310.1	12.2	5.3
2.1.1 Government (net)	1,844.8	2,083.9	2,247.8	239.2	163.9	13.0	7.9
2.1.2 Other public sector	84.1	83.7	84.9	(0.4)	1.3	(0.5)	1.5
<b>2.1.3 Private sector</b>	<b>3,256.9</b>	<b>3,652.6</b>	<b>3,797.5</b>	<b>395.7</b>	<b>144.9</b>	<b>12.2</b>	<b>4.0</b>
2.2 Other assets net	(1,199.6)	(1,374.3)	(1,694.7)	(174.7)	(320.4)	(14.6)	(23.3)

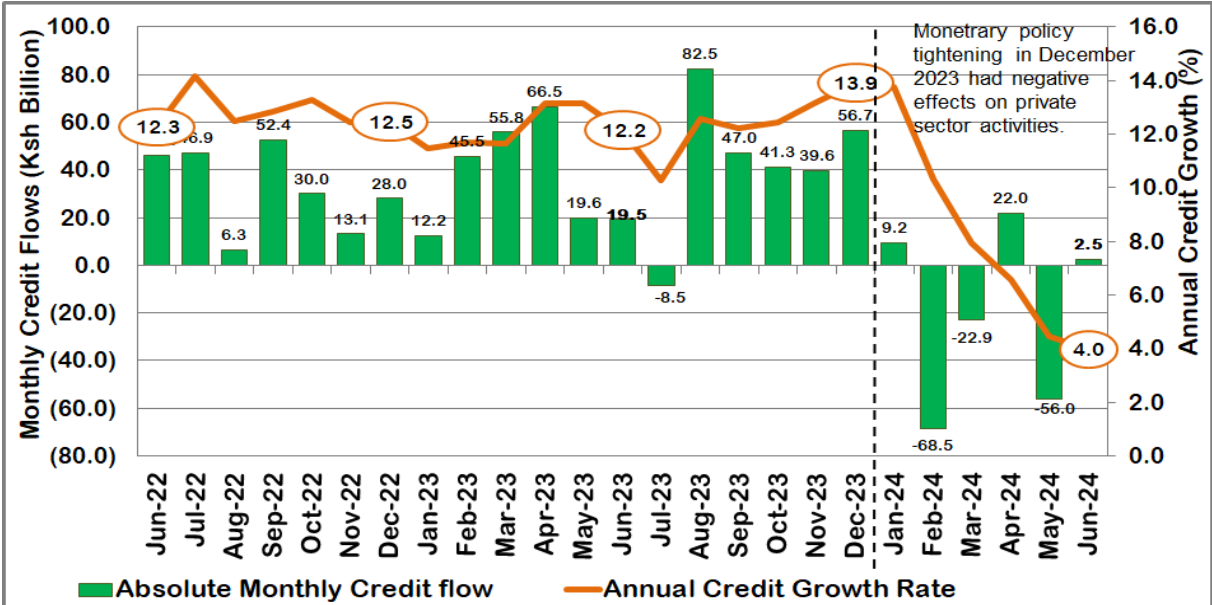
Source of Data: Central Bank of Kenya

44. Growth in private sector credit from the banking system slowed to 4.0 percent in the year to June 2024 compared to a growth of 12.2 percent in the year to June 2023, reflecting the impact of exchange rate appreciation on foreign currency denominated loans and monetary policy tightening. Reduced credit growth was observed in manufacturing,

trade (exports) and building and construction. These are some of the sectors with significant foreign currency denominated loans

45. The Monthly (month on month) credit flows to the private sector have slowed down since December 2023 following the monetary policy action of increasing the central bank rate to manage inflation expectation which resulted in the increased cost of credit (Figure 5). Sustained demand particularly for working capital due to resilient economic activity, the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs and the projected economic growth for 2024 will continue to support private sector credit uptake.

**Figure 5: Private Sector Credit**



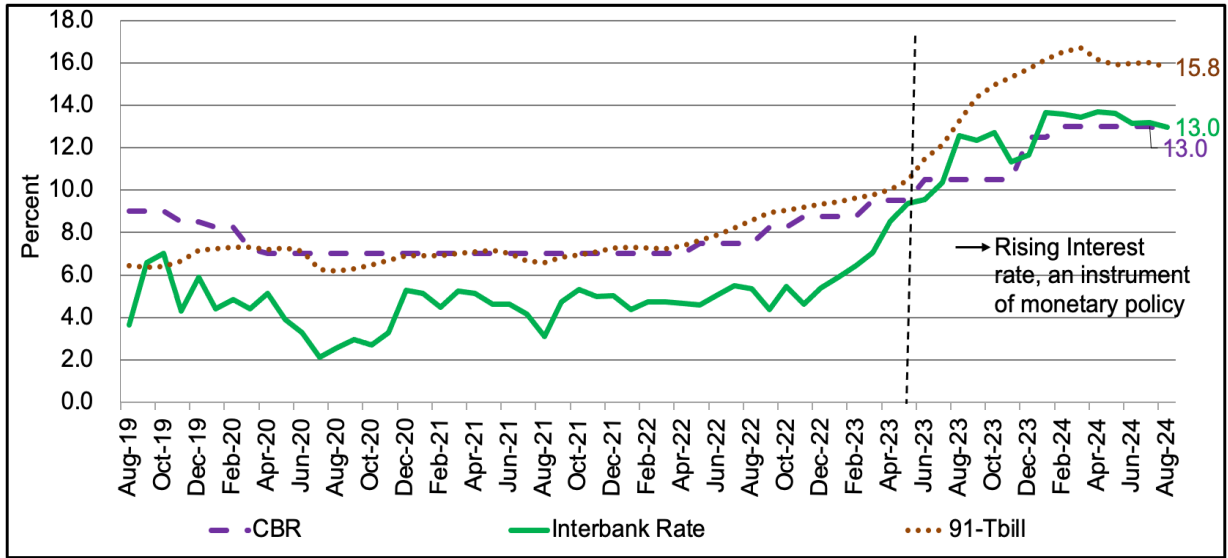
Source of Data: Central Bank of Kenya

**Interest Rates Developments**

46. Interest rates in the year to August 2024 increased reflecting the tight monetary policy stance. The interbank rate increased to 12.97 percent in August 2024 compared to 10.48 percent in August 2023 and has remained within the prescribed corridor around the CBR (set at CBR± 150 basis points) (Figure 6). The 91-day Treasury Bills rate increased to 15.8 percent in August 2024 compared to 13.3 percent in August 2023 while the 182-day Treasury Bills rate also increased to 16.7 percent from 13.2 percent over the same period. The 364-day Treasury Bills rate increased to 16.9 percent in August 2024 from 13.6 percent in August 2023. This has increased the cost of borrowing by Government from the domestic market.



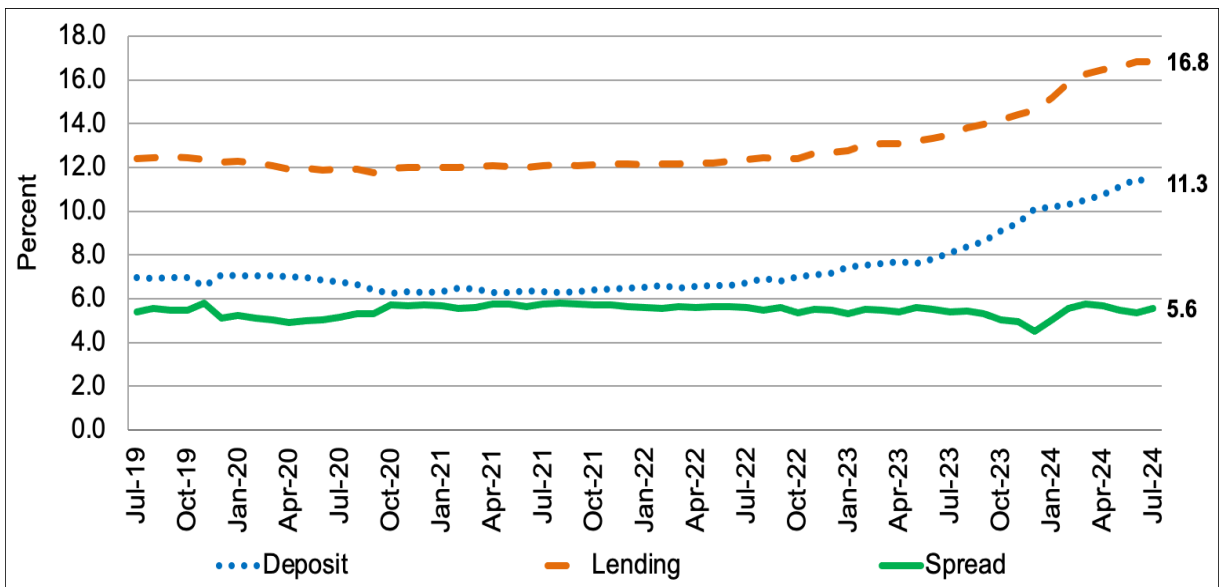
**Figure 6: Short Term Interest Rates, Percent**



Source of Data: Central Bank of Kenya

47. Commercial banks average lending and deposit rates increased in the year to July 2024 in tandem with the tightening of the monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 16.8 percent in July 2024 from 13.8 percent in July 2023 while the average deposit rate increased to 11.3 percent from 8.4 percent over the same period. Consequently, the average interest rate spread decreased to 5.6 percent in July 2024 from 5.4 percent in July 2023 (**Figure 7**).

**Figure 7: Commercial Bank Rates, Percent**



Source of Data: Central Bank of Kenya

## External Sector Developments

48. The current account deficit narrowed to USD 4,091.3 million (3.2 percent of GDP) in June 2024 compared to USD 4,840.9 million (4.5 percent of GDP) in June 2023 reflecting lower imports, strong performance of export of goods and services as well as increased remittances (**Table 16**). Goods exports increased by 5.0 percent in the 12 months to June 2024 compared to a similar period in 2023, reflecting increased exports of agricultural commodities and re- exports. Goods imports declined by 3.3 percent in the 12 months to June 2024 compared to a similar period of 2023, reflecting lower imports across all categories, except sugar, machinery and transport equipment, crude materials, and miscellaneous manufactures. In this respect, the balance in the merchandise account improved by USD 961.1 million to a deficit of USD 9,887.8 million in June 2024. Remittances increased by 12.9 percent to USD 4,536 million in the 12 months to June 2024 compared to USD 4,017 million in a similar period in 2023. Tourist arrivals improved by 27.2 percent in the 12 months to June 2024 compared to a similar period in 2023

**Table 16: Balance of Payments (USD Million)**

				Year to June 2024		Actuals as a Percent of GDP	
	Jun-22	Jun-23	Jun-24	Change	Percent Change	Jun-23	Jun-24
<b>Overall Balance</b>	<b>1,542.9</b>	<b>1,096.5</b>	<b>657.6</b>	<b>(438.8)</b>	<b>(40.0)</b>	<b>1.0</b>	<b>0.5</b>
<b>A) Current Account</b>	<b>(5,876.6)</b>	<b>(4,840.9)</b>	<b>(4,091.3)</b>	<b>749.6</b>	<b>15.5</b>	<b>(4.5)</b>	<b>(3.2)</b>
<i>Merchandise Account (a-b)</i>	(12,144.0)	(10,849.0)	(9,887.8)	961.1	8.9	(10.1)	(7.7)
a) Goods: exports	7,153.6	7,295.2	7,660.3	365.1	5.0	6.8	6.0
b) Goods: imports	19,297.5	18,144.2	17,548.1	(596.1)	(3.3)	16.9	13.7
<i>Net Services (c-d)</i>	1,482.8	1,089.7	516.3	(573.5)	(52.6)	1.0	0.4
c) Services: credit	6,136.7	6,452.2	5,050.4	(1,401.8)	(21.7)	6.0	3.9
d) Services: debit	4,653.9	5,362.5	4,534.1	(828.3)	(15.4)	5.0	3.5
<i>Net Primary Income (e-f)</i>	(1,605.0)	(1,880.6)	(1,908.4)	(27.8)	(1.5)	(1.7)	(1.5)
e) Primary income: credit	163.1	164.3	240.6	76.3	46.4	0.2	0.2
f) Primary income: debit	1,768.1	2,044.8	2,148.9	104.1	5.1	1.9	1.7
<i>Net Secondary Income</i>	6,389.7	6,798.9	7,188.7	389.8	5.7	6.3	5.6
g) Secondary income: credit	6,512.4	6,883.3	7,250.8	367.5	5.3	6.4	5.6
h) Secondary income: debit	122.8	84.4	62.1	(22.3)	(26.4)	0.1	0.0
<b>B) Capital Account</b>	<b>160.7</b>	<b>125.8</b>	<b>138.5</b>	<b>12.8</b>	<b>10.2</b>	<b>0.1</b>	<b>0.1</b>
<b>C) Financial Account</b>	<b>(4,394.7)</b>	<b>(3,420.4)</b>	<b>(2,817.1)</b>	<b>603.3</b>	<b>17.6</b>	<b>(3.2)</b>	<b>(2.2)</b>

*Source of Data: Central Bank of Kenya*

49. The capital account balance improved by USD 12.8 million to register a surplus of USD 138.5 million in June 2024 compared to a surplus of USD 125.8 million in the same period in 2023. Net financial inflows declined to USD 2,817.1 million in June 2024 compared to USD 3,420.4 million in June 2023 reflecting a slowdown in inflows to the government and other sectors. However, portfolio investments and financial derivatives registered a net outflow during the period partly due to Kenya's limited access to international financial markets owing to elevated borrowing costs.

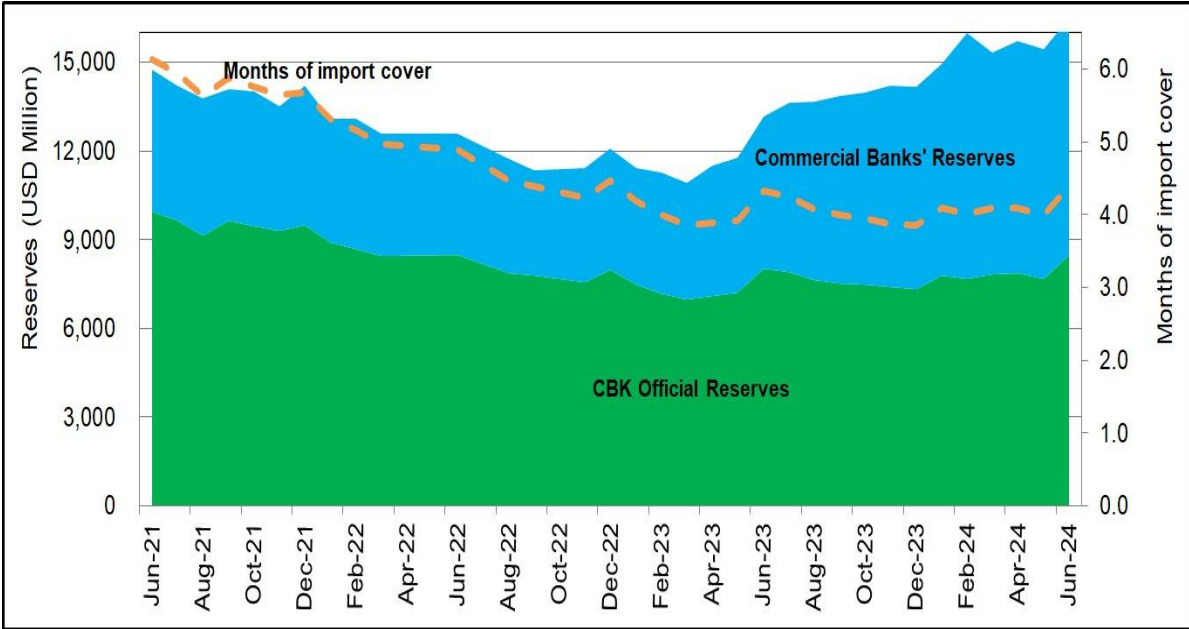
50. The overall balance of payments position slowed down to a surplus of USD 657.6 million (0.5 percent of GDP) in June 2024 from a surplus of USD 1,096.5 million (1.0 percent of GDP) in June 2023.

**Foreign Exchange Reserves**

51. The banking system’s foreign exchange holdings remained strong at USD 16,438.0 million in June 2024, an improvement from USD 13,165.6 million in June 2023. The official foreign exchange reserves held by the Central Bank stood at USD 8,462.7 million compared to USD 8,036.7 million over the same period in 2023 (**Figure 8**). Commercial banks holdings increased to USD 7,975.3 million in June 2024 from USD 5,128.8 million in June 2023.

52. The CBK foreign exchange reserves remained adequate. Official foreign exchange reserves stood at USD 7,349 million (3.8 months of import cover as at end August 2024) and continue to provide adequate buffer against short-term shocks in the foreign exchange market.

**Figure 8: Foreign Exchange Reserves (USD Million)**



Source of Data: Central Bank of Kenya

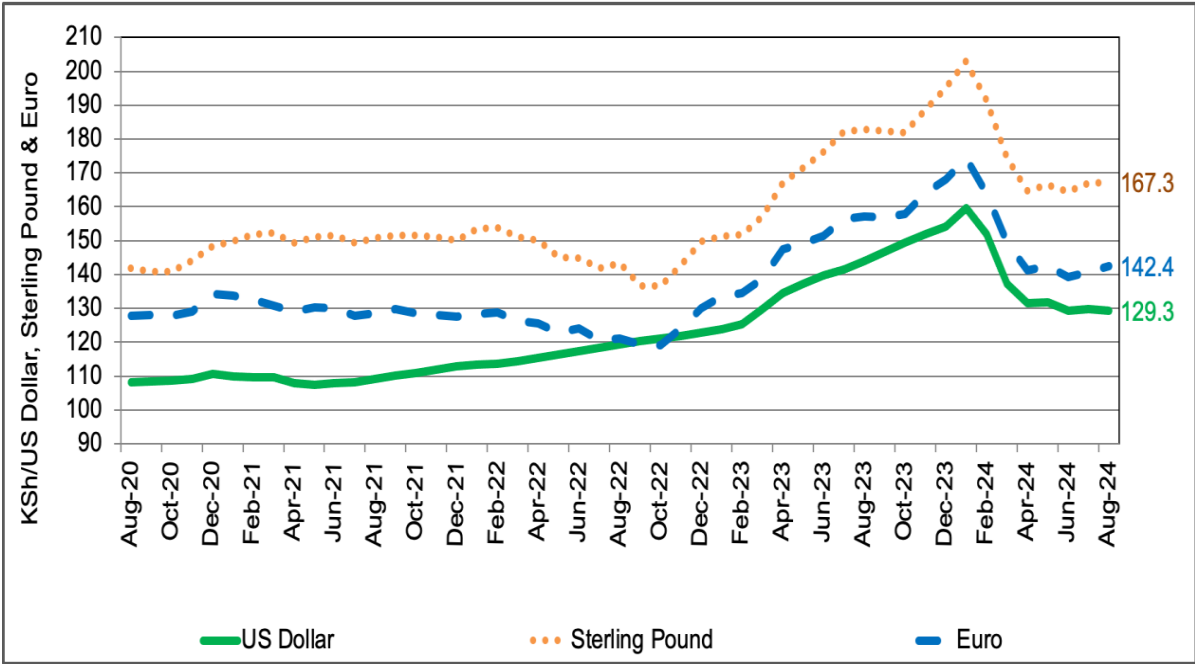
**Exchange Rate Developments**

53. The foreign exchange market remained stable in the first half of 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 through August 2024. It strengthened by 10.15 per cent, 8.55 per cent and 9.55 per cent against the US Dollar, Sterling Pound, and the Euro, respectively in August 2024 compared to a similar period in 2023. It exchanged at an average of Ksh 129.32 per US dollar in August 2024 compared with Ksh 143.93 per US dollar in August 2023. Similarly, the Kenya Shilling underperformed in

all EAC regional currencies over the period under consideration. The foreign exchange market was mainly supported by inflows from agricultural exports, remittances and portfolio investors while demand was driven by pickup in economic activities specifically in the manufacturing, wholesale, and retail sectors (**Figure 9**).

54. Through the repayment of the 2024 Eurobond, the Government successfully lowered investor uncertainty and improved the financial markets perception. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates.

**Figure 9: Kenya Shillings Exchange Rate**

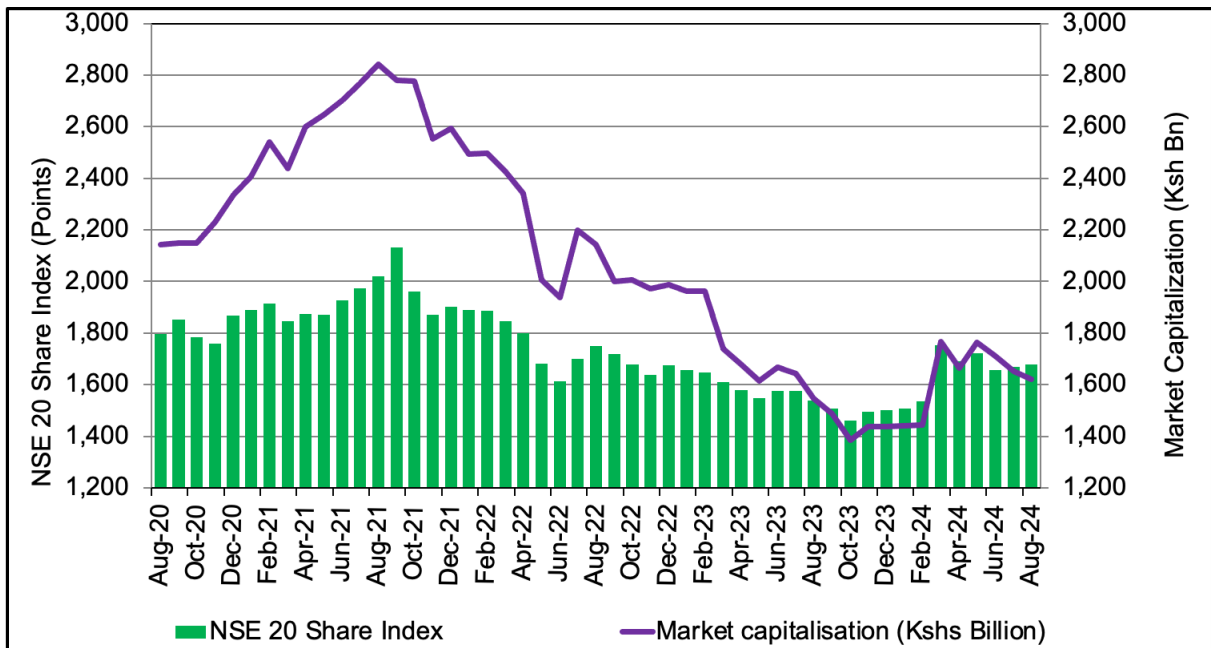


Source of Data: Central Bank of Kenya

**Capital Markets Developments**

55. Economic recovery, appreciation of the Kenya Shilling against major international currencies and macroeconomic stability have created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 1,678 points in August 2024 compared to 1,540 points in August 2023 while market capitalization also improved to Ksh 1,620 billion from Ksh 1,545 billion over the same period (**Figure 10**).

**Figure 10: Performance of the Nairobi Securities Exchange**



Source of Data: Nairobi Securities Exchange

**County level**

56. As we all know, our nation is experiencing a turbulent economic environment characterized by a myriad of challenges including the after-effects of the recent Gen Z demonstrations, political realignments where some sections of the opposition parties joined the Government in what is being referred as Government for National Unity, rejection of the Finance Bill 2024, and subsequent budget cuts for both the National and County Governments.

57. Notwithstanding this, we are full aware that our counties are tasked with delivering crucial services, yet we are often constrained by limited own-source revenues. The dependence on National Government transfers, coupled with an inelastic local revenue collection base, has created challenging fiscal situation. This lack of sustainable funding weakens our ability to plan for the future, stifling innovation, growth and attainment of the county development agenda.

58. Moreover, the ongoing public debt crisis has forced many of us to re-evaluate our financial priorities. In this regard, let me reiterate that we must be responsible stewards of the resources entrusted to us, ensuring that every shilling is spent prudently to the benefit of our people.

59. In the period 2023/2024 FY, the National government had several planned projects/programmes at County level, which had great impacts in the Kitui County economy.

60. The County Government of Kitui commissioned the “Kitui County Transition Roadmap to a Sustainable HIV/TB program 2023-2027”. HIV prevalence has stabilized over

the years owing to the concerted efforts between the county government and her implementing partners. This prevalence rate had declined from 3.8% in 2021 to 3.1% in 2024. The Kitui County Transition Roadmap to sustainable HIV/TB program forms a sustainable plan from USA Government funding to a Kitui County led owned and funded HIV/TV program.

61. The Department for livestock (SDL) launched the De-risking, Inclusion and Value enhancement (DRIVE) Project in the county. The Government agency leading the DRIVE project implementation in Kenya has collaborated with ZEP-RE (PTA Reinsurance Company) and Kenya Development Corporation (KDC) through subsidiary agreements for implementation of component 1 and 2 respectively of the DRIVE project in 21 ASAL counties, including Kitui.

62. The County Government of Kitui developed irrigation infrastructure for 9 micro-irrigation schemes in collaboration with the Small Irrigation Value Addition Project (SIVAP) in 4 Wards (Kauwi, Nguutani, Kyome/Thaana and Mutonguni) benefitting 460 farmers to increase food production. Three Sustainable Land Management (SLM) sites developed in Itulu in Kisasi, Katwenye in Kyuso and Syokaai in Nuu Wards through construction of 101.5Km of terraces as well as 42 farm ponds and supply of 2,690 agroforestry seedlings, benefitting 1,350 farmers. The County Government supported 320 farmers in five apiculture and honey producer organizations in five Wards - Tharaka, Mwingi Central, Kiomo/Kyethani, Mutitu/Kaliku and Athi - with 1,200 modern beehives.

63. The County Government of Kitui in partnership with the National Government Ministry of Mining has gazetted artisanal mining committee, which shall be responsible in advising the Cabinet Secretary in issuing artisanal mining permits in Kitui. A report on mineral resources in the country has identified about 970 mineral occurrences that will be subjected to a fact-finding process.

64. The County Government launched the Plug Mtaani Vijana 2 Invest initiative - a business idea competition designed to nurture young entrepreneurs by providing them with soft skills and business plan development training in the country. The National Government unveiled The Vijana 2 Invest program in partnership with counties to foster the spirit of innovation, resilience and determination among the youth in Kenya.

65. The National Government issued over 10,000 title deeds to residents of Thagicu, Mwingi North. This gave the residents legal rights to become landowners. In addition, H.E Dr William Samoei Ruto opened the police border hospital at the Kanyonyoo Border Police base, which is expected to benefit the entire Ukambani community.

66. The County Governments of Kitui, Makueni and Machakos, in their summit meeting, tasked the National Government to expedite completion of the Thwake Multipurpose Dam. The completion of the project will herald a new beginning for water and food security in the region as well as for electricity generation. In Kitui County, the leaders revealed that the County Government has already secured 30 acres of land as part of its contribution to the



implementation of the High Grand Falls Dam, which shall serve the SEKEB Bloc and beyond.

### **Kenya's Macroeconomic Outlook**

67. Kenya's economic performance is projected to remain stable over the medium term. Growth is expected to moderate from 5.6 percent in 2023 to a forecast of 5.2 percent in 2024 and 5.4 percent in 2025. The growth in 2024 and 2025 will benefit from the enhanced agricultural productivity and a resilient services sector. The rebound in Kenya's agricultural sector is expected to be largely driven by favourable weather conditions and productivity-enhancing government interventions.

68. The industrial sector will see growth primarily in manufacturing largely reflecting reduction in costs of production and easing of exchange rate pressures; and in construction partly attributed to increased public spending on affordable housing. The services sector is expected to remain resilient, with ICT reforms boosting growth in financial services, health, and public administration. However, increased uncertainties in both the external and domestic environments, such as the escalation of geopolitical tensions and potential disruptions in supply chain networks, could negatively impact commodity markets and slow down this potential growth.

69. On the demand side, aggregate domestic demand is expected to remain resilient even as public sector consolidates with the private sector playing a stronger role in Kenya's medium-term recovery. Bumper agricultural harvests, moderate inflation, a recovery in employment, and modest growth of credit to private sector will support growth in private consumption. Moreover, remittance inflows to Kenya are projected to remain resilient, providing further support to household incomes. Private consumption is expected to complement moderate government consumption in the context of fiscal consolidation.

70. Private investment will be supported by measures aimed at improving competitiveness, inclusivity, market efficiency, positive business sentiment, access to the international market, and projected FDI inflows. Investment will also benefit from an increased focus on Public Private Partnerships (PPPs), following the near completion of the harmonization of the Public Investment Policy, which will align PPP and Public Investment Management frameworks. In the medium term, the Government targets PPP investments in key economic sectors to complement its development agenda. These sectors include Agriculture, Roads and Transport, Urban Development and Housing, Energy, Water, Information, Communication Technologies (ICT), and Health. The PPPs are also expected to partly fill the investment financing gap in the wake of ongoing fiscal consolidation efforts which would reduce government domestic borrowing and lower yields on government securities.

71. Government consumption and investments are expected to slowdown in 2024 and 2025 due to the ongoing growth friendly fiscal consolidation efforts. However, the development will be complimented with private sector investments in commercially viable

development projects. Growth over the medium term will also be driven by sustained Government investments in the Bottom Up Economic Transformation Agenda. Particularly, investments in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials). Government interventions towards climate change adaptation and mitigation measures that include rehabilitation of wetlands and reforestation are expected to support growth over the medium term.

72. Kenya's external position is expected to remain supportive of macroeconomic stability. Overall, the current account deficit is expected to be stable in the medium term. Exports are expected to recover, both from improvements in the global and regional trade outlook, and domestic conditions. Exports are expected to benefit from the ongoing implementation of trade agreements such as regional economic communities and the AfCFTA. Increased remittance inflows and tourism receipts are expected to further provide foreign exchange buffer. Imports are expected to grow as domestic demand recovers, particularly of raw materials, fuels, and intermediate goods, consistent with investment growth and the stability in the foreign exchange market.

### **Monetary Policy Management**

73. The monetary policy stance over the medium term will aim at achieving and maintaining overall inflation within the target range of  $5\pm 2.5$  percent while maintaining a competitive exchange rate and stable interest rates. The flexible margin of 2.5 percent on either side of the inflation target is to cater for effects of external and domestic shocks and recurrence of extreme weather events that not only affect economic activities but also pose major fiscal risk. Maintaining the inflation rate at this level will help preserve macroeconomic stability and reduce undesirable fluctuations in economic performance. The targeted inflation will be supported by muted demand pressures consistent with prudent monetary policy and easing of domestic and global food and oil prices coupled with Government measures to lower cost of production.

74. The ongoing implementation of reforms to modernize Monetary Policy Framework and Operations continues to enhance monetary policy transmission and improve distribution of liquidity in the interbank market. In particular, the introduction of the interest rate corridor, currently set at CBR  $\pm 250$  basis points, has ensured that the interbank rate (operating target), closely tracks the CBR. The reduction of the applicable interest rate to the Discount Window from the current 600 basis points above CBR to 400 basis points above CBR has improved access to the Window. In addition, the width of the interest rate corridor was narrowed to  $\pm 150$  basis points in June 2024, and the discount window lowered from 400 basis points above CBR to 300 basis points to further enhance efficiency in the interbank market and strengthen alignment of the policy rate with the interbank rate. The Central Bank of Kenya has recently undertaken the following major reforms in the operation of the interbank foreign exchange market:

- i. Introduction of electronic matching systems (EMS) in the interbank market;

- ii. Requirement of maximum spread of 20 cents on indicative quotes in the interbank market removed; and
- iii. The CBK published exchange rate is now a weighted average rate of all interbank transactions executed the previous day. Previously, the published rate was based on the indicative rate provided by selected major players in the interbank market.

75. Additionally, the implementation of the DhowCSD, an upgraded Central Securities Depository infrastructure, has greatly enhanced efficiency in investment in Government Securities. The DhowCSD also continues to improve the functioning of the interbank market by facilitating collateralized lending amongst commercial banks and further reducing segmentation in the interbank market.

**Table 17: Kenya's Macroeconomic Indicators and Projections**

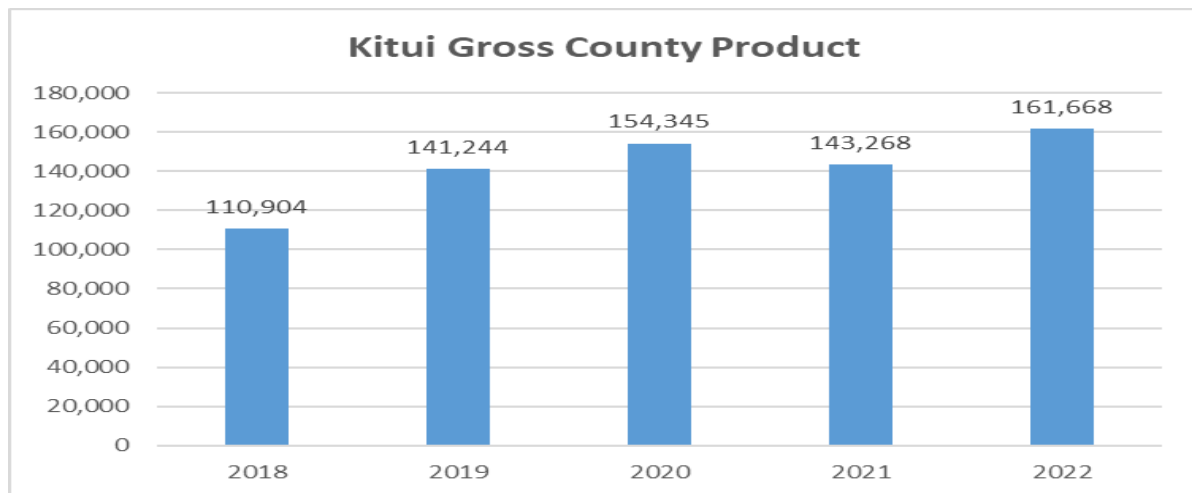
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Act	Act	Act	Act.	Est.	Suppl. 1 Budget Estimates	Proj.	Proj.	Proj.	Proj.
<i>annual percentage change, unless otherwise indicated</i>										
<b>National Account and Prices</b>										
Real GDP	-0.3	7.6	4.9	5.6	5.2	5.4	5.4	5.4	5.4	5.4
Primary Sector	4.7	0.5	-0.8	5.6	4.5	3.5	3.8	3.7	3.8	3.9
- of which: Agriculture	4.6	-0.4	-1.5	6.5	5.1	4.0	3.9	3.8	3.9	4.0
Secondary Sector	3.2	6.8	3.5	2.5	1.9	2.7	2.8	3.0	3.1	3.3
Services Sector	-1.8	9.6	6.6	6.8	6.3	6.6	6.9	6.9	6.8	6.7
GDP deflator	4.9	4.3	7.0	6.1	5.1	5.4	4.6	4.6	5.1	5.0
CPI Index (eop)	5.6	5.7	9.1	6.6	5.1	5.0	5.0	5.0	5.0	5.0
CPI Index (avg)	5.3	6.1	7.6	7.7	5.1	5.0	5.0	5.0	5.0	5.0
Terms of trade (-deterioration)	-5.3	-2.2	0.7	-3.3	1.7	2.4	2.0	3.0	3.4	3.9
<b>Money and Credit (end of period)</b>										
Net domestic assets	15.9	15.2	7.5	5.6	10.4	9.3	9.3	9.8	9.3	9.9
Net domestic credit to the Government	26.7	18.9	10.3	6.3	5.4	5.8	5.5	4.8	4.0	6.3
Credit to the rest of the economy	10.1	12.2	7.8	5.7	10.0	12.3	12.0	11.7	10.5	13.2
Broad Money, M3 (percent change)	6.9	10.5	9.5	9.2	11.3	10.5	10.5	10.7	10.7	10.7
Reserve money (percent change)	10.5	4.0	6.0	8.5	5.2	10.4	10.4	10.6	10.6	10.6
<i>in percentage of GDP, unless otherwise indicated</i>										
<b>Investment and Saving</b>										
<b>Consumption</b>	<b>88.9</b>	<b>87.6</b>	<b>87.9</b>	<b>88.9</b>	<b>92.7</b>	<b>90.7</b>	<b>90.1</b>	<b>89.7</b>	<b>89.6</b>	<b>88.2</b>
Central Government	12.5	12.1	12.2	11.9	13.0	12.0	11.7	11.6	11.4	11.1
Private	75.4	74.6	74.9	76.2	79.0	78.1	77.8	77.6	77.7	76.7
<b>Gross Fixed Capital Investment</b>	<b>19.7</b>	<b>20.4</b>	<b>19.1</b>	<b>16.4</b>	<b>16.9</b>	<b>16.0</b>	<b>16.4</b>	<b>16.3</b>	<b>16.4</b>	<b>16.3</b>
Central Government	6.5	5.6	4.8	4.3	4.2	4.1	4.3	4.4	4.4	4.4
Private	13.2	14.8	14.3	12.0	12.7	11.9	12.1	11.9	11.9	11.9
<b>Gross National Saving</b>	<b>14.5</b>	<b>16.7</b>	<b>14.0</b>	<b>11.2</b>	<b>12.9</b>	<b>12.3</b>	<b>12.5</b>	<b>12.4</b>	<b>12.6</b>	<b>12.4</b>
Central Government	-3.3	-4.4	-4.1	-3.0	-4.7	-3.6	-3.1	-2.6	-2.2	-2.0
Private	17.7	21.1	18.1	14.3	17.7	15.9	15.6	15.0	14.8	14.4
Exports value, goods and services	9.6	10.8	12.2	11.7	11.1	10.7	10.5	10.3	9.7	10.0
Imports value, goods and services	17.6	20.1	21.5	20.4	18.8	17.9	17.4	16.8	16.1	14.9
Current Account Balance	-5.2	-3.6	-5.0	-5.1	-4.0	-3.7	-3.9	-3.9	-3.8	-3.9
Gross reserves in months of next yr's imports	4.5	4.6	4.3	3.6	3.9	4.0	4.0	4.0	4.2	4.0
Gross reserves in months of this yr's imports	5.6	5.2	3.9	4.0	4.3	4.3	4.3	4.3	4.3	4.3
<b>Central Government Budget</b>										
Total revenue	16.5	16.0	17.2	16.5	16.8	16.9	17.1	17.2	17.5	17.7
Total Expenditure and Net Lending	24.4	24.6	23.7	22.5	22.4	21.5	20.8	20.7	20.6	20.4
Overall Fiscal Balance excl. Grants	-7.9	-8.6	-6.5	-6.1	-5.6	-4.5	-3.7	-3.5	-3.1	-2.7
Overall Fiscal Balance, incl. Grants	-7.7	-8.3	-6.2	-5.9	-5.5	-4.3	-3.5	-3.3	-2.8	-2.4
Overall Fiscal Balance, incl. Grants, Cash Basis	-7.6	-8.3	-6.2	-5.6	-5.2	-4.3	-3.5	-3.3	-2.8	-2.4
Primary Budget Balance	-3.4	-3.9	-1.6	-0.8	0.0	1.3	2.0	1.9	2.2	2.7
<b>Public debt</b>										
Nominal Central Government Debt (eop), Gross	68.4	67.6	71.9	65.6	62.8	60.2	57.8	55.0	52.1	49.3
Nominal Debt (eop), Net of Deposits	63.4	64.4	68.5	62.3	59.8	57.5	55.4	52.8	50.2	47.5
Domestic (Gross)	32.8	33.9	33.8	33.6	32.3	31.8	31.2	30.4	29.1	27.7
Domestic (Net)	27.9	30.7	30.4	30.3	29.3	29.1	28.9	28.2	27.2	25.9
External	35.5	33.7	38.1	32.0	30.5	28.4	26.5	24.6	23.0	21.6
<b>Memorandum Items:</b>										
Nominal GDP (in Ksh Billion)	10,715	12,028	13,490	15,109	17,103	18,993	20,950	23,150	25,643	28,389
Nominal GDP (in US\$ Million)	100,658	109,697	114,450	108,037	128,538	147,161	161,394	179,494	198,565	219,561

Source: The National Treasury

### County Economic Outlook

76. According to 2023 Gross County Product, Kitui County's Gross County Product (GCP) slightly accelerated from Kshs 143,268 Million in 2021 to Kshs 161,668 Million in 2022 representing a 12.8 percentage increase. Kitui County's contribution remained constant at 1.3 with a five-year average of 1.4. The local revenue under the review period increased by 11.3% in relation to the previous 2022/2023 FY.

**Figure 11: Kitui County Gross County Product (Kshs Mns)**



*Source: Kenya National Bureau of Statistics, 2024*

77. During the FY 2023/24, we made tremendous the following achievements under various sectors:

78. On Finance, we have grown our Own Source Revenue by 79% from Kshs 361M in FY 2021/22 to Kshs 646M in FY 2023/24.

79. Food Security is one of the main pillars in our County Development Agenda. To boost food production, we developed irrigation infrastructure for 9 micro-irrigation schemes in collaboration with the Small Irrigation Value Addition Project (SIVAP) in 4 Wards (Kauwi, Nguutani, Kyome/Thaana and Mutonguni) benefitting 460 farmers. Further, we developed Three Sustainable Land Management (SLM) sites in Itulu in Kisasi, Katwenye in Kyuso and Syokaai in Nuu Wards through construction of 101.5KM of terraces as well as 42 farm ponds and supplied 2,690 agroforestry seedlings benefitting 1,350 farmers. In addition, we implemented subsidized tractor ploughing services in all the 40 Wards. To boost beekeeping, we have supported 320 farmers in five apiculture and honey producer organizations in five Wards - Tharaka, Mwingi Central, Kiomo/Kyethani, Mutitu/Kaliku and Athi - with 1,200 modern beehives.

80. To enhance water access, we constructed eight (8) sumpwells in Kalwa (Ngomeni), Kanzinwa (Mumoni), Tyaa (Mwingi Central), Ndiang'u (Matinyani), Yambuu (Mulango), Kwa Wewa (Chuluni), Imuumba (Voo/Kyamatu) and Kalambani in Mutha ward serving an

estimated 31,500 residents. Further, we desilted 15 medium-sized earth dams which benefitted over 22,500 residents.

81. In addition, we supported our two water service providers (WSPs) – i.e., Kitui Water and Sanitation Company (KITWASCO) and Kiambere-Mwingi Water and Sanitation (KIMWASCO) through provision of subsidies towards part payment of electricity bills at a cost of Ksh. 113,869,278. Furthermore, the County Government is working towards weaning off the WSPs from continued dependence on the County Government to meet their operational costs. This will enable the county government to redirect these resources towards development of more water infrastructure, especially in the most undeserved areas of the vast county. To achieve the foregoing goal, the county government has implemented several strategies such as putting in place new board of directors for Kitwasco to enhance governance, trained to inculcate public service ethos, widened and deepened revenue base by increasing connections from 9,000 towards 15,000 connections, adoption of increased use of technology through use of digital prepaid and postpaid meters to reduce non-revenue water (NRW), reviewed tariff to ensure full cost recovery in water pricing, diversifying revenue sources to minimise dependence on the Masinga intake and hybridization of water schemes to reduce their costs of operation, among others.

82. On Health and Sanitation, we recruited and trained 2,470 Community Health Promoters, which translates to 10 CHPs in each of the 247 County villages. The County Government has been providing a monthly stipend of Kshs 5,500 to each Community Health Promoter, co-funded by the County Government of Kitui (Kshs 3,000) and the National Government (Kshs 2,500).

83. Our Government in partnership with Catholic Medical Mission Board (CMMB) officials distributed over 370 bicycles donated by World Bicycle Relief (WBR) to Community Health Promoters (CHPs) drawn from Mwingi North and Mwingi Central to help in their outreach work at the grassroots. This initiative has advanced promotive and preventive healthcare services.

84. In order to offer affordable and reliable diagnostic services to our people, we reinstated the Computed Tomography (CT) Scan services at the Kitui County Referral Hospital. In addition, to improve the supply of oxygen in our facilities, in partnership with USAID, we installed and commissioned an Oxygen Plant including 300 gas cylinders at the Mwingi Level IV Hospital serving 58,493 people within Mwingi and adjoining areas.

85. We have completed and renovated stalled maternity units in various health facilities such as Kyuso Sub-County Hospital, Ikanga, Nguni and Malalani Health Centres and established three New Born Units (NBUs) at Ikanga, Ikutha and Tseikuru Sub-County hospitals increasing the number to seven.

86. In addition, the County Government operationalized Mutomo Sub-County Hospital's Maternal and Child Health (MCH) Unit and completed the maternity theatre and Outpatient Block to serve 12,549 people. In Yatta Health Centre the County Government has

constructed two wards (female and male) and maternity theatre. The Yatta Health Centre mortuary has also been operationalized.

87. To improve diagnostic services, we have completed X-ray departments at Tseikuru and Kauwi Sub-County Hospitals and equipped laboratory units in Ikutha, Tseikuru, Migwani and Mutitu Sub-County Hospitals with hematology, biochemistry and electrolyte analyzers. In addition, we have constructed maternity theatres in Mutitu, Kanyangi, Mutomo, Kanziku and Yatta health facilities to enhance maternal services.

88. To improve access and quality of care in health facilities, we have initiated upgrading of Yatta, Sosoma, Kanziko, Mbitini and Waita health centres, Tiva and Endau dispensaries to level 3B. In addition, new facilities have been constructed at Kanguu, Kitoo, Kyandui and Kyamatu.

89. Under Trade, we constructed a total of 36 markets in various wards. Further, we completed installation of markets lights in 14 wards.

90. To ensure appropriately nurtured and skilled human capital, we have established a new Vocational Training Centre (VTC) at Mwakini/Katothya in Yatta/Kwa Vonza ward. Further, we have completed the stalled Information Communication Technology (ICT) Workshop at Mutonguni VTC as well as the twin workshop and toilet blocks at Syou VTC in Endau/Malalani Ward.

91. In addition, we have improved infrastructure/facelifted VTCs, where 3 new modern workshops in Mutomo (Mutomo ward), Ngwani (Ikanga/Kyatune ward) and Kyambiti (Mulango ward) VTCs. Further, we facelifted four (4) workshops in Ngomeni, Katse, Ithiani and Mui VTCs and renovated burnt dormitory at Mutonguni VTC. We constructed and fully equipped 3 ICT classrooms at Ikutha, Kauwi and Mwingi Baptist VTCs.

92. On Early Childhood Development Education, we developed a scheme of service for ECDE teachers that saw 1688 ECDE teachers transit from casual to permanent and pensionable terms of employment. This act boosted their morale, improved their livelihoods and spurred, local rural economies as they paid for their goods and services. In addition, we constructed 40 ECDE classrooms in each of the 40 wards as well as installed a 10,000 litres capacity water tanks benefitting 1,200 ECDE learners.

93. Planned Urban Development remains key in my development agenda. On this, we installed and repaired 274 streetlights across 23 urban areas spread across 21 wards. This has helped in extending working hours, enhancing security as well as enhancing urban aesthetics for the residents. In addition, we supported land adjudication in Mwakini Settlement Scheme where 2,113 parcels have already been demarcated for titling out of the projected 3,500 parcels.

94. To live with our strategy that the future is urban, we have installed 123 posts Integrated Solar Streetlights in Kitui Municipality and repaired 136 posts of streetlights within Township ward, Museve, Mulutu, Matinyani and Wikililye shopping centers.

95. Under Mwingi Municipality, we constructed 2,950M2 of Cabro paving in Mwingi Town along Total petrol station. As concerns security, a total of 167 street light poles were repaired along Muithi Museo to Stock Yard and ACK Church to Slaughter Road junction. In addition, five high electric powered masts were repaired.

96. To improve the road network, we have graded a total of 1,730.10kms of roads across the County benefiting 25,000 users/day including:- Nzambani Police Station – Kangwa Shopping Centre Road in Nzambani Ward, Mutune Shopping Centre – Mutendea Primary School Road in Kyangwithya East Ward, Kwa Mbuvi- Mwangeni Centre in Athi Ward, Ithiani -Ngoleni -Wayani Road in Kyangwithya West Ward, Kwa Nyunyi – Mukelesu Primary School- Kwa Kilui Junction in Yatta/Kwavonza Ward, Ikutha – Kasaala Road in Ikutha Ward, improvement of Majengo (Spot Light Hotel) – Unyaa in Township/Kyangwithya West Wards among others.

97. A total of 274.20KMS of roads have been opened and/or widened across the County in which 600 users/day benefit including Karangeni-Kanyengya-Nthangani Road in Tharaka Ward, Membau–Mbakoni-Yolomuni Road in Athi Ward, Kanyongonyo–Kangukangu Road in Kanyangi Ward, Kwa Kyenza-Kithome Nziana through Ngethwa River-Kunikila Primary School in Matinyani Ward, Wanzua – Kangau Primary School Road in Kyangwithya East Ward, Ithiiani-Ngoleni- Wayani Road in Kyangwithya West Ward, Kithambangii – Kavisi Primary School Road in Mulango Ward among others. We gravelled 9.7 kms of roads across Kitui including Spot improvement of Thaana Nzau – Kithyoko River Road in Kyome/Thaana Ward, Kinakoni – Kiangini – Kivwauni Road in Voo/Kyamatu Ward, Kyatune – Kyaaka Road in Ikanga/Kyatune Ward, Road to Mwitasyano Water intake project in Yatta/Kwa Vonza Ward, Mwingi Town in Both Kivou and Mwingi Central Wards besides upgrading 0.55kms of roads to paved standards i.e. Kitui ASK Exit road and walk ways in Kyangwithya West Ward.

98. A total of 125 Meters (7No. Drifts) of drifts have been constructed including the Katse Drift along Katse-Musosya Road in Mumoni Ward, Syombuku – Kwa Isika Road in Nzambani Ward, Nzia zuni Drift in Kyangwithya West Ward, Masungwa River Drift in Kyuso Ward, Twili River Drift in Kanziko/Simisi Ward, Mutwang’ombe Market Protection works in Waita Ward, River Muna Protection works in Tseikuru Ward.

99. To enhance the skills and capacity of contractors in public procurement processes and give them a competitive edge in tendering and contract management, we collaborated with the National Construction Authority (NCA) to train and capacity-build 4,000 contractors from all the 40 Wards.

100. Employing over 20,000 youth in Kitui, the Boda Boda Sector is one of the fastest growing sectors in the County. We have mapped Boda Boda operators and sensitized them on road safety and the need to form at least one Savings and Credit Cooperative Society (SACCO) in each of the 40 Wards as well as construction of 28no. modern Boda Boda sheds in all the Wards within the County.



101. On environment, we have made significant milestones towards full operationalization of the Kitui County River Basins Sand Utilization and Conservation Act, 2024. So far we have conducted ward elections, inducted and trained the interim caretaker committees. We are currently working with department of Social Protection and Cooperatives to establish/register site based sand community groups and River-Basin based cooperative societies. The established cooperatives will nominate one representative and constitute the Kitui County Sand Utilization and Conservation Committee to start licensing by end of October, 2024. The Act has, among other benefits, provided for a legislative framework for environmental conservation and restoration of river basin ecosystems. I wish to thank the County Assembly for their cooperation, dedication and commitment in bringing this Act into reality.

102. Further, we have hybridized/solarized six (6) boreholes in Matinyani, Kakeani-Mutonguni, Kyume-Mui, Ikanga, Katse town and Ngungi-Zombe benefiting over 20,000 people with reliable and cheap water supply.

103. In an effort to expand mobile telephony network, we have partnered with Safaricom Limited to put up three new Base Transceiver Stations (BTS) at Kalulini, Kwa vonza and Kiangu and optimized network in other eight BTS stations (Mosa Market, Muthue, Kyoani, Ndatani, Ikanga, Kaseve, Mutomo and Zombe) to connect over 50,000 people with 2G/3G/4G Network.

104. In addition, we constructed 13 Community Playgrounds in 13 Various Wards providing over 10,000 youth with an opportunity to nurture their talents.

105. Peace and Security is a key enabler in the achievement of our development agenda. In order to offer a long-lasting solution to the insecurity challenges along our North and Eastern borders, we have collaborated with the National Government in order to establish eight (8) police stations to enhance security patrols in Kanziku/Simisi, Mutha, Voo/Kyamatu, Endau/Malalani, Nuu, Nguni, Ngomeni and Tseikuru Wards. This collaboration is in line with Article 189 (1) (b) of the Constitution of Kenya (CoK) 2010 that allows the two levels of government to assist, support, consult, appropriate and implement the legislation of the other level of government. Currently, two police stations i.e. Mandongoi in Ngomeni and Kona Kaliti in Mutha are complete, while Twambui in Endau/Malalani and Imuumba in Voo/Kyamatu are ongoing. We will construct four Police Stations in Kanziku/Simisi, Nuu, Nguni and Tseikuru Wards.

106. The above could not be achieved without qualified and competent staff who are sufficiently empowered through strategic and continuous capacity building as well as engagement and retention of visionary leadership and governance. Cognizant to the fact that what gets measured gets done, we have implemented performance contracting in all our ministries.

### **Risks to the economic outlook**

107. Kenya's growth outlook portrays a stable macroeconomic environment in the

medium term. However, there are downside risks to this macroeconomic outlook emanating from domestic as well as external sources. External risks include further escalation of geopolitical tensions – particularly the wars in the Middle East and Ukraine; potential worsening of supply disruptions due to the shipping crisis in the Red Sea and Suez Canal, which could result in higher import and production costs; and uncertainty about the evolution of international oil prices. Internally, extreme weather (drought or floods) could weaken agricultural output, lead to destruction of capital, increase food insecurity and lead to a surge in cases of water-borne diseases.

108. Lower than anticipated global economic growth and particularly in major exports destination could reduce Kenya's exports, tourism receipts, and remittances growth, while increase in global fuel prices could increase Kenya's imports bill. Tight global financial conditions arising from lower-than-expected return of global inflation to target levels could aggravate Kenya's vulnerabilities towards meeting external financing requirements. However, the government's commitment to fiscal consolidation and prioritizing concessional borrowing is expected to mitigate this risk.

109. The upside risk to the domestic economy relate to fast-tracked implementation of structural reforms under BETA and the Fourth Medium-Term Plan (MTP) IV. Early normalization in global financing conditions and lower international fuel and food prices would strengthen Kenya's external balances. Faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal Consolidation. Continued coordination between monetary and fiscal policies are expected to result to a stable macroeconomic condition which is a necessary condition for investment and savings thereby promoting economic growth.

110. The Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.

111. At the county level, we anticipate several risks which might affect future economic outlook. This includes; insecurity in the eight wards bordering Tana River County, unreliable rainfall and delayed exchequer disbursement.

## **IV. RESOURCE ALLOCATION FRAMEWORK**

### **Adjustments to 2024/25 Budget**

112. Kenya's economic performance is projected to remain stable over the medium term. Growth is expected to moderate from 5.6 percent in 2023 to a forecast of 5.2 percent in 2024 and 5.4 percent in 2025. The growth in 2024 and 2025 will benefit from the enhanced agricultural productivity and a resilient services sector. The rebound in Kenya's agricultural sector is expected to be largely driven by favourable weather conditions and productivity-enhancing government interventions.

113. The industrial sector will see growth primarily in manufacturing largely reflecting reduction in costs of production and easing of exchange rate pressures; and in construction partly attributed to increased public spending on affordable housing. The services sector is expected to remain resilient, with ICT reforms boosting growth in financial services, health, and public administration. However, increased uncertainties in both the external and domestic environments, such as the escalation of geopolitical tensions and potential disruptions in supply chain networks, could negatively impact commodity markets and slow down this potential growth.

114. In the county level, though the level of absorption of 87.12% in 2023/2024 reflects an increase from previous year's budget, a strategy is being drafted to ensure that steady performance is supported while rolling over to 2024/25 financial year and aim on 90%+ budget absorption.

115. The project implementation status by the ministries clearly indicates the need for the departments to maximise the available resources on need based planning which will ensure the key projects are implemented. These projects will have great impact on socio-economic well-being of Kitui residents. These will ensure priority projects are given top priority in allocation of meagre resources.

116. In order to achieve the revenue target of Kshs. 600M set out in the 2024/25 budget, the revenue department of the County Ministry of Finance, Economic Planning and Revenue Management will continue to implement the automation of revenue to improve revenue collection. The supervision of revenue collection is essential to seal off all possible revenue leakages and loss through non-collection.

117. The County Government continued to rationalize expenditures to improve efficiency and reduce wastage of the resources'. Within the medium term, the ministries will have measures on expenditure control in order to regulate any increase in pending bills. Finally, the PFM Act, 2012 is expected to guide and accelerate reforms in expenditure management system necessary for the efficient utilisation of resources hence debt management.

## Medium Term Expenditure Framework

118. In the 2024/2025 FY, the MTEF budgeting will consider allocation of the resources to key priority sectors in order to offer service delivery according to public participation conducted for CFSP 2024/25 FY. The prioritized projects are lifted from the broad priorities in ADP for 2024/25 FY and the CIDP 2023-2027 and other national planning documents.

119. According to the organization of the County ministries with guidelines from the Classification of Functions of Governments (COFOG) and the national level, the following key ministries have been allocated much funds to drive the sixteen-sector manifesto.

i The Ministry of Water & Irrigation drives the key economic pillar of water and food security. The ministry has been allocated Kshs. 0.715B presenting 6% of the total budget.

ii The Ministry of health and Sanitation has been allocated Kshs.3.85B presenting 30% of the total budget. The Ministry has the highest budget allocation for the 2024/25 FY.

iii The Ministry of Education, Training & Skills Development has been allocated Kshs. 1.04B presenting 8% of the total budget. This resulted from the conversion of ECDE teachers from casual skilled to permanent and pensionable.

iv The Ministry of Finance, Economic Planning & Revenue Management has been allocated Kshs. 0.43B presenting 3% of the total budget. The Ministry has also a responsibility of ensuring sound financial systems and revenue collection among the ministries.

v The Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives has been allocated Ksh 0.723B presenting 6% of the total budget.

vi The County Ministry of Roads, Public Works & Transport has been allocated Kshs. 0.944B presenting 7% of the total budget. The Ministry ensure smooth and passable road network to ease movement of person and goods.

vii To achieve any production, energy and good climatic condition is key. Ministry of Energy, Environment, Forestry, Natural & Mineral Resources has been allocated Kshs. 0.299B presenting 2% of the total budget. Positive climatic changes boost the food security and conservation available vegetation cover and distribution of electricity.

viii Other priority sectors include Ministry of Culture, Gender, Youth, ICT, and Sports & Social Services, which promotes the interest of special groups. In the 2024/25 FY, the Ministry has been allocated Kshs. 0.206B presenting 2% of the total budget.

ix The County Ministry of Agriculture & Livestock has been allocated 0.710B to alleviate hunger through promoting food security. This represents 5% of the total budget.

x The County Ministry of Lands, Housing and Urban Development as an enabler has been allocated 0.361B to facilitate on land issues. This represents 3% of the total budget.

xi The County Assembly which ensures legislation and oversight of the county government operation has been allocated Kshs. 1.1B presenting 8% of the overall budget. The Office of the Governor which drives the Pro-poor programmes and the CLIDP project has been allocated Kshs. Kshs.2.032B presenting 16% of the overall budget. Finally, The Office of the Deputy Governor has been allocated Kshs. 0. 194B accounting for 2% of the overall budget.

### **Budget Framework 2023/2024**

120. The 2024/25 FY budget framework is based on the MTEF and fiscal policies as outlined in this 2023/24 FY outlook paper. Instability of the key macroeconomic variable such as interest rates, inflation and exchange rates having been affected by recent Gen - Z protests will affect the Countries GDP hence decreased recovery of the economy. However, the variables are expected to remain stable throughout the financial year as the Country stabilizes.

121. At the county level, the county is expecting reliable rainfall in most areas in the upcoming short and long rains which will ensure sufficient food production across the county though floods have been predicted. Therefore, the county government will distribute certified seeds to the farmers and sensitize the farmers on climate smart agriculture for increased production.

122. The counties own revenue is projected to be Kshs. 825,000,000 in FY 2025/26 and Kshs. 866,250,000 in FY 2026/27 (over the medium-term plan).

**Table 18: Actual Revenue for 2020/21 – 2023/24 & Revenue Estimates for 2024/25 to 2026/27 FY**

S/No	Source	Actual Revenue	Actual Revenue	Actual Revenue	Actual Revenue	Revenue	Projected Revenue Estimates	
		2020/21	2021/22	2022/23	2023/24	Estimates 2024/25	2025/26	2026/27
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1</b>	<b>Equitable share</b>							
	Equitable share	8,830,350,000	9,562,452,779	10,393,970,413	9,963,127,985	11,244,322,462	11,244,322,462	12,143,868,259
	<b>Sub Total Equitable Share</b>	<b>8,830,350,000</b>	<b>9,562,452,779</b>	<b>10,393,970,413</b>	<b>9,963,127,985</b>	<b>11,244,322,462</b>	<b>11,244,322,462</b>	<b>12,143,868,259</b>
<b>2</b>	<b>Grants</b>							
	Free Maternal Healthcare							
	Compensation for User Fees Forgone	22,499,906				-	-	-
	Road Maintenance Fuel Levy	264,131,437				445,098,850	445,098,850	445,098,850
	Grants from World Bank (KDSP)	45,000,000				37,500,000	37,500,000	37,500,000
	World Bank (Universal Health)	36,872,242	23,942,835			-	-	-
	World Bank (Agriculture - Rural Growth)	190,631,819	150,349,620	227,100,709	4,261,826	-	-	-
	World Bank (Emergency Locust Response Project (ELRP))		14,076,914	68,522,528	132,498,510	121,025,000		-
	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))			67,192,729	199,781,563	151,515,152	151,515,152	151,515,152
	HSSP/HSPS - (DANIDA/IDA)			28,405,688	16,112,250	13,601,250	13,601,250	13,601,250
	County Aggregation and Industrial Parks Programme					250,000,000		
	Community Health Promoters					58,050,445	58,050,445	58,050,445
	World Bank loan to Supplement financing of County Health Facilities	25,110,000				-	-	-
	World Bank Credit to Finance Locally - Led Climate Action Program (FLLoCA)			11,000,000	216,807,064	-	-	-
	UNFPA (9th Country Programme Implementation)					-	-	-
	Development of Youth Polytechnics					-	-	-
	Other GOK Grants (Doctors & Nurses Allowance)					-	-	-
	Kenya Urban Support Project - World Bank	92,149,894		2,339,915	-		-	-
	Kenya Urban Support Project (UIG)- World Bank					35,000,000	35,000,000	35,000,000
	ASDSP	126,367,908	16,926,637	11,636,683	1,792,965	-	-	-
	Allocation for Court Fines					50,000	50,000	50,000
	Allocation for 20% Share of Mineral Royalties					114,279	114,279	114,279

S/No	Source	Actual Revenue	Actual Revenue	Actual Revenue	Actual Revenue	Revenue	Projected Revenue Estimates	
		2020/21	2021/22	2022/23	2023/24	Estimates 2024/25	2025/26	2026/27
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
							-	-
	KCEP-KRLA					-	-	-
	FAO	12,329,648				-	-	-
	GoK Conditional Grant - Covid Fund					-	-	-
	Pro Poor					-	-	-
	<b>Subtotal</b>	<b>815,092,853</b>	<b>205,296,006</b>	<b>416,198,252</b>	<b>571,254,178</b>	<b>1,111,954,976</b>	<b>740,929,976</b>	<b>740,929,976</b>
		<b>9,645,442,853</b>	<b>9,767,748,785</b>	<b>10,810,168,665</b>	<b>10,534,382,163</b>	<b>12,356,277,438</b>	<b>11,985,252,438</b>	<b>12,884,798,235</b>
<b>3</b>	<b>Own Revenue</b>							
	<b>County Ministry/ Entity</b>							
	Office of the Governor	11,970,550	9,128,100	12,461,000	22,476,805	38,476,805	43,126,147	47,415,451
	Office of the Deputy Governor				0	106,500	119,369	131,241
	Ministry of Water and Irrigation	11,152,488	3,867,163	2,420,250	1,017,000	1,765,000	1,978,274	2,175,032
	Ministry of Education, Training & Skills Development	5,395,440	6,030,092	21,014	0	57,000	63,888	70,242
	Ministry of Roads, Public Works & Transport	40,536,210	3,468,925	1,690,980	3,289,568	4,889,568	5,480,399	6,025,476
	Ministry of Health and Sanitation	111,901,160	188,550,071	270,153,643	272,308,709	465,000,000	521,188,245	573,025,347
	Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	1,284,195	3,963,257	1,746,994	861,124	1,861,124	2,086,013	2,293,487
	Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	1,505,065	1,823,310	525,200	573,500	50,516,600	56,620,770	62,252,241
	Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	26,000	72,000	111,000	251,480	751,480	842,285	926,058
	Ministry of Finance, Economic Planning & Revenue Management	83,755,939	64,270,545	80,039,139	94,151,509	104,651,003	117,296,500	128,962,747
	Ministry of Agriculture & Livestock		21,104,722	3,224,055	14,434,340	16,534,340	18,532,266	20,375,475
	Ministry of Lands, Housing & Urban Development		1,480,136	18,302,149	25,791,050	52,091,500	58,385,973	64,193,010
	Kitui Municipality	37,785,490	35,805,225	48,451,197	53,227,811	57,627,811	64,591,264	71,015,476
	Mwingi Town Administration	21,137,774	21,707,796	25,207,847	28,666,919	30,948,899	34,688,607	38,138,717
	<b>Subtotal</b>	<b>326,450,311</b>	<b>361,271,342</b>	<b>464,354,468</b>	<b>517,049,815</b>	<b>825,277,630</b>	<b>925,000,000</b>	<b>1,017,000,000</b>
	<b>TOTAL</b>	<b>9,971,893,164</b>	<b>10,129,020,127</b>	<b>11,274,523,133</b>	<b>11,051,431,978</b>	<b>13,181,555,068</b>	<b>12,910,252,438</b>	<b>13,901,798,235</b>
	% of Equitable Share	89	94	92	90	85	87	87
	% of Own Resources	3	4	4	5	6	7	7
	% of Grants	8	2	4	5	8	6	5
	<b>Total %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Revote from previous budget</b>	<b>1,578,584,301</b>	<b>769,547,038</b>	<b>1,118,001,643</b>	<b>2,012,204,897</b>	<b>-</b>		



S/No	Source	Actual Revenue	Actual Revenue	Actual Revenue	Actual Revenue	Revenue	Projected Revenue Estimates	
		2020/21	2021/22	2022/23	2023/24	Estimates 2024/25	2025/26	2026/27
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	Total Resource Envelope	11,550,477,465	10,898,567,165	12,392,524,776	13,063,636,875	13,181,555,068	12,910,252,438	13,901,798,235

*Source: Ministry of Finance, Economic Planning & Revenue Management*

NB: The projected own source revenue of Kshs. 600,000,000 represents the Approved FY 2024/25 Budget Estimates. The amount has been reviewed upwards to Kshs. 825,277,630 in the FY 2024/25 supplementary budgets I to be submitted to the County Assembly in due course. The revised target has been necessitated by the planned implementation of own source revenue enhancement strategies such as; increased own source revenue at our health facilities due to implementation of Facilities Improvement Financing Act, 2023, implementation of the Kitui County River Basin Sand Utilization and Conservation Act, 2023, implementation of new rates as per the valuation roll, full automation of all revenue streams and Enforcement of Finance Act 2024/25.

## V. CONCLUSION AND WAY FORWARD

123. In the table 19 below, the CBROP presents the MTEF for 2023/24 FY to 2026/27 FY factoring in the challenges faced by county government in delayed disbursement of the equitable share for the 2023/24 FY. The MTEF for the financial years presents the actual values and projection of 2024/25 FY obtained by moderating the revenue projections and control of expenditure based on the laid policies. The financial policies therefore are consistent with fiscal responsibilities outlined in the PFM law.

124. In this regards, the financial policies outlined in this CBROP 2024 will ensure smooth resource allocation on the ward prioritized projects that will promote development.

125. The policies will be highlighted in the next County Fiscal Strategy Paper for 2025/26 FY that will be released by February 2025.

**Table 19: Medium Term Expenditure Framework (MTEF) Actuals 2023/2024-2024/2025 FY & Projection up to 2026/2027 FY**

No.	Sector/ County Ministry		2023/24 Actuals	2024/25 Estimates	Projections 8%	
					2025/26	2026/27
1	Office of the Governor	<b>SUB-TOTAL</b>	<b>2,321,543,440</b>	<b>2,032,933,603</b>	<b>2,025,711,947</b>	<b>2,181,292,652</b>
		Rec. Gross	1,275,401,152	1,145,178,439	1,141,110,385	1,228,751,058
		Dev. Gross	1,046,142,288	887,755,163	884,601,562	952,541,594
2	Office of the Deputy Governor	<b>SUB-TOTAL</b>	<b>222,030,920</b>	<b>194,408,114</b>	<b>193,717,512</b>	<b>208,595,593</b>
		Rec. Gross	174,694,296	152,905,306	152,362,136	164,064,001
		Dev. Gross	47,336,624	41,502,808	41,355,376	44,531,592
3	Ministry of Water & Irrigation	<b>SUB-TOTAL</b>	<b>769,253,389</b>	<b>715,204,083</b>	<b>712,663,441</b>	<b>767,398,113</b>
		Rec. Gross	105,171,729	145,423,247	144,906,655	156,035,918
		Dev. Gross	664,081,660	569,780,836	567,756,785	611,362,196
4	Ministry of Education, Training & Skills Development	<b>SUB-TOTAL</b>	<b>1,010,931,780</b>	<b>1,043,425,266</b>	<b>1,039,718,673</b>	<b>1,119,572,160</b>
		Rec. Gross	851,057,470	956,467,773	953,070,082	1,026,268,700
		Dev. Gross	159,874,310	86,957,493	86,648,591	93,303,461
5	Ministry of Roads, Public Works & Transport	<b>SUB-TOTAL</b>	<b>674,193,144</b>	<b>944,374,905</b>	<b>941,020,172</b>	<b>1,013,293,321</b>
		Rec. Gross	184,177,202	214,290,323	213,529,093	229,928,762
		Dev. Gross	490,015,942	730,084,582	727,491,079	783,364,558
6	Ministry of Health & Sanitation	<b>SUB-TOTAL</b>	<b>3,674,930,239</b>	<b>3,852,172,162</b>	<b>3,838,487,967</b>	<b>4,133,295,263</b>
		Rec. Gross	3,454,500,875	3,653,497,433	3,640,518,997	3,920,121,687
		Dev. Gross	220,429,364	198,674,729	197,968,970	213,173,576
7	Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	<b>SUB-TOTAL</b>	<b>340,726,878</b>	<b>723,241,575</b>	<b>720,672,381</b>	<b>776,022,164</b>
		Rec. Gross	180,675,973	191,891,944	191,210,280	205,895,798
		Dev. Gross	160,050,905	531,349,631	529,462,101	570,126,365
8	Ministry of Energy, Environment, Forestry, Natural &	<b>SUB-TOTAL</b>	<b>229,433,109</b>	<b>299,551,078</b>	<b>298,486,973</b>	<b>321,411,661</b>
		Rec. Gross	91,318,800	126,041,344	125,593,603	135,239,566
		Dev. Gross	138,114,309	173,509,734	172,893,370	186,172,095

No.	Sector/ County Ministry		2023/24 Actuals	2024/25 Estimates	Projections 8%	
					2025/26	2026/27
	Mineral Resources					
9	Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	<b>SUB-TOTAL</b>	<b>214,083,099</b>	<b>206,291,330</b>	<b>205,558,514</b>	<b>221,346,020</b>
		Rec. Gross	103,244,185	137,730,924	137,241,658	147,782,225
		Dev. Gross	110,838,914	68,560,406	68,316,857	73,563,795
10	Ministry of Finance, Economic Planning & Revenue Management	<b>SUB-TOTAL</b>	<b>609,075,873</b>	<b>436,811,139</b>	<b>435,259,441</b>	<b>468,688,661</b>
		Rec. Gross	507,488,138	373,686,139	372,358,682	400,956,936
		Dev. Gross	101,587,735	63,125,000	62,900,759	67,731,724
11	Ministry of Agriculture & Livestock	<b>SUB-TOTAL</b>	<b>853,285,822</b>	<b>710,299,128</b>	<b>707,775,910</b>	<b>762,135,205</b>
		Rec. Gross	356,924,477	367,669,257	366,363,174	394,500,955
		Dev. Gross	496,361,345	342,629,871	341,412,736	367,634,250
12	Ministry of Lands, Housing and Urban Development	<b>SUB-TOTAL</b>	<b>147,877,241</b>	<b>361,519,359</b>	<b>360,235,122</b>	<b>387,902,251</b>
		Rec. Gross	96,445,604	87,575,634	87,264,536	93,966,712
		Dev. Gross	51,431,637	273,943,725	272,970,586	293,935,539
13	County Public Service Board	<b>SUB-TOTAL</b>	<b>61,518,926</b>	<b>76,866,658</b>	<b>76,593,602</b>	<b>82,476,219</b>
		Rec. Gross	61,518,926	66,866,658	66,629,125	71,746,441
		Dev. Gross	0	10,000,000	9,964,477	10,729,778
14	County Assembly Service Board	<b>SUB-TOTAL</b>	<b>1,022,961,294</b>	<b>1,100,630,000</b>	<b>1,096,720,197</b>	<b>1,180,951,571</b>
		Rec. Gross	996,761,294	1,062,587,992	1,058,813,327	1,140,133,340
		Dev. Gross	26,200,000	38,042,008	37,906,870	40,818,231
15	Kitui Municipality	<b>SUB-TOTAL</b>	<b>176,914,566</b>	<b>165,658,280</b>	<b>165,069,807</b>	<b>177,747,659</b>
		Rec. Gross	90,486,843	80,196,569	79,911,684	86,049,139
		Dev. Gross	86,427,723	85,461,711	85,158,123	91,698,520
16	Mwingi Municipality	<b>SUB-TOTAL</b>	<b>92,609,659</b>	<b>92,890,759</b>	<b>92,560,781</b>	<b>99,669,724</b>
		Rec. Gross	60,615,437	63,071,759	62,847,708	67,674,598
		Dev. Gross	31,994,222	29,819,000	29,713,073	31,995,125
	<b>TOTALS</b>	<b>TOTAL</b>	<b>12,421,369,379</b>	<b>12,956,277,438</b>	<b>12,910,252,438</b>	<b>13,901,798,235</b>
		<b>Rec. Gross</b>	<b>8,590,482,401</b>	<b>8,825,080,741</b>	<b>8,793,731,123</b>	<b>9,469,115,836</b>
		<b>Dev. Gross</b>	<b>3,830,886,978</b>	<b>4,131,196,697</b>	<b>4,116,521,315</b>	<b>4,432,682,399</b>

*Source: Ministry of Finance, Economic Planning & Revenue Management*

## ANNEXURES

### Expenditure Analysis by Project/ Programme

#### 3711: Office of the Governor

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Installation of lift at the Governor's Administration Block	12,000,000	748,857	6.24%	Delays in procurement of the lift	Ensure LSOs are awarded in adequate time to enhance the absorption rate.
2.	Community Level Infrastructure Development Programme (CLIDP)	669,300,000	443,970,722	66.33%	At the end of the financial year, the department had outstanding commitments of Ksh. 225,059,754. Most of the commitments were invoiced and processed but the County Executive did not receive June disbursements in time.	Ensure LSOs are awarded in adequate time to enhance the absorption rate.
3.	Pro-poor (infrastructural support)	30,000,000	10,632,411	35.44%	Delays in procurement of infrastructure projects	Ensure LSOs are awarded in adequate time to enhance the absorption rate.
4.	Decentralized unit Headquarters Recurrent-0705013710-	66,239,097	48,130,471	72.66	Inadequate resource allocation and delayed disbursement of funds  Delay in procurement processes	-Ensure timely disbursement of funds and optimize resource allocation -Streamline Procurement Process
5.	Devolution Services-Recurrent-0706013710-	20,744,146	10,010,193	48.26	Inadequate resource allocation and delayed disbursement of funds	-Ensure timely disbursement of funds and optimize resource allocation -Streamline Procurement Process

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					Delay in procurement processes	
6.	Construction of Ward Offices (3110202-00001001-0705013710-37100001)	37,740,682.00	3,529,080.00	9.35%	The observed variance in absorption was because the projects awarded in the programme were not completed by the end of the financial year.	In order to ensure that the development budgets for the identified projects are utilized on time, the department plans to enhance project management to ensure that awarded projects are completed by the end of a financial year
7.	Construction of Ward Offices (3110202-00001001-0705013710-37100001)	17,112,922.00	14,487,017.10	84.66%	The absorption rate realized was satisfactory	-The department will endeavor to strive to achieve better absorption rates in its development budget by ensuring all projects complete hence payment of retention money on time.
8.	Construction of POLICE POSTS (3110299-00001001-0705013710-37100001)	50,000,000.00	13,357,601.36	26.71%	The department awarded projects worth 99.8% of the budget by the end of the financial year but due to delay in procurement process, the projects were not completed by the end of the financial year and hence realized absorption rate of 26.71%. The late procurement process was also caused by the cancellation of some of awarded projects hence the	-Streamline Procurement processes to ensure that the procurement process is guided by the PPDA to avoid future cancelation of procurement proceedings.

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					department had to repeat the procurement process as advised by the procurement department.	
9.	Construction of Police Posts (3110599-00001001-0705013710-37100001)	50,174,240,00	25,764,373.04	51.35%	-Realization of 51.35% is due to a stalled project hence termination of contract with the contractor. -Secondly, the Contractors have faced hostility from the neighboring county hence the delay.	The Department is in liaison with the County security team to ensure security is enhanced at the border hence ensuring contractors safety while on site.
10.	Acquisition of Land (3130101-00001001-0705013710-37100001)	1,700,000.00	0.00	0%	The project awarded under this programme was not completed by the end of the financial year. This was caused by late procurement because the budget was provided through a supplementary budget done in the last quarter of the financial year under review.	In order to ensure that the development budgets for the identified projects are utilized on time, the department plans to enhance project management to ensure that awarded projects are completed by the end of a financial year.

### 3728: Office of the Deputy Governor

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Construction of three-room office block at the emergency	1,618,245	1,617,800	99.97	The project is complete as per the plan	No risk encountered

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	response centre					
2	Construction of four (4) doors modern toilet at the emergency response centre	1,910,959	1,910,825	99.99	The project is complete as per the plan	No risk encountered
3	Construction of one room for call centre at the emergency response centre	1,414,285	1,412,850	99.90	The project is complete as per the plan	No risk encountered
4	Construction of chain link fence with a gate and a security room at the emergency response centre	2,124,195	2,090,605	98.42	The project is complete and in use as per the plan	No risk encountered
5	Construction of 4 door pit latrine with urinal at Kanzanzu primary school	894,712.80	892,500	99.75	The project is complete and in use as per the plan	No risk encountered
6	Construction of 4 door pit latrine with urinal at Kaluasi Primary School	894,712.80	806,790.60	90.17	The project is complete and in use as per the plan	No risk encountered
7	Construction of 4 door pit latrine with Urinal at Kavisi Primary school	894,712.80	894,650.16	99.99	The project is complete and in use as per the plan	No risk encountered
8	Construction of 4 door pit latrine with Urinal at Itinda Primary school	894,712.80	894,550	99.98	The project is complete and in use as per the plan	No risk encountered
9	Construction of 3 door pit latrine with urinal and 4 door pit latrine without urinal at Migwani AIC Special School for MH and PH	2,360,260.00	2,360,000	99.99	Ongoing	Ministry of Finance, Economic Planning and Revenue Management to ensure availability of funds to respond to emergency cases immediately they are reported
10	Installation of Concrete Benches and Plastic Waste Bins	2,000,000	1,221,854	61.1	Bills of quantities quoted figures below the estimated cost. The	Bills of quantities to be developed earlier before budget allocation



S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	for Kalundu Eco-Park				intended work was well executed	whenever applicable
11	Construction of Snake Cages at Mutomo Reptile Park	5,000,000	4,994,275	99.9	Works well executed	No risk encountered
12	Construction of snake cages habitant	2,000,000	2,846,250	142.3	Bills of quantities overshoot allocated budget.in order to accomplish the project, the different amount was borrowed from other projects that had higher allocations than what the BQs had provided	Always prudent to budget as per BQ provision whenever applicable
13	Completion of Snake pit at MRP	3,218,160	3,218,160	100	Works well executed	No risk encountered
14	Renovation of gate at Mutomo reptile park	552,600	552,600	100	Works well executed	No risk encountered
15	Construction of 4-Pit latrine at Mutomo reptile park	861,389	861,389	100	Works well executed	No risk encountered
16	Renovation of Kaluu View Point	2,000,000	1,501,950	75.1	Project 100% implemented with lesser amount than what was initially allocated	No risk encountered.
17	Drilling and equipping of Borehole at Kaningo in MNR	5,000,000	4,996,028	99.9	Works well executed	No risk encountered
18	Renovation of Masyungwa Entrance Gate in Mwingi national reserves	1,500,000	2,727,261	181.9	Bills of quantities overshoot allocated budget.in order to accomplish the project, the different amount was borrowed from other projects that had higher allocations than what the BQs had provided	Always prudent to budget as per BQ provision whenever applicable

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
19	Renovation of Kalalani Rangers' Base In SKNR	3,500,000	2,229,897	63.7	Project 100% implemented with lesser amount than what was initially allocated	No risk encountered.
20	Solarisation of Kalalani borehole	2,979,607	2,979,607	100	Works well executed	No risk encountered

### 3729: Ministry of Water & Irrigation

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Drilling & equipping of 25no. new boreholes	90,000,000	32,801,225	36	Funds diverted to pay for electricity bills for the 2 WSPs (KITWASCO & KIMWASCO)	WSPs to adopt the new set tariffs to be able to break even. Drilling to be done using own machinery, then equipping be contracted.
2	Construction of 15km pipeline extensions	15,000,000	16,075,282	107	16kms completed	There is need to allocate more funds under this line, to increase the areas of coverage.
3	Construction/desilting of 15no. earth small earth dams	75,000,000	58,682,988	78	18no. earth dams desilted	Emphasize to be given to desilting of earth dams as opposed to construction of new ones that could cost more
4	Construction of 8no. sump well water supplies	80,000,000	94,518,059	118	8no. sump well water supplies completed	Sump wells to be constructed in phases to accommodate the allocated budgets
5	Repairs & maintenance of 40no. borehole water supplies	39,351,615	14,774,246	38	64no. boreholes operationalized	Repairs are on need basis; some boreholes could break more than once during the FY.
6	Subsidies for WSPs	57,000,000	113,869,278	200	Electricity bills for the WSPs too	Need for adoption of the new tariffs,

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	(KITWASCO, KIMWASCO)				high.	reduction of non-revenue water, tackle governance issues and improve utilities efficiency.
7	Sand Dam	120,000,000	125,840,955	105	Increased cost of material made the program exhaust its budget.	Budgeting should take into consideration prevailing market conditions especially for construction related projects
8	Cluster Irrigation	73,586,000	69,107,434	94	Part of the money was consumed by sand dam program because it's a core part of Governors Manifesto	Budgeting should take into consideration prevailing market conditions especially for construction related projects
9	Cluster rehabilitation and solarisation	13,707,886	11,659,305	85	Part of the money was consumed by sand dam program	Budgeting should take into consideration prevailing market conditions especially for construction related projects
10	Farm Ponds	6,200,000	6,886,193	111	Increased cost of material made the program exhaust its budget.	Budgeting should take into consideration prevailing market conditions especially for construction related projects

### 3730: Ministry of Education, Training & Skills Development

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Construction of ECDE Classroom	48,000,000	44,874,051	93.49	Few projects were not paid due to delay in disbursement of funds	Lobby with CoB and National Treasury to ensure timely release of funds

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
2	Purchase of ECDE Materials	28,323,917	25,055,634	88.46	Few projects were not paid due to delay in disbursement of funds	Lobby with CoB and National Treasury to ensure timely release of funds
3	Purchase of Furniture and fittings ECDE	15,000,000	13,150,168	87.67	Few projects were not paid due to delay in disbursement of funds	Lobby with CoB and National Treasury to ensure timely release of funds
4	Purchased of Outdoor Play Equipment for ECDEs	10,000,000	8,227,185	82.27	Few projects were not paid due to delay in disbursement of funds	Lobby with CoB and National Treasury to ensure timely release of funds
5	Renovations and construction of new buildings in VTCs	23,400,000	26,538,191	118	The excess drawn from other budget lines	BQs should be drawn before any commitment is made
6	Payment of grade test fees	18,350,000	16,255,000	88.6	It was the amount required to Pay for eligible trainees	Projection of amount required to be more accurate in future
7	Supporting co curriculum activities in VTCs	1,400,000	691,000	49	The funds not released to fund the second round of activities.	Department of finance should fund activities upon receipt of budgets.
8	Supply of tools and equipment to VTCs	40,000,000	37,365,578	93.4	BoQs required less than what the budget was.	BoQs to be drawn before commitment is made.
9	Construction of ICT Classrooms	4,000,000	4,694,229	117	To execute the commitment funds were drawn from other budget lines	BoQs to be drawn before commitment/setting the budget
10	Capacity building of ICT instructors	1,700,000	-	0	The funds were not released after submission of budget to the department of finance.	Department of finance should fund activities upon receipt of budgets.
11	Monitoring and Evaluation in VTCs	1,900,000	1,650,000	86.8	One phase of monitoring programme was not facilitated	Department of finance should fund activities upon receipt of budgets.
12	Induction of BoG members	1,700,000	840,000	49.4	The other amount was utilized in another budget line	Commitments should be made after actual costs are determined especially for projects
13	Recruitment of instructors	4,500,000	4,500,000	100	All	No Risk

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
14	Formulation of draft training management policy	2,000,000	1,900,000	95	The quotation by the consultant was within the budget	No risk

### 3731: Ministry of Roads, Public Works & Transport

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Spot improvement of Thaana Nzau - Kithyooko River (G45691) Road	4,426,838	4,426,838	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
2	Proposed Drift Repair and extension at R. Katse along Katse - Musosya Road (E4107)	3,771,152	3,394,036	90	Project not completed in good time for final payment to be processed	Ensure contracts completes work in good time for payment to be processed
3	Spot Improvement of Kinakoni-Imali-Kiangini-Kivwauni Road (G47109)	4,872,527	4,872,527	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
4	Construction of Nzianzuni Drift Along Kaveta-Ilooi Road at Kwa Muthini	4,804,940	4,804,940	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
5	Mutune Shopping Centre to Mutendea Primary School	4,901,754	4,901,754	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
6	Nzambani Police Station - Kateke Primary School -Kangwa Shopping Centre	3,991,634	3,991,634	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
7	Improvement of tungutu ithookwe showground exit road to bitumen standard	28,929,875	28,929,875	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
8	Proposed road works at kwa Mbuvi-mwangeni	4,870,144	4,870,144	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
9	Proposed Improvement of Syombuku-kwa Isika Road with a drift at Nzeeu river	8,421,556	8,421,556	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
10	Proposed completion of Public Works Sub County Offices in Kitui West	4,800,000	4,800,000	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
11	Proposed construction of Public Works Offiice and 4-door Pit latrine at Kitui Rural Sub county	2,600,000	2,600,000	100	Early procurement and implementation of works within the contract period	Implement procurement plan and carry out project documentation early enough
12	Purchase of 2 No. Wheeled Loaders	28,584,000	28,584,000	100	Market Survey was done	Carry out Market survey before budget estimates.
13	Purchase of Prime Mover and Low Loaders	16,880,000	16,880,000	100	Market Survey was done	Carry out Market survey before budget estimates.
14	Purchase of 2,500 No. Reflector Jackets for Boda Boda Riders	1,000,000	999,900	100	Market prices slightly flacuated	Carry out Market survey before budget estimates.
15	Construction of Boda Boda Shed at Ndetani town in Ngomeni Ward.	419,975	418,771	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
16	Construction of a modern Boda Boda Shed in Mumoni Ward.	419,975	417,600	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
17	Construction of Boda Boda Shed at Kyuso Town	419,975	417,470	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
18	Construction of a modern Boda Boda Shed at Mukuyu market in Tharaka Ward.	419,975	419,475	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
19	Construction of a Boda Boda Shed at Ikuuni Market	419,975	418,122	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
20	Construction of Boda Boda Shed at Kyulungwa town in Waita Ward.	419,975	419,400	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
21	Construction of a modern Boda Boda Shed at Miambani town in Mui Ward.	419,975	418,731	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
22	Construction of a modern Boda Boda Shed at Nzaaiku shopping centre in Kiomo /Kyethani Ward.	419,975	419,685	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
23	Construction of a modern Boda Boda Shed at Nzauni village in Nguutani Ward.	419,975	418,905	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
24	Construction of modern Boda Boda Shed at Kwa Mboya market	419,975	419,000	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done



S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
25	Construction of Boda Boda shade at Kangolya shopping centre	419,975	417,470	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
26	Construction of a modern Boda Boda Shed at Kabati shopping centre in Kauwi Ward.	419,975	419,832	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
27	Construction of Boda Boda Shed at Soweto shopping centre in Matinyani Ward.	419,975	418,905	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
28	Construction of Boda Boda Shed at Museve market in Kyangwithya East Ward.	419,975	418,950	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
29	Construction of Boda Boda Shed at Ithookwe shopping centre in Kyangwithya West Ward.	419,975	419,955	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
30	construction of Boda Boda Shed at Syongila in Kitui township Ward.	419,975	417,600	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
31	Construction of Boda Boda Shed at Ung'aatu shopping centre	419,975	419,750	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
32	Construction of Boda Boda Shed at Kwa Kilui town in Yatta/kwa Vonza Ward.	419,975	408,420	97	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
33	Construction of Boda Boda Shed at Ngangani Kamulambani market in Mbitini Ward.	419,975	419,606	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
34	Construction of Boda Boda Shed at Kwa Kinyai market	419,975	415,690	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
35	Construction of Boda Boda Shed at Kivwauni shopping centre in Voo / Kyamatu Ward.	419,975	418,750	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
36	Construction of Boda Boda Shed at Kawala (Kawala/kavutei village) in Mutito/Kaliku Ward.	419,975	419,800	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
37	Construction of Boda Boda Shed at Kamutei town in Athi Ward.	419,975	418,017	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
38	Construction of Boda Boda Shed at Makele shopping centre in Ikanga / Kyatune Ward.	419,975	418,992	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
39	Construction of Boda Boda Shed at mutomo town in Mutomo / Kibwea Ward.	419,975	417,054	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
40	Construction of Boda Boda Shed at Vendelani town in Kanziko Ward.	419,975	416,330	99	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done
41	Construction of Boda Boda Shed at Mutha Lower Town	419,975	419,540	100	Bill of quantities based on design slightly varied from Budget estimates	Project designs and Bill of quantities to be developed before the budget estimates are done

### 3716: Ministry of Health and Sanitation

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Fencing, Construction of Gate and Sentry and Installation of Elevated Water Tank at Nzamba Kitonga Memorial Hospital	19,500,000	0	0.0	Ongoing. There was a delay in procurement. The contractor is on site	Procurement will be done in good time to avoid delays
2	Completion of Blood Satellite at Kitui County Referral Hospital	3,585,824	3,581,029	99.9	Complete	No risk encountered
3	Continuation of Construction of a Female Ward at Mwingi Level IV Hospital	5,636,500	2,219,520	39.4	Ongoing. The contractor is on site. The first payment was processed	Procurement will be done in good time to avoid delays
4	Roofing of a Medical Store at Kitui County Referral Hospital	5,000,000	4,945,000	98.9	Complete	No risk encountered
5	Completion of Tseikuru X-Ray Department	3,600,000	0	0.0	Complete. The payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
6	Completion of Mutitu Theatre	4,100,000	4,074,674	99.4	Complete	No risk encountered
7	Completion of Kauwi X-Ray Block	2,300,000	2,208,686	96.0	Complete	No risk encountered
8	Construction of Mutomo Outpatient Department (OPD) Block	8,232,887	7,248,610	88.0	Complete. The final payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
9	Initiate Construction of South Eastern Kenya Renal Centre at Kitui County Referral Hospital	21,858,000	0	0.0	Ongoing. There was a delay in the awarding of the contract	Evaluation will be done to establish the challenges encountered
10	Renovation of Kisasi Health Centre	2,238,500	2,299,800	102.7	Complete. The project cost was more than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
11	Fencing and Construction of A Gate And Sentry House At Kanyangi Level Iv Hospital	3,500,000	0	0.0	Ongoing. The project was not completed on time due to contractor delays	Evaluation will be done to establish the challenges encountered
12	Construction of Kanguu Dispensary(New Facility)	5,000,000	4,959,281	99.2	Complete	No risk encountered
13	Construction of Kyamatu Dispensary	4,900,000	4,956,140	101.1	Complete	No risk encountered
14	Renovation of Kawala Dispensary	2,000,000	0	0.0	Complete. The payment was closed in the FY 2023/24	Evaluation will be done to establish the challenges encountered
15	Construction of Kitoo Dispensary (New facility)	5,000,000	0	0.0	Ongoing (95% complete). The works were awarded late	Evaluation will be done to establish the challenges encountered
16	Completion of Maternity Unit at Kalisasi Health Center	3,063,736	3,837,890	125.3	Complete. The project cost was more than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
17	Initiate Upgrading of Endau Dispensary to a Health Center by renovating the OPD block	3,900,000	2,843,927	72.9	Complete. The second payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
18	Upgrading of Waita Health Center to Model Health Center by renovating the OPD Block.	2,900,000	2,699,500	93.1	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
19	Upgrading of Kanziko Health Center To A Level 3B by constructing a maternity theatre.	8,000,000	5,129,065	64.1	Complete. The second payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
20	Face-lifting of Kakithya Dispensary	2,000,000	0	0.0	Complete. The payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
21	Upgrading of Tiva Dispensary To A Level 3B by renovating the OPD and Maternity blocks	4,000,000	1,931,050	48.3	Complete. The second payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
22	Upgrading of Mutomo Hospital To Level 4 Hospital by completing the theatre block(Floor, drainage, Scrub room and store)	5,000,000	2,732,322	54.6	Ongoing (90% complete). The contractor is on site. Payment was done for the first invoice processed	Evaluation will be done to establish the challenges encountered
23	Completion of Kyandui Dispensary(Establish an MCH, General renovation, electrification and toilets)	4,900,000	0	0.0	Complete. The payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
24	Construction of A Placenta Pit At Tharaka Health Centre	500,000	0	0.0	Complete. The payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
25	Upgrading of Yatta Health Center To Model Health Center(Completion of Maternity Theatre)	2,900,000	2,736,550	94.4	Complete.	No risk encountered
26	Re-Roofing of The Cancer Centre At KCRH	2,700,000	0	0.0	Ongoing (90% complete). The payment was not processed due to contractor delays	Evaluation will be done to establish the challenges encountered
27	Upgrading of The Kitchen At KCRH	1,000,000	0	0.0	The project was not started in the FY 2023/2024 due to contractor delays	Evaluation will be done to establish the challenges encountered
28	Completion and Operationalization of Kanyangi Level IV Hospital Theatre	500,000	152,726	30.5	Complete. The second payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
29	Continuation of Construction of Stone Fence At Mwingi Level IV Hospital	3,000,000	2,999,743	100.0	Complete.	No risk encountered

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
30	Operationalization of Integrated Health Management Information System (IHMIS) In KCRH and Mwingi(Procurement of HMIS Hardware)	2,999,805	2,999,000	100.0	Complete.	No risk encountered
31	Renovation of maternity block at Miambani health centre	3,500,000	0	0.0	Complete. The payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
32	Construction of male ward at Kanziko health centre	4,000,000	4,677,212	116.9	Complete. The project cost was more than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
33	Automated hematology analyzer, automated biochemistry analyzer, and electrolyte analyzer for Tseikuru sub-county Hospital	4,200,000	3,670,100	87.4	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
34	Automated hematology analyzer, biochemistry analyser, and electrolyte analyzer for Migwani sub-county Hospital	3,300,000	2,896,000	87.8	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
35	Semi-automated biochemistry analyzer and electrolyte analyzer for Mutitu sub-county Hospital	2,500,000	1,520,000	60.8	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
36	Purchase of medical equipment for rehabilitation department in KCRH	2,300,000	2,226,200	96.8	Complete.	No risk encountered
37	Purchase of medical equipment	1,700,000	1,713,100	100.8	Complete.	No risk encountered

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	for rehabilitation department in Mwingi level iv hospital					
38	Equipping of surgical/amenity ward at mwingi level iv hospital enhance healthcare delivery in the facility(beds and drip stands)	4,000,000	2,881,150	72.0	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
39	Equipping of Ikutha hospital with automated Hematology analyser	2,000,000	1,745,000	87.3	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
40	Bio-medical engineering working tools	200,000	199,600	99.8	Complete.	No risk encountered
41	Equipping and furnishing of new outpatient department (OPD)/ casualty department for kitui county referral hospital	2,000,000	1,950,030	97.5	Complete.	No risk encountered
42	Supply and installation of solar systems in the health facilities; Kaumu dispensary, Kamuwongo health centre, Kwa vonza dispensary, Kiviu dispensary, Yalatani dispensary, Nduvani dispensary based on priority needs	2,000,000	1,173,139	58.7	Complete. Some payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
43	Purchase of oxygen refilling unit at KCRH	2,088,325		0.0	The project was not started in the FY 2023/2024 due to insufficient budget	BoQs will be done in good time to avoid estimating inaccurate amounts
44	Purchase of motor vehicles - one oxygen-transporting van	5,500,000		0.0	Ongoing. The payment was not done due to delay in delivery of the vehicle	Evaluation will be done to establish the challenges encountered



S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
45	Renovations of health facilities; Yatta health centre mortuary and Mbitini health centre(facelifting of maternity unit)	3,650,000	3,451,900	94.6	Complete. The project cost was less than the estimated cost	BoQs will be done in good time to avoid estimating inaccurate amounts
46	Facelift and construction of a 2 door pit latrine at Kathini dispensary	1,500,000	0	0.0	Complete. The payment was closed in the FY 2023/24.	Evaluation will be done to establish the challenges encountered
47	Construction of a 4 door pit latrine at Kanyunga	850,000	852,920	100.3	Complete.	No risk encountered
48	Completion of mortuary at Mwingi hospital	3,087,656	3,087,490	100.0	Complete.	No risk encountered
49	Completion of mortuary at KCRH	13,000,000	5,789,124	44.5	Ongoing (80% complete). The first payment was processed. The project started late due to legal tussles.	Due processes will be followed in good time to avoid delays
50	Purchase of 5 Motor Cycles for public health officers in Kitui Rural, Kitui East, Kitui South, Mwingi North and Mwingi Central Sub-counties	1,044,000	0	0.0	Ongoing. The payment was not done due to delay in delivery of the motor cycles	Evaluation will be done to establish the challenges encountered

**3732: Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives**

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Construction of single and twin market sheds	62,600,663	60,941,163	97.35	There was adequate funds that facilitated full absorption of the budget	Timely and Adequate release of funds to the Ministries.
2	Installation and repair of Solar Energy Integrated Security Lights	27,796,493	27,796,493	100	Availability of adequate funds enabled full absorption of the budget	Continuously ensure the proper release of funds
3	Construction of 7 pit Latrines and pit latrines with Urinals	6,057,619	2,665,686	44	The projects were awarded in Q4 due to the heavy rains	Projects to be awarded during the dry seasons
4	Supply of 2 NO. 10,000 Liters Plastic Water Tank, Construction of Bases and Fixing of Gutters at Katalwa Market	495,760	495,760	100	Availability of adequate funds enabled full absorption of the budget	Continuously ensure the proper release of funds
5	Chain link Fencing with concrete Post and Gate around Sanitation Are at Kabati Market Road Reserve-PHASE 1	859,790	859,790	100	Availability of adequate funds enabled full absorption of the budget	Continuously ensure the proper release of funds
6	Proposed repair and relocation of Nguni market chain link fence	4,023,200	4,023,200	100	Availability of adequate funds enabled full absorption of the budget	Continuously ensure the proper release of funds
7	Proposed Extension of office in the Ministry of Trade	1,281,120	1,281,120	100	Availability of adequate funds enabled full absorption of the budget	Continuously ensure the proper release of funds
8	Proposed at Landscaping at MTIMIC Headquarters Office	489,800	-	0	Seasonality of the project	90% of the project is completed but not paid yet.

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
9	Consultancy Services to develop Kitui County Aggregation and Industrial Park (KCAIP) Investment Policy, Feasibility Study and Strategic Plan to Attract Investors	19,908,790	17,917,911	90	Data Collection across the vast County took longer than planned; It's ongoing and 95% complete	Better time management of work plans
10	Procurement of a Consultant to Provide professional Services with Respect to Environmental Impact Assessment (EIA) for the Proposed Kitui County Aggregation and Industrial Park at Kanyonyoo	2,450,000	2,450,000	100	Availability of adequate funds enabled full absorption of the budget	Continuously ensure the proper release of funds
11	Construction of County Aggregation and Industrial Park at Kanyonyoo	492,356,080	100,000,000	20.31	KCAIP Multi-year Project FY 2023/2024 the budget was 100,000,000 FY 2024/25 the budget is 150,000,000 National government grant 250,000,000	It's a multi-year project still ongoing
	<b>TOTAL</b>	<b>618,319,315</b>	<b>200,513,212</b>	<b>32.43</b>		

**3733: Ministry of Energy, Environment, Forestry, Natural & Mineral Resources**

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Repair services for faulty solar security lights projects in Kitui Central, Kyangwithya West Ward	1,124,000	1,123,000	100	Target Achieved	N/A
2	Installation of integrated solar security lights in Kitui Central, Kyangwithya West Ward	4,825,285	4,821,244	100	Target Achieved	N/A
3	Installation works of integrated solar security lights at Kyuso and Tseikuru markets	1,391,520	1,380,000	99	Target Achieved	N/A
4	Ceremonial tree seedlings (delonix regia, melia volkensii, ficus benjamina azandracta indica, bambusa vulgaris, terminalia brownie, tamarindus indica, senna siamea)	324,000	322,800	100	Target Achieved	N/A
5	Supply and delivery of Senna Siamea (Mukengeka) 7000 in no and Ceremonia Senna Siamea (Mukengeka) 200 in no.	505,000	504,000	100	Target Achieved	N/A
6	Supply and delivery Grivillea robusta 1500 in no, Acacia nilotica 900 in no, Eucalyptus camandulensis 1000 in no, Balanites egyptica 300 in no and Melia volkensii 100 in no.	495,600	493,140	100	Target Achieved	N/A

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
7	Supply and delivery of Melia Volkensii 300 in no and Acacia tortilis 1000 no.	380,000	373,000	98	Target Achieved	N/A
8	Supply and delivery of Musewa 1400 in no, Mukengeka 1400 in no, Mwarobaini 1400 in no and Croton 1400 in no.	499,200	491,600	98	Target Achieved	N/A
9	Supply and delivery of indigenous species for the County tree growing programme OND 2023	270,000	270,000	100	Target Achieved	N/A
10	Supply and delivery of Croton Megalocarpus 5000 in no and Terminalia brownie 4000 in no.	810,000	809,750	100	Target Achieved	N/A
11	Supply and delivery of Croton Megalocarpus 2000 in no and Balanities eagyptica 1000 in no.	450,000	448,000	100	Target Achieved	N/A
12	Supply and delivery of Azandracta Indica (Mwarubaini) 7000 in no, Grivellia Robusta 7000 in no and Melia Volkensii (Mukau) 3000 in no.	1,560,000	1,537,000	99	Target Achieved	N/A
13	Installation of solar security lights at Waita and Kivou Wards	1,584,003	1,576,338	100	Target Achieved	N/A
14	Installation of Solar Security lights installation at Tseikuru and Mumoni Wards in Kitui County	1,652,211	1,640,659	99	Target Achieved	N/A
15	Repair of solar security lights at Kitui Rural Sub County in Kitui	1,586,250	1,584,000	100	Target Achieved	N/A

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	County					
16	Repair of solar security lights at Kitui South Sub County in Kitui County	2,026,875	2,000,080	99	Target Achieved	N/A
17	Repair of solar security lights at Kitui West and Kitui Central Sub Counties in Kitui County	1,850,625	1,835,894	99	Target Achieved	N/A
18	Installation Solar Security lights installation at Mutha, Athi, Ikutha and Kanziku Wards in Kitui County	3,270,318	3,256,292	100	Target Achieved	N/A
19	Solar Security lights installation at Migwani, Yatta/Kwa Vonza, Kwa Mutonga and Mbitini Wards in Kitui County	2,970,006	2,963,168	100	Target Achieved	N/A
20	Solar security lights installation at Mutitu, Nzambani, Chuluni and Ikanga Wards in Kitui County	3,168,006	3,110,470	98	Target Achieved	N/A
21	Solar security lights repairs at Mutitu and Zombe Wards in Kitui County	1,586,250	1,558,125	98	Target Achieved	N/A
22	Supply and delivery of Electric Pressure cookers	990,740	987,960	100	Target Achieved	N/A
23	Installation of integrated solar security lights projects in Mutonguni, Kauwi, Kyome/Thaana, Kiomo/Kyethani and Nguutani Wards	3,960,008	3,949,539	100	Target Achieved	N/A

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
24	Installation of integrated solar security lights projects in Kwa Vonza Ward	792,002	790,702	100	Target Achieved	N/A
25	Installation of integrated solar security lights projects in Kanyangi Ward	798,000	798,000	100	Target Achieved	N/A
26	Installation of integrated solar security lights projects in Ngomeni, Nuu and Nguni Wards	2,376,005	2,375,228	100	Target Achieved	N/A
27	Installation of integrated solar security lights projects in Zombe/Mwitika and Endau/Malalani Wards	1,584,003	1,583,516	100	Target Achieved	N/A
28	Installation of integrated solar security lights projects in Miambani, Mulango, Kyangwithya East and Township Wards	3,168,006	3,166,993	100	Target Achieved	N/A
29	Installation of integrated solar security lights projects in Mwingi Central and Tharaka Wards	1,604,466	1,603,839	100	Target Achieved	N/A
30	Installation of integrated solar security lights projects in Voo/Kyamatu and Mutomo Wards	1,584,003	1,580,291	100	Target Achieved	N/A
31	Hybridization of Ikanga Community water borehole in Kitui South	2,180,498	2,178,840	100	Target Achieved	N/A



S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
32	Hybridization of Katse town borehole in Mwingi North	2,116,738	2,114,915	100	Target Achieved	N/A
33	Supply and delivery briquetting machine	1,245,600	1,242,000	100	Target Achieved	N/A
34	Hybridization of Kakeani community water borehole in Kitui West	1,945,412	1,955,170	101	Target Achieved	N/A
35	Supply and delivery of tree seedlings to establish community woodlots	504,000	502,000	100	Target Achieved	N/A
36	Supply and Delivery Gem faceting machine and density balance equipment	1,500,000	1,498,000	100	Target Achieved	N/A
37	Supply and Delivery of Gemology laboratory equipment for Gemstone identification and value addition	2,721,472	2,721,032	100	Target Achieved	N/A
38	Hybridization of Matinyani Mixed community water borehole in Kitui West	1,480,450	1,480,100	100	Target Achieved	N/A
39	Hybridization of Kyume community borehole in Mwingi Central	2,116,738	2,116,439	100	Target Achieved	N/A
40	Supply and delivery of seed balls for eco system restoration	2,476,000	2,476,000	100	Target Achieved	N/A
41	Supply and delivery of certified pasture development seeds/roots splits agro ecological zone 4	961,950	961,950	100	Target Achieved	N/A

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
42	Supply and delivery of certified pasture development seeds/root splits agro ecological zone 5	961,400	961,400	100	Target Achieved	N/A
43	Supply and Delivery of certified pasture development seeds/root splits for hilly and mountain areas	1,017,000	1,017,000	100	Target Achieved	N/A
44	Supply and Delivery of pasture seeds/roots splits for agro ecological zone 3	1,017,000	1,017,000	100	Target Achieved	N/A
45	Supply and Delivery of rangeland management seeds	1,017,000	1,017,000	100	Target Achieved	N/A
46	Supply and delivery of restoration materials for a woodland ecosystem	601,000	601,000	100	Target Achieved	N/A
47	Procurement of landscape restoration materials for a mountain ecosystem	1,804,020	1,804,020	100	Target Achieved	N/A
48	Installation of integrated solar security lights projects at kitui west sub county (Kauwi, Kwa Mutonga/Kitumula and Matinyani wards)	1,600,000	1,599,969	100	Target Achieved	N/A
49	Installation of solar system for Ngungi water borehole at Kitui East Sub County	1,509,600	1,509,600	100	Target Achieved	N/A
50	Supply and delivery of restoration material species for apiculture	676,700	676,700	100	Target Achieved	N/A

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
51	Supply and delivery of bee hives for Athi Ward	2,099,000	2,099,000	100	Target Achieved	N/A
52	Supply and Delivery of bee hives for Miambani Ward	2,090,000	2,090,000	100	Target Achieved	N/A
53	Supply and delivery of bee hives for Ikutha Ward	2,098,000	2,098,000	100	Target Achieved	N/A
54	Supply and delivery of bee hives for kiomo/kyethani ward	2,097,000	2,097,000	100	Target Achieved	N/A
55	Supply and delivery of ecosystem restoration materials for silvicultural forestry approach	406,203	406,203	100	Target Achieved	N/A
56	Supply and delivery of restoration species suited for fodder production	804,104	804,104	100	Target Achieved	N/A
57	Supply and delivery of restoration materials species suited for ecosystems producing gums and resins	759,670	759,670	100	Target Achieved	N/A
58	Supply and delivery of seed balls for ecosystem restoration	2,476,000	2,476,000	100	Target Achieved	N/A
59	Supply and delivery of ecosystem restoration materials for rocky and murram soils ecosystems	521,000	521,000	100	Target Achieved	N/A
60	Supply and delivery of restoration materials for a wetland ecosystem	507,600	507,600	100	Target Achieved	N/A

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
61	Installation of integrated solar security lights at Kitui East and Kitui Central Sub-County (Voo & Miambani Wards)	900,750	900,750	100	Target Achieved	N/A
62	Installation of integrated solar security lights projects at Mwingi North Sub County and Mwingi Central Sub County (Kivou and Tseikuru Wards)	1,091,328	1,091,328	100	Target Achieved	N/A
63	Supply and delivery of landscape restoration species for agroforestry ecosystem	448,374	448,374	100	Target Achieved	N/A
64	Supply and delivery of eragrostis superbab seed balls for pasture improvement	1,516,200	1,516,200	100	Target Achieved	N/A
65	Supply and delivery of cenchrus ciliaris seed balls for pasture improvement	2,765,000	2,765,000	100	Target Achieved	N/A
66	Supply and delivery of bee hives for Mwingi Central Ward	2,200,000	2,200,000	100	Target Achieved	N/A
67	Supply and delivery of enteropogon macrostachyus seeds for pasture development and improvement	669,000	669,000	100	Target Achieved	N/A
68	Supply and delivery of terminalia brownie and acacia tortilis	490,134	490,134	100	Target Achieved	N/A

**3734: Ministry of Culture, Gender, Youth, ICT, Sports & Social Services**

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Equipping of Mwitika Social Hall with 150 branded plastic chairs, 10 conference tables, 2 executive chairs, 25 banquet chairs, 12 curtains complete with blinders and rails	1,500,000	1,495,550	100	Timely procurement process.	Early planning and execution of the project process to be maintained
2	Equip Mwingi Resource center with 6 no. mid-range speakers powered amplifier, wireless micro-phones 4 no. , 10 curtains complete with rails and blinders, connecting wires.	1,300,000	1,299,800	100	Timely planning and execution	Early planning and execution of the project process to be maintained
3	Participate in the Kenya Music and Cultural Festival program	899,000	970,000	108	Extra budget drawn from DSA	Work within allocated budget
4	Equip Youth Band with 1 drum-set and 3 guitars	875,000	864,500	99	Project completed on schedule	Early and thorough planning to be maintained.
5	Community Sensitization Programs on GBV and AGPO	2,552,000	2,552,000	100	Activity held successfully in 8 Sub-Counties	Maintain
6	Commemoration of International Days	1,792,200	1,400,000	85	Only International Women's Day and Day for the persons with Disability were celebrated. Partners and National government supported the events.	Proper and early Planning, and collaboration with partners to be maintained.
7	Collaboration with Gender Mainstreaming Partners	1,044,000	1,044,000	100	Synergy with stakeholders	Maintain
8	Development of Kitui County Gender Policy	1,624,000	1,624,000	100	Proper planning and preparedness in execution of project	To maintain

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
9	Development of GBV Rescue Centre	5,000,000	-	-	Late planning	Early planning and timely execution of the project to be done
10	Support to CCCIs: ( 8-groups: foodstuffs-maize , beans, milk, sugar, green grams)	1,160,000	1,148,361	99	Timely planning and execution of project	Maintain apt planning and implementation
11	Supply PWDs with assistive devices (white canes, hearing aids, sunscreen ointments, crutches and diapers)	5,030,000	4,789,100	95	Adherence to timelines in implementation of project	Adherence to timelines in implementation of project to be maintained.
12	AGPO trainings to Women, youth and Groups (8 workshops, one per Sub-County)	807,000	799,050	99	Project completed as scheduled	Proper planning and execution of the project process to be maintained
13	Women Socio Economic Strengthening (8 groups, 4-with catering Equipment, 4-with Tents and chairs)	2,209,000	1,998,623	90	Fluctuation of budget during supplementary destabilized the implementation	Timely implementation of project to be adhered to.
14	Staff capacity building	183,080	116,400	64	Re-allocations done as per Supplementary II budget	Capacity Building to be pooled and spearheaded by the Administration department
15	Youth sensitization and awareness creation	1,453,156	1,116,200	77	Re-allocations done as per Supplementary II budget	Finances to be timely availed as per actual budgetary allocations
16	Mentorship Forum	1,200,000	814,450	68	Re-allocations done as per Supplementary II budget	Finances to be timely availed as per actual budgetary allocations
17	Peer Learning Programme	580,000	580,000	100	N/A	Maintain
18	Youth Employability Placement Programme	1,714,234	1,373,650	80	This is work in progress (WIP) hence funds progressively utilized	Funds progressively utilized
19	Skills Prefeasibility	500,000	500,000	100	WIP.	Maintain

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
20	Other Infrastructure and Civil Works (Development of 13 play grounds)	46,000,000	45,724,879	99	Work in progress	Responsible departments to coordinate with contractors to ensure timely completion of projects
21	Other Civil Works – Chain-link fencing and earthworks of Kyoani stadium in Kyoani Village in Ikutha ward in Kitui South Sub/county (Fencing and levelling - earth works)	3,000,000	1,980,000	66	Work in progress	Responsible departments to coordinate with contractors to ensure timely completion of projects
22	Renovation of Mathuki Community Playground	1,999,840,00	1,999,840,00	100	Money drawn from Disaster management funds allocated during Supplementary II	Maintain
23	Training of Referees in Badminton, Netball, Volleyball and Basketball	1,380,000	1,380,000	100	Good coordination with Federations that ensured high turn-up of participants	Maintain
24	County tournament in football, Talanta Hela	2,109,000 .00	2,109,000 .00	100	Sufficient planning and execution	Maintain
25	County competitions and tournaments in popular sports disciplines (including Kenya Youth Inter- County Sports Association KYISA and Kenya Inter-County Sports and Cultural Association – KICOSCA)	10,400,000	10,400,000	100	Sufficient planning and execution	Maintain
26	Procurement of assorted Sports equipment	7,143,103	6,899,503	97	Sufficient planning and execution	Coordination with procurement department to be enhanced
27	Centralization of ICT systems and network (ICT policy)	2,000,000	2,000,000	100	Funds were available on time	Maintain

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
28	Establish a facility for mentorship, coaching and development of innovative talents in the ICT sector	500,000	500,000	100	Funds were available on time	Maintain
29	ICT Equipment in four (4) Vocational Training Centres	4,000,000	3,493,000	100	Activity budget was consolidated with activity #5(installation of Wi-Fi) and due to Price Fluctuation it was not possible to equip 4 but only 3 were equipped	To consider Dollar currency fluctuation when budgeting for ICT equipment.
30	ICT Equipment maintenance in 22 Vocational Training Centres	3,000,000	3,000,000	100	Procurement process was on time	Maintain
31	Installation of Wi-Fi in Vocational Training Centres	1,000,000	1,399,190	100	Budget was Combined with activity #3 (Equipping VTC) and 3 VTC instead of 2 were installed with WIFI thus the escalation of the budget.	To consider price fluctuation when budgeting
32	Website design and development	2,000,000	1,999,950	100	Procurement process was prompt and Funds were available on time	Maintain

### 3735: Ministry of Finance, Economic Planning & Revenue Management

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Kenya Devolution Support Program (KDSP) - County Wide	139,956,716	101,587,735	73	Donor Procedures needed to be adhered to.	Adhere to donor's procedures.



**3736: Ministry of Agriculture & Livestock**

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
<b>1</b>	<b>0102003710 P2: Crops Development and management</b>					
	<b>0102013710 SP 2.1 Farm Input Support (Crops development support)</b>					
1.1	Crop development Support	45,800,000	45,788,668	99.98		
<b>2</b>	<b>0103003710 P3: Agribusiness and Information Management (Farm development &amp; Agribusiness)</b>					
	<b>0103013710 SP 3.1 Agribusiness and Market Development</b>					
2.1	Subsidized tractor ploughing services	15,813,444	14,036,413	88.76		
2.2	Procurement of disc ploughs	8,250,000	8,248,640	99.98		
<b>3</b>	<b>National Agricultural Value Chains Development Project (NAVCDP)</b>					
3.1	Kitui County Farmers' Profiling	267,192,729	64,751,000	24.23	Delayed disbursement of funds	Lobby for release of fund in good time
4	National Agricultural and Rural Inclusive Growth Project (NARIGP)	43,669,471	10,761,826	24.64		
<b>5</b>	<b>Emergency Locust Response Programme (ELRP)</b>					
5.1	Support to Community driven Micro-projects: - Restocking of goats to common interest groups/Vulnerable & marginalized groups (CIGs/VMGs)	338,329,548	24,042,000	7.11	Delayed disbursement of funds	Lobby for release of fund in good time
5.2	Support to Farmer Producer Organization (FPO)	2,000,000	2,000,000	100		
5.3	Kitui Foods (pending bill)	23,148,750	0	0	Bill not cleared by set concerned committee	
<b>6</b>	<b>0103023710 SP 3.2 Agricultural Information Management (Extension services)</b>					

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	Shows and Exhibitions					
6.1	Hosting Kitui Agriculture Show and Trade Faire	51,563,327	51,557,718	99.99		
6.2	Kitui Agricultural show and trade faire preparation	10,999,999	10,938,789	99.44		
	<ul style="list-style-type: none"> <li>Show infrastructure development (Masonry front fence with ticketing offices)</li> </ul>	4,180,303	4,186,609.70	100		
	<ul style="list-style-type: none"> <li>Show infrastructure development (Livestock holding lines)</li> </ul>	3,223,722	3,223,722	100		
	<ul style="list-style-type: none"> <li>Show infrastructure development (B/hole solarisation)</li> </ul>	2,595,925	2,595,925	100		
6.3	Refurbishment of Poultry house at ATC	500,000	377,342.80	75.47		
6.4	Support to ATC seedling nursery	2,050,000	2,047,850	99.90		
6.5	Construction of Kitui East Office	3,500,000	3,551,440	101.47		
6.6	Capital grants-Sweden funded (ASDSP Programme)	1,779,955	1,779,955	100		
<b>7</b>	<b>0106003710 P.6 Livestock Resources Management and Development</b>					
	<b>0106013710 SP 6.1 Livestock Production and Management</b>					
7.1	Poultry improvement (provision of incubators)	1,500,000	1,564,855	104.32		
7.2	Beekeeping improvements	2,500,000	2,424,600	96.98		

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
7.3	Procure pasture seeds for demonstration	2,000,000	1,996,600	99.83		
7.4	Purchase of Animals and Breeding Stock	1,512,975	1,512,975	100		
8.0	<b>0106013710 SP. 6.2 Livestock Diseases Management and Control</b>					
8.1	Tick control (provision of sprayer pumps)	3,000,000	2,997,150	99.91		
8.2	Provision of vaccination services	6,620,350	6,620,350	100		
8.3	Completion of phase 2- livestock office	2,535,000	2,498,000	99.92		

### 3737: Ministry of Lands, Housing and Urban Development

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Preparation of market layouts	2,320,000	1,866,400	80.45	Payment process lock out of FY 2023/24	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
2	Land clinics and policy for eight sub counties - Public Sensitization in liaison with the county assembly-educate the public on the role of the ministry of lands in land management in the county.	5,000,000	2,765,400	55.31	Payment process lock out of FY 2023/25	Timely release of funds, timely project execution and prompt payment for works done/services rendered.

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
3	Procurement of 30 Hectares piece of Land.	11,900,000	10,500,000	88.24	Consultation process still ongoing	Timely procurement of the project
4	Land Adjudication process for Mwakini Settlement area.	4,500,000	2,740,000	60.89	Demarcation process still ongoing	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
5	Preparation of Kanyangi Local Physical and Land Use Plan	8,000,000	7,850,000	98.13	Plan on final stages of completion	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
6	Valuation roll	3,706,156	3,706,156	100.00	Complete	N/A
7	Digitization of Plans and Other Spatial Records.	2,000,000	0	0.00	Delay of funds to initiate the project	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
8	Establishment of County Land Registry	1,936,922	0	0.00	Delay of funds to initiate the project	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
9	Plot verification, plot valuation and plot mapping	2,642,200	0	0.00	Delay of funds to initiate the project	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
10	Preparation of land use bills and policies	1,700,000	0	0.00	Delay of funds to initiate the project	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
11	Formulation of Kitui County Risk/ disaster management policy for the 8 sub counties urban areas	2,500,674	1,841,600	73.64	At finalizing stages	N/A
12	To prepare a data register for the urban areas in the county for ranking purposes.	7,451,000	7,450,940	100.00	Complete	N/A
13	Formulation of Mwingi Integrated Development Plan	2,500,000	1,898,674	75.95	Ongoing project	

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
14	Establishment of Mutomo and Kyuso Town Administrations	6,487,134	6,482,934	99.94	Timely implementation process	NA
15	Elevation of water Tanks and connectivity to water supply in our 6 urban areas.	1,000,000	856,000	85.60	Complete project	N/A
16	Installation of street lights along the roads of 8 the urban areas ( upcoming urban areas)	26,500,000	22,050,400	83.21	Several projects completed and paid within the FY 2023/24	N/A

### 3722 County Public Service Board

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Construction of office block	15,000,000	0	0	Delays in project execution	Detailed Project Planning, Regular Monitoring and Progress Reviews, Risk Management Strategy, Adequate Resource Allocation and Establish Realistic Timelines

### 3723 County Assembly

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Compensation to employees	132,198,007	132,082,483	100	The funds were received in good time hence efficiency	Proper planning and strict adherence to implementation plan

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
2	Use of good and services	182,553,511	173,944,510	95	The absorption was at excellent level. The under absorption could mainly be attributed to some procured items that did not meet specifications and ended up being returned to supplier and thus were never paid for.	initiate procurement process of goods and services early to increased efficiency in the implementation of programmes and ensure that which do not meet specifications are returned in good time to allow the suppliers re-deliver.
3	Other recurrent expenditure	3,974,395	3,723,623	94	The absorption was at excellent level. The under absorption could mainly be attributed to some procured items that did not meet specifications and ended up being returned to supplier and thus were never paid for.	initiate procurement process of goods and services early to increased efficiency in the implementation of programmes and ensure that which do not meet specifications are returned in good time to allow the suppliers re-deliver.
	<b>Sub Total Recurrent</b>	<b>318,725,913</b>	<b>309,750,616</b>	<b>97</b>		
<b>Capital Expenditure</b>						
1	Construction of Speakers Residence	35,000,000	0	0	The implementation of the project could not commence since the County Assembly lacked a piece of land to build the Speakers Residence	The Assembly has been allocated funds to procure land for construction of the Residence.
2	Non- Residential building(Offices, Schools, hospitals	190,558,553	26,200,000	14	The implementation stage of the project is at the take off stage having secured the necessary approvals and engaged the contractors	Having secured all the necessary approvals for the office block, the Assembly is ready to hand over the site to the contractor to fast track the works.
3	Other Infrastructure and Civil Works	3,500,000	0	0	The construction of the perimeter wall fence around the Assembly precincts could only commence upon completion of the	the Perimeter wall will be implemented together with the office block ones the contractor is on site.

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					construction of office block	
	<b>Sub Total Capital Expenditure</b>	<b>229,058,553</b>	<b>26,200,000</b>	<b>11</b>		
	<b>Sub Total General administration</b>	<b>547,784,466</b>	<b>335,950,616</b>	<b>61</b>		
1	Compensation to employees	264,573,378	262,187,854	99	The absorption level was excellent due to proper planning	Proper planning and strict adherence to implementation plan
2	Use of good and services	392,985,573	374,374,896	95	The absorption was at excellent level. The under absorption could mainly be attributed to some procured items that did not meet specifications and ended up being returned to supplier and thus were never paid for.	initiate procurement process of goods and services early to increased efficiency in the implementation of programmes and ensure that which do not meet specifications are returned in good time to allow the suppliers re-deliver.
3	Other recurrent expenditure	204,529,424	50,447,928	25	The absorption level was affected by failure of Members of County Assembly to apply for car loans, mortgages as well as car reimbursements	Sensitise the Members on the need to apply for these benefits to ensure efficiency.
	<b>Sub Total Legislative programme</b>	<b>862,088,375</b>	<b>687,010,678</b>	<b>80</b>		
	<b>GRAND-TOTAL</b>	<b>1,409,872,841</b>	<b>1,022,961,294</b>	<b>73</b>		

### 3724: Kitui Municipality

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	construction of drainage works at the end of Magunas Supermarket to Kitui Prison land-70m	566,658	565,962	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
2	Fence Relocation and Repairs Along St. Ursula Girls Secondary School (Tungutu) Loop Road (P39 Kitui)-530M	1,011,972	1,011,972	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
3	Supply and delivery of fabricated six (6nos.) skip bins.	2,999,700	2,999,700	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
4	Integrated solar energy street lights from ATC-SEKU to bypass-20No.posts with 40No.of integrated solar LED lamps of 150watts	4,639,511	4,639,511	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
5	Integrated Solar Energy Street Lights From Kitui Prison To County Public Service Board-22No.of integrated solar LED lamps of 150 watts	2,214,303	2,214,303	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
6	Integrated Solar Energy Street Lights From Ola Petrol Station To Slaughter.5No.posts with 10No.of integrated solar LED lamps of 150watts	1,196,515	1,196,515	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation



S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
7	Integrated Solar Energy Street Lights Kitui Town CBD-25No. of integrated solar LED lamps of 150 watts	2,297,934	2,297,934	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
8	Integrated Solar Energy Street Lights From Konani Kwa Kalonde To KMTC-6No.posts with 12No.of integrated solar LED lamps of 150watts	1,419,067	1,419,067	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
9	Integrated Solar Energy Street Lights From Majengo Shopping Centre To Majengo Bridge-15No.posts with 30No.of integrated solar LED lamps of 150watts	3,436,975	3,436,975	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
10	Integrated Solar Energy Street Lights From BAT To Majengo Shopping Centre-15No.posts with 30No.of integrated solar LED lamps of 150watts	3,437,167	3,437,167	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
11	Integrated Solar Energy Street Lights From Kitui Law Courts To Nzeeu River-28 No.of integrated solar LED lamps of 150 watts	2,557,475	2,557,475	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
12	Integrated Solar Energy Street Lights From Kitui Central Park To Kwa Ngindu Primary School-40no of integrated solar LED lamps of 150 watts	3,662,995	3,662,995	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
13	Integrated Solar Energy Street Lights From Signal To Kitui Round About-15No.posts with 30No.of integrated solar LED lamps of 150watts	3,433,699	3,433,699	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
14	Emergency works for Pothole patching works of Kitui-school-Ithookwe showground	2,713,544	2,713,198	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
15	Fabrication of parking shed for Fire engine vehicle-1No-At Kitui Municipality Compound.	1,476,950	1,476,950	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
16	Supply and delivery of fabricated one (1nos.) skip bin.	499,800	499,800	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
17	Renovation of Public Toilet at Kunda Kindu Stage	1,632,555	1,537,555	94	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
18	Renovation of Public Toilet at Kalundu Market	1,115,700	972,925	87	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
19	Renovation of Public Toilet at Kitui Buspark	816,500	816,500	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
20	Installation of Integrated Solar Streetlights for Mulutu Shopping Centre-7No.posts with 14No.of integrated solar LED lamps of 150watts	1,667,600	-	-	Project Complete,awaiting for payment.	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
21	Installation of Integrated Solar Streetlights for Wikililye Shopping Centre-18No.posts with 36No.of integrated solar LED lamps of 150watts	3,913,504	3,819,838	98	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
22	Installation of Integrated Solar Streetlights for Matinyani Shopping Centre-12No.posts with 24No.of integrated solar LED lamps of 150watts	2,729,136	2,729,136	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
23	installation of integrated solar streetlights for Museve shopping Centre-10No.posts with 20No.of integrated solar LED lamps of 150watts	2,307,360	2,307,360	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
24	Supply and Replacement of Solar Integrated Solar Streetlights in Mjini Street in Kitui Municipality-19No. of integrated solar LED lamps of 150 watts	1,865,810	1,865,810	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
25	Construction of perimeter wall at Kalundu market-For security of traders goods	4,999,203	-	-	Contract Awarded	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
26	Desilting and minor repairs of various drainage along Kunda Kindu,Behind Buspark,along Jubillee College and along Kalundu Market-	1,161,000	1,160,580	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
27	Construction of drainage channels in sections of Jubilee College/Lake Oil Petrol station Road-Kitui Stadium-150m	929,276	926,160	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
28	Construction of drainage channels in Jordan Hospital-Kalundu River-150m	1,542,410	-	-	Contract Awarded	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
29	Installation of cabros in areas from Naivas Supermarket-Bliss Medical Care-510 sq,meters	2,228,145	-	-	Project Complete,awaiting for payment.	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
30	Installation of Cabros in Areas Around Cooperative Bank-330sq.meters	1,848,460	1,847,735	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
31	Drainage works at St.John Paul II Institute-105M	931,144	930,929	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
32	Repair and section recarpeting of Naivas Supermarket-Ola petrol station Rd-225Sq.meters	906,205	906,151	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
33	Repair of Kitui Refferal Hospital -Kitui Resort Hotel Rd	1,044,644	1,044,311	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
34	Installation of Cabros Near Kitui Referral Hospital Gate A	1,988,205	-	-	Contract Awarded	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

### 3725: Mwingi Municipality

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Proposed Construction of perimeter wall at dumpsite-phase 2-1	2,500,000	2,499,015	99.96	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					commitment of the project funds.	
2.	Proposed Construction of perimeter wall at dumpsite-phase 2-2	2,000,000	1,999,750	99.99	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
3.	Proposed drainage along Mutunga Diagnostics to ACK	2,500,000	2,493,799.90	99.75	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
4.	Proposed drainage works from Mamro to Colonel Muithya building opposite police Station	2,400,000	2,395,226	91.80	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
5.	Proposed repair and maintenance of LED street lighting at Happy Zone to stock Yard Area	1,300,000	1,267,851	97.53	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
6.	Proposed repair and maintenance of LED street lighting at Musila Gardens - slaughter Bypass area zone	890,000	881,960.76	99.10	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
7.	Proposed repair and maintenance of 5No. High masts in Mwingi Town	1,500,000	1,425,708.90	99.05	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
8.	Proposed cabro works opposite Post Bank	4,000,000	3,996,694.20	99.92	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
9.	Proposed cabro works from Total Petrol Station to Mosque	2,800,000	2,798,152	99.93	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
10.	Proposed Cabro works from Mosque to Yumen	2,850,000	2,839,797.16	99.64	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable</li> </ul>	Timely release of funds, timely project execution and prompt

S/No.	Project/Programme	Budget (2023/2024) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					preserved budget range Timely project initiation and commitment of the project funds.	payment for works done/services rendered.
11.	Proposed Cabro Works from Yumen to sukari	3,400,000	3,388,838.5	99.67	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
12.	Road Improvement from Cottage to Kwa Kaka through Kyanika Primary	2,500,000	2,474,715	98.99	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.
13.	Proposed renovations at Mwingi Slaughter house	1,900,000	1,495,850	78.73	<ul style="list-style-type: none"> <li>▪ Variation of materials and works prices</li> </ul>	Prior immediate market price surveys
14.	Provision of Consultancy services for Preparation of Integrated Urban Development Plan For Mwingi Municipality	10,000,000	9,440,683	94.41	<ul style="list-style-type: none"> <li>▪ The actual expenditure was within the allowable preserved budget range</li> <li>▪ Timely project initiation and commitment of the project funds.</li> </ul>	Timely release of funds, timely project execution and prompt payment for works done/services rendered.



KITUI COUNTY GOVERNMENT



**COUNTY BUDGET REVIEW AND OUTLOOK PAPER  
FY2023/24**