

COUNTY GOVERNMENT OF KITUI

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KITUI

MINISTRY OF FINANCE, ECONOMIC PLANNING & REVENUE MANAGEMENT

When replying please quote

REF. NO: CGKTI/CT/FIN/1/ [2025-2026]/1

29TH AUGUST, 2025

COUNTY TREASURY CIRCULAR NO. 1/2025

TO: ALL ACCOUNTING OFFICERS

RE: GUIDELINES FOR THE PREPARATION OF FINANCIAL YEAR 2026/27 AND THE MEDIUM-TERM BUDGET

I. INTRODUCTION

1. This Circular is issued in accordance with Section 128(2) of the Public Finance Management Act, 2012, which states "*Not later than the 30th August in each year, the County Executive Committee member for finance shall issue a circular setting out guidelines to be followed by all of the county government's entities in the budget process*"
2. This Circular applies to all County Government entities including Ministries, Departments and Agencies (MDAs), Municipalities, Boards and the County Assembly during the preparation of the FY 2026/27 and the Medium-Term Budget.

II. PURPOSE

3. This Circular provides processes, procedures, and timelines for the preparation of the FY 2026/276 and the Medium-Term Budget. The Circular outlines the following:
 - a) A schedule for preparation of the budget, specifying the key dates by which the various processes are to be completed;
 - b) The methodology for the review and projection of revenues and expenditures;
 - c) Key policy areas and issues to be taken into consideration when preparing the budget;

- d) The procedures to be followed by members of the public who wish to participate in the budget process;
- e) The format in which information and documents relating to the budget are to be submitted;
- f) The information to be in conformity with standard budget classification systems as prescribed by regulations
- g) Any other information relevant to the budget process

III. BACKGROUND

4. The FY 2026/27 Medium- Term budget is being prepared within the context of a global economy that faces significant challenges due to rising trade barriers, financial tightening, and policy uncertainties, which threaten growth prospects. Persistent risks include trade policy escalations, cautious consumer and business behaviour, intensification of geopolitical tensions, and sustained inflation, potentially exceeding expectations. However, reversing trade restrictions early could stimulate growth and mitigate inflationary pressures.

5. Global economic growth is expected to moderate to 3.0 percent from 3.3 percent, before slightly improving to 3.1 percent in 2026. The slowdown is largely attributed to front-loading of trade activities in anticipation of higher tariffs, lower-than-expected effective US tariff rates, and easing global financial conditions driven by a weaker US dollar, and fiscal expansion in some major economies. In addition, geopolitical tensions pose a further threat by potentially disrupting global supply chains and driving up commodity prices.

6. At the regional level, growth in Sub – Saharan Africa is projected to grow steadily at 4.0 percent in 2025 and improve to 4.3 percent in 2026, reflecting gradual recovery across the region. The growth is attributed to increased private consumption, ongoing public investments in infrastructure, and a gradual revival of the services sector, particularly tourism. However, several risks could impede this growth trajectory, including spillovers from global trade disruptions, declining external demand, volatility in commodity prices driven by geopolitical tensions, and limited fiscal capacity in many countries, which may lead to tighter financing conditions.

7. Kenya’s economy is expected to recover in 2025, with growth forecasts between 4.8% and 5.3%. This positive outlook is supported by a strong agricultural and manufacturing sector, favourable weather boosting agricultural productivity, a robust service industry, macroeconomic stability, ongoing public investment, and high business confidence. Kenya’s economic outlook faces both external and domestic risks. Globally, trade tensions, financial markets volatility, and geopolitical conflicts could reduce Kenya’s export, tourism and remittances as well as raise cost of essential commodities. In domestic scene, extreme weather may impact agriculture, infrastructure, and food security.

8. Kitui County projects expected growth in terms of Own Source Revenue collection owing to full automation and digitization of all revenue streams. The County has tremendously grown Own Source Revenue by over 100 percent from Kshs **361 million** in 2022 to Kshs **895 million** in 2025. This improvement translates to improved services to Kitui citizens. Some of the risks to the county growth includes upsurge of pending bills lowering flow of cash in the county economy, slow business growth as well as low income per capita. Further, erratic climatic conditions with rain failure in several seasons could slow agricultural productivity as well as lead to food insecurity. However, the County Government of Kitui is working towards ensuring stable county economy by investing in Agriculture, Trade and Water infrastructure.

9. The FY 2026/27 and the Medium-Term Budget will continue to support the Kitui County Government's 16 sector development agenda as outlined in the Kitui County Integrated Development Plan 2023-2027.

10. Following the anticipated limited resources to be generated in the economy under the prevailing circumstances, it is imperative that MDAs prioritize and accommodate programmes within the available resource envelope.

IV. ASSUMPTIONS UNDERPINNING THE FY2026/27 AND MEDIUM-TERM FISCAL FRAMEWORK

11. The Medium-Term Fiscal Framework supporting the budget will be anchored on the following assumptions:

- (i) Real GDP is projected to grow of at least 5.3 percent over the medium term;
- (ii) Inflation maintained within \pm 2.5. percent of the 5 percent target;
- (iii) Gradual downward adjustment in interest rates; stable exchange rates;
- (iv) Revenue rising to 17.7 percent of GDP in the FY 2026/27;
- (v) Expenditure contained below 21.5 percent GDP in line with fiscal consolidation; and
- (vi) At the County Level, Own Source Revenue expected to improve gradually as a result of new strategies like full automation and enforcement of Kitui County River Basins Sand Utilization and Conservation Act 2024.

V. SPECIFIC GUIDELINES

12. The following are the specific guidelines to be followed in the preparation of financial year 2026/27 and the Medium-Term Budget proposals.

a) Medium-Term Development Strategy

13. The Medium-Term priorities and corresponding resources will be guided as outlined in the County Integrated Development Plan (CIDP) 2023-27, Annual Development Plan (ADP) 2026/27, County Budget Review and Outlook Paper (CBROP) 2024/25 and the County Fiscal Strategy Paper (CFSP) 2026/27. These documents will guide the development of sector priorities, policies, plans and Monitoring and Evaluation processes for **FY 2023/24 – 2026/2027** MTEF budget. In this regard, Sector Budget proposals should factor priority programmes/projects that:

- i) Address the priorities and objectives of the Kitui CIDP 2023 - 2027;
- ii) Invest in priority areas that support social development and economic growth;
- iii) Link available resources to expected outputs and also ensure that there is adequate provision for mandatory expenditures.

b) Timeframe

- 14.** The policy documents will be required to be prepared and approved within the stipulated timeframe
 - Annual Development Plan
 - County Budget Review & Outlook Paper
 - Sector Working Group Budget Proposals
 - County Fiscal Strategy Paper
 - Medium-Term Debt Management Strategy Paper;
 - Programme Based Budgets and supporting details
 - Annual Appropriation Bill
 - Finance Bill
- 15.** To facilitate finalization and approval of the above policy documents and Bills within the stipulated timelines, Accounting Officers are required to strictly undertake the outlined activities in the Budget Calendar within the set timeframes. The timeframes for delivery of the Policy Documents, Reports, and relevant Bills, and the Budget Calendar for the FY 2026/27 is provided in **Annex I** of this Circular in accordance to the requirements of the Public Finance Management Act, 2012.
- 16.** County Spending Entities shall be responsible for formulating sector budget proposals and developing Sectoral Policies. The Entities are expected to ensure that proposed programmes and projects are in line with the objectives of the CIDP 2023-2027.

c) Institutional framework To Guide the Budget Process

- 17.** In line with the UN-Classification of the Functions of Government (COFOG), Ministries performing closely related functions have been mapped to form a Sector Working Groups (SWGs). The SWGs will remain as follows:
 - a) Agriculture, Rural and Urban Development (ARUD);
 - b) Energy, Infrastructure and ICT (EI&ICT);
 - c) General Economic and Commercial Affairs (GECA);
 - d) Health & Sanitation;
 - e) Education;
 - f) Governance, Justice, Law & Order (GJLO);
 - g) Public Administration & International Relations (PAIR);
 - h) Social Protection, Culture and Recreation; and
 - i) Environmental Protection, Water and Natural Resources
- 18.** The mapping of County Ministries into Sectors is provided in **Annex 5 (A)** under this Circular. The composition of Sector Working Groups (SWGs) and the terms of reference are outlines under **Annex 5 (A & B)** of this circular.

d) Form and Content of The Budget Programme Based Budgeting (PBB)

- 19.** Under program budgeting, the budget preparation process should be program based. That is, agencies should present and justify their budgets in terms of programs with supporting cost and performance information.
- 20.** The County Budget Review and Outlook Paper (CBROP) present the recent economic developments and actual fiscal performance of the FY 2024/25 and makes comparisons to the budget appropriations for the same year. It further provides updated financial forecasts and how these projections deviated from estimates contained in the last County Fiscal Strategy Paper (CFSP) released in January 2025.
- 21.** Budget Estimates shall be prepared and presented to County Assembly by Vote and Programme format. This is in accordance with the requirements of the Section 38 (1) (b) (v) and 38 (3) (b) of the Public Finance Management Act, 2012 which specifically require that:
- i. The format of the Budget Estimates shall include all expenditure by Vote and by Programme, clearly identifying both Recurrent and Development Expenditure;
 - ii. The Appropriations be by Vote and Programme.
- 22.** Moving forward, the appropriation of the budget shall continue to be presented at programme level. The format for the preparation and presentation of the PBB is provided in **Annex 2** of this Circular. County Ministries are expected to define Programmes with clear objectives and outcomes that are linked to outputs with clear performance indicators and targets.
- 23.** In designing programmes, the structure should be linked to maintain line of service delivery in the County Ministries. Programme performance indicators should mainly be indicators of programme outputs (service provided) and outcomes (effectiveness). Programme performance targets should be specific, measurable, achievable, realistic, and time bound (SMART).
- 24.** Accounting Officers should ensure that all functions or activities undertaken by departments are included in relevant programmes. In particular, care should be taken to ensure that:
- There are no crosscutting activities or functions which are not assigned to respective programmes;
 - Each programme has a distinctive name that reflects its overall objective; and
 - There is no duplication of programme names used by other departments.
- 25.** In case where Departments have more than one programme, an additional programme should be created to cater for Management and Administration of

overhead costs which cannot be attributed to only one programme. Such a programme should be confirmed to common services such as General Administration, Financial Services, Accounting, Internal Audit, Procurement, Planning Services, Human Resource Management, Public Communication and ICT services which are not programme-specific.

- 26.** Care should be taken to ensure that programmes and sub-programmes are aligned to their respective Government Finance Statistics (GFS) codes.
- 27.** In preparing the narrative section of the programme budget (context for budget intervention), departments are required to include a description of the main services (outputs) provided by the programme, a statement of the programme's overarching objective, a brief discussion of cumulative programme achievements for the last MTEF period, and a description of the achievements expected in the next MTEF period.

e) Programme Performance Review (PPR)

- 28.** All County Ministries will be required to undertake Programme Performance Reviews (PPRs) in accordance with the guidelines provided in **Annex 3** PPRs are critical in successful programme budgeting and requires continuous refinement. PPRs should focus on the efficiency and effectiveness of public spending and whether such spending was on priorities with highest impact.
- 29.** The PPRs findings should be used to determine MTEF budgetary allocations by assessing whether value for money has been obtained in previous allocations, which programmes are to be given priority in terms of funding and whether it will be prudent for government to continue with some projects. This exercise is expected to contribute towards an efficient and effective way of allocating resources towards the priorities of the County Government.
- 30.** Moving forward, PPRs will be an annual exercise which will be carried out between July and September. For the purpose of **2026/27** MTEF Budget process, PPRs will be undertaken within the month of September (see the timelines in **Annex 1**). **With the issuance of this Circular, County Ministries are expected to commence the exercise immediately.**

f) Prioritization and Allocation of Resources to Programmes

- 31.** The County Government will continue with its policy of expenditure prioritization with a view to achieving the transformative development agenda. This will be done by ensuring equity and minimization of costs through the

elimination of duplication and inefficiencies. In this regard, the following criteria will serve as a guide in allocating resources:

- a) Linkage of the programme with the objectives of CIDP 2023-2027;
- b) Degree to which the programme is addressing the core poverty interventions;
- c) Expected outputs and outcomes from a programme;
- d) Backward and forward linkage of a programme;
- e) Cost effectiveness and sustainability of the programme;
- f) Immediate response to the requirements and furtherance of the implementation of the Constitution; and
- g) Degree to which the programme is addressing the core mandate of the department.

32. Based on these broad guidelines, each sector is expected to develop and document the criteria for resource allocation within a sector. Further, Sector Working Groups (SWGs) should prioritize programmes based on the following:

- i) Identify the programmes/projects that are of low priority and come up with savings which should be directed to high priority programmes;
- ii) Allocation of resources to projects that have been fully processed (i.e. feasibility study done, with detailed designs, necessary approvals, and land secured). The SWGs should also pay attention to the estimated requirements for each of the stages of project cycle;
- iii) Introduce a mechanism of efficiency savings to ensure that funds are directed to service delivery, rather than non-essential spending;
- iv) Proposals are accommodated within the respective Sector ceilings.
- v) Detailed explanation for rescheduling of projects including savings and financial implications should be done.

g) Costing of Programmes Recurrent Budget Estimates

Personnel Emoluments

33. The County Government Expenditure on compensation to employees is not expected to exceed 35 percent of the County Total Budget in line with fiscal responsibility principles. To ensure the wage bill remains within the Medium-Term Targets, SWGs should not allocate resources for new recruitment, Interns, Casuals or upgrading unless there is prior approval from the County Treasury. County Ministries should however provide adequate resources to cater for movement from one salary scale to another. Allocation for Personnel Emolument must be supported by Integrated Personnel Payroll Data (IPPD). Each County Ministry will therefore be required to provide this information to support Personnel cost.

Use of Goods and Services

- 34.** The County government will undertake such austerity measures to scale down non-core operational expenditures mainly in the goods and services. In FY **2026/27**, County entities will be expected to prepare their budgets for Operations and Maintenance in the context of a hard budget constraint. County Treasury will critically review Budget Proposals and where necessary make reallocations from the less productive items in order to direct the savings toward capital investment and other priority areas.
- 35.** Accounting Officers are required to fully provide for fixed costs and other mandatory requirements based on the trend or existing agreements.

Consultancies and Professional Services

- 36.** While the County Government acknowledges the contribution of consultants and professional service providers to the delivery of public services, there are concerns over the long-term nature and cost of many of these consultancy arrangements. Moving forward, any funding factored in the budget for consultancies, contracted professional services, contracted technical services and feasibility studies, will have to be fully justified. In view of this, County Entities requesting such funds will be required to provide the following to justify such expenditures:
- i) Details of the specific task and timeframe the consultant is expected to undertake;
 - ii) Why the task cannot be undertaken by county Ministries/Department Agencies (MDA's) Staff;
 - iii) Details of steps being taken by the County MDA to address skills gap so as to reduce the reliance on external consultants; and
 - iv) Details (including duration and cost) of all Consultancy or professional service contracts, entered into by the County MDAs in the last financial year.

ii. Development Budget Estimates

- 37.** Completion of the on-going projects must be accorded priority. In this regard, allocation of capital expenditure must give priority to funding of on-going projects and programmes. County ministry should provide adequate information to support the existence of ongoing projects which should include a list of the ongoing projects with details of total cost, start and end date, cumulative expenditure to date, balance to completion, and amount required over the Medium-Term, the format for the presentation of the information is provided in **Annex 1**.
- 38.** Proposals for additional allocation of resources must be accompanied by a Cost Benefit Analysis (CBA). The proposed additional or new expenditure will have to be aligned with the County Ministry mandate and should be subject to the available fiscal space.

39. County Ministry should also indicate how their proposed projects will contribute to economic growth, job creation and increased citizen’s welfare.

Conditional Grants

40. Conditional Grants must be reflected and accounted for within the appropriate programme and sub-programme structure under the County Ministry Budget.

Cross-cutting Issues: Gender, Youth, Persons living With Disabilities (PLWDs) and Sustainable Development Goals (SDGs)

41. The County Government Development Agenda has continued to focus on mainstreaming Gender, Youth, Persons Living with Disabilities (PLWDs) and Sustainable Development Goals (SDGs) through affirmative action. To ensure visibility, monitoring and evaluation and affirmative decision making on these efforts, set targets for programmes should where applicable reflect gender disaggregated data.

h) Public Participation/Stakeholder Involvement

42. Public participation in the budget making process is a Constitutional requirement. It is through public participation where stakeholders give their views and input for consideration in the proposed programmes and projects. Public participation creates a widespread support for programmes and this increases the acceptance and legitimacy of policy plans and establishes the necessary sense of ownership.

43. For Budgeting purposes, the Department of Economic Planning and Budgeting will continue to spearhead the process. The County Departments/Ministries are expected to fully acquaint themselves with the Public Participation process and assign relevant staff to participate in each of the below listed stages and provide responses to members of the public;

i) BUDGETING PROCESS

44. This circular stipulates the main milestones to be undertaken during the FY 2026/2027 budgeting Process (See Annex 1). During this process public participation shall be key as per Section 125 (2) of PFMA, 2012 as outlines in the table below.

Calendar of key Budgeting milestones requiring Public Participation;

S/No.	Activity/Policy Document	Proposed Dates
1.	Annual Development Plan (ADP)	13 th -19 th August 2025
2.	County Fiscal Strategy Paper (CFSP)	20 th -24 th January 2026
3.	Annual Estimates/County Budget	14 th – 18 th April 2026
4.	Finance Bill	11 th - 15 th August 2025

NB: See **Annex I** for specific details

j) PREPARATION AND SUBMISSION OF BUDGET PROPOSALS.

- 45.** The County Treasury will continue to provide Budget Ceilings for each Spending Entity. While allocating resources, you are expected to ensure that planned programmes and projects seek to address Vision 2030 objectives and the CIDP. Specifically, the spending entity should;
- a) Review Programme Performance of the spending unit and use the findings to guide resource allocation;
 - b) Identify the entity's policy, legal and institutional reforms requirement;
 - c) Identify all policies, programmes and projects proposed for implementation over the Medium-Term Budget;
 - d) Estimate the cost implications of the planned projects;
 - e) Prioritize sector programmes and allocate resources appropriately.
 - f) Identify programmes and projects to be funded under Public Private Partnership (PPP); and
 - g) Coordinate activities leading to the development of entity reports and budget proposals.
- 46.** County Ministries are requested to ensure that all activities are completed on scheduled timelines, including the drafting Budget proposals. Sector Chairpersons are requested to ensure that all activities of SWGs including the drafting of Sector Budget Proposals are completed on scheduled timelines. The proposals should be ready for submission to the County Treasury not later than 28th November 2025 in line with the format indicated in **Annex 8.**

VI. CONCLUSION

- 47.** To facilitate finalization and approval of the statutory documents within the stipulated timelines, accounting officers are required to strictly undertake the outlined activities in the budget calendar within set time frames.

48. Finally, Accounting Officers are required to ensure strict adherence to these guidelines and to bring the contents of this Circular to the attention of all Officers working under them for fast tracking the process.



PETER MWIKYA KILONZO

COUNTY EXECUTIVE COMMITTEE MEMBER

FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT CC:

H.E, the Governor

CECMs – All County Ministries

County Secretary

Clerk of the County Assembly

ANNEX 1: BUDGET CALENDAR FOR THE FY 2026/27 MTEF BUDGET PROCESS

S/No	Activity	Responsibility	County Government date
1.	Develop and issue MTEF Guidelines	Ministry of Finance, Economic Planning & Revenue Management	30 th August 2025
2.	Launch of Sector Working Groups	Ministry of Finance, Economic Planning & Revenue Management	9 th September 2025
3.	Programme Performance and Strategic Reviews <ul style="list-style-type: none"> - Counties prepare Annual Development Plans - Review of programme outputs and outcomes - Review of Expenditure - Review and approve 2025/26 projects 	Ministry of Finance, Economic Planning & Revenue Management	21 st September 2025
4.	Submission of Annual Development Plans (ADP) <ul style="list-style-type: none"> - County Treasury to submit ADP to County Assembly for approval 	Ministry of Finance, Economic Planning & Revenue Management	1 st September 2025
5.	Preparation and Approval of Budget Review & Outlook Paper (BROP) <ul style="list-style-type: none"> - County Treasury to Prepare CBROP - Submission of CBROP to County Executive Committee (Cabinet) 	Ministry of Finance, Economic Planning & Revenue Management	30 th September 2025
6.	Submission of BROP (CBROP) to Assembly	Ministry of Finance, Economic	9 th October 2025

	- The County Treasury submits CBROP to County Assembly for approval	Planning & Revenue Management	
7.	Preparation of Sector Budget Proposals	Sector Working Groups	28 th November 2025
8.	Preparation of the Draft Budget Policy Statement <ul style="list-style-type: none"> - County Treasury prepares the County Fiscal Strategy Paper (CFSP) - Public participation on CFSP (KCBEF, CRA and others) - Submits the CFSP to the cabinet for approval - Submits the Approved CFSP to Assembly for approval 	Ministry of Finance, Economic Planning & Revenue Management	28 th February 2025
9.	Preparation of MTEF Budget Proposals <ul style="list-style-type: none"> - Ministries submit revised budget proposals to County Treasury - Consolidation of the revised Budget estimates - Convene public hearings on budget proposals (Public participation including seeking views of Commission on Revenue Allocation-CRA, county Budget and Economic Forum – CBEF and other interest groups) - Consolidation of the views of the public into budget proposals 	Ministry of Finance, Economic Planning & Revenue Management	15 th March 2026
10.	Submission of Draft Budget Estimates to County Assembly <ul style="list-style-type: none"> - Submission of Appropriation Bill to the County Assembly - Submission of vote on account to County Assembly 	Ministry of Finance, Economic Planning & Revenue Management	28 th April 2026
11.	Budgets Estimates, Appropriation Bill and Vote on Account passed by Assembly	County Assembly	30 th June 2026

ANNEX 2: FORMAT FOR PRESENTATION OF PROGRAMME-PERFORMANCE BASED BUDGETS (PBB)

Vote No.: xxxxxxxx

Vote Title: xxxxxxxx

Part A: Mission

Part B: Vision

Part C: Performance Overview and Rationale Funding

This section is supposed to discuss the following

- 48.** Brief description of mandate;
- 49.** Expenditure trends — approved budget against the actual expenditure for the 2026/27 Budget;
- 50.** Major achievements based on the planned outputs/services for the FY 2026/27 MTEF Budget;
- 51.** Constraints and challenges in budget implementation and how they will be addressed; and
- 52.** Major services/outputs to be provided in the 2026/27 Medium-Term Budget

Part D: Strategic Objectives

List of all programmes and their strategic objectives. Please note that each programme must have only one strategic objective/outcome which must be linked with CIDP and Vision 2030.

Part E: Summary of Expenditure by Programmes, 2025/26-2028/29 (Kshs. Millions)

Programme	Baseline Estimates 2025/26	Estimates 2026/27	Projected Estimates	
			2027/28	2028/29
Programme 1: (State the name of the programme here) ³				
Sub Programme (SP)				
SP 1.1				
SP 1.2				
..... N				
Total Expenditure of Programme 1				
Programme 2: (State the name of the programme here)				
Programme	Baseline Estimates 2025/26	Estimates 2026/27	Projected Estimates	

			2027/28	2028/29
SP 2.1				
SP 2.2				
.....N				
Total Expenditure of Programme 2				
Total expenditure of Vote				

Part F: Summary of the Programme Outputs, Performance Indicators and Targets for FY 2022/23-2026/27

Program me	Delive ry Unit	Key Outpu ts	Key Performan ce Indicators	Target (Baselin e) 2022/2 3	Target 2023/ 24	Target 2024/ 25	Target 2026/ 27
Name of Programme Outcome:							
SP 1.1							
SP.2							
..... e.t.c							

ANNEX 3: PROGRAMME PERFORMANCE REVIEWS (PPRs) FORMAT

Table 3 (a): Analysis of Programme Target and Actual Target

Programm e...	Key Out put	Key Performa nce Indicator	Planned Target			Achieved Target			Remar ks
			2023/ 24	2024/ 25	2025/ 26	2023/ 24	2024/ 25	2025/ 26	
Sub-Programm e									
XX I									
XX2									

Table 3 (b): Analysis by category of Expenditure Recurrent

Vote and Vote Details	Economic Classification	Approved Budget Allocation			Actual Expenditure		
		2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Gross						
	AIA						
	NET						
	Compensation to Employees						
	Transfers						
	Other Recurrent						
	Of Which						
	Utilities						
	Rent						
	Insurance						
	Subsidies						
	Gratuity						
	Contracted Guards & Cleaners Services						
	Others specify.						

TABLE 3 C. ANALYSIS BY CATEGORY OF EXPENDITURE DEVELOPMENT

Sector Name							
Vote and Vote Details	Description	Approved Budget Allocation			Actual Expenditure		
		2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
MDA	Gross						
	GOK						
	Loans						
	Grants						
	Local AIA						

TABLE 3 D. ANALYSIS BY CATEGORY OF EXPENDITURE: PROGRAMMES (KSH. MILLION)

Programme Details	Approved Budget			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Programme 1 :						
Sub- Programme : 1						
Sub- Programme : 2						
TOTAL PROGRAMME						
Repeat as above for Programme 2, 3 e. t. c:						
TOTAL VOTE						

TABLE 3 E: ANALYSIS BY CATEGORY OF EXPENDITURE: ECONOMIC CLASSIFICATION

Economic Classification	Approved Budget			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
PROGRAMME 1:						
Current Expenditure						
Compensation Of Employees						
Use Of Goods And Services						
Grants And Other Transfers						
Other Recurrent						
Capital Expenditure						

Acquisition Of Non-Financial Assets						
Capital Grants to Government Agencies						
Other Development						
TOTAL PROGRAMME						
Repeat as above for Programme 2, 3 etc.:						
TOTAL VOTE.....						

ANNEX 3 (G): REVIEW OF PENDING BILLS

Table 3 G: Summary of Pending Bills

Type/nature	Due to lack of Exchequer			Due to lack of provision		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
1. Recurrent						
Compensation of employees						
Use of goods and services e.g. utilities, domestic or foreign travel						
Social benefits e.g. NHIF, NSSF						
Other expense						
2. Development						
Acquisition of non-financial assets						
Use of goods and services						
Others -Specify						
Total Pending Bills						

Table 3 H: Summary of Court Awards

Details of the Award	Date of Award	Amount	Payment to date
Total			

ANNEX 4: SECTOR BUDGET PROPOSAL FORMAT

TABLE OF CONTENTS

(Please ensure that Headings and Subheadings are identical to those in the report)

Chapters 1 - 6 should form the main body of the report and should be divided into logical sections and subsections, using appropriate headings and numbering. Its purpose is to explain the conclusions and to justify the recommendations

EXECUTIVE SUMMARY

(Restate conclusions for each section and summarize findings and recommendations under this section)

CHAPTER ONE: INTRODUCTION

- 1.1. Background
- 1.2. Sector Vision and Mission
- 1.3. Strategic goals/Objectives of the Sector
- 1.4. Sub-Sectors and their Mandates
- 1.5. Autonomous and Semi-Autonomous Government Agencies
- 1.6. Role of Sector Stakeholders

(The introduction should briefly describe context; identify general subject; describe the problem or issue to be reported on; define the specific objective for the report; outline the scope of the report; and comment on any limitations of the report)

CHAPTER TWO: PROGRAMME AND PERFORMANCE REVIEW 2022/23-2024/25

- 2.1 Review of Sector Programmes Performance - delivery of outputs/ KPI/targets as per the table below (Summarize as per Table 2.1)
- 2.2. Analysis of expenditure trends for the FY 2022/23- 2024/25 (Summarize as indicated in Table 2.2 to 2.6)

2.3. Analysis of performance of capital projects for the FY 2022/23- 2024/25
(Summarize as indicated in Table 2.7)

2.4. Analysis of pending bills for the FY 2022/23— 2024/25 (Summarize as indicated
in Table 2.8)

2.5. Analysis of court awards (Summarize as indicated in Table 2.9)

CHAPTER THREE: MEDIUM-TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2026/27- 2028/29

3.1. Prioritization of Programmes and Sub-Programmes

3.1.1. Programmes and their Objectives

3.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs, and
Key Performance Indicators for the Sector

Table 3.1: PROGRAMME/SUB-PROGRAMME, OUTCOME, OUTPUTS AND KIPs

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2024/25	Actual Achievement 2024/25	Target (Baseline) 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
Name of Programme Outcome									
SP1.1									
SP1.2									
... etc.									

NB: Where applicable, KPIs and target should be gender disaggregated

3.1.3. Programmes by Order of Ranking

3.1.4. Resource Allocation Criteria

3.2. Analysis of Sector and Subsector Resource Requirement versus allocation by:

**TABLE 3.2: SECTOR & SUB-SECTOR RECURRENT REQUIREMENTS/ALLOCATIONS
(AMOUNT KSH MILLION)**

Vote Details	Economic Classification	Approved Estimates 2025/26	Requirement			Allocation		
			2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
MDA	Gross							
	AIA							
	NET							
	Compensation to Employees							

Vote Details	Economic Classification	Approved Estimates	Requirement			Allocation		
		2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
	Grants and Transfers							
	Other Recurrent							
	Of which							
	Utilities							
	Rent							
	Insurance							
	Subsidies							
	Gratuity							
	Contracted Guards & Cleaners Services							
	Others							

TABLE 3.3: SECTOR & SUB-SECTOR DEVELOPMENT REQUIREMENTS/ALLOCATIONS (AMOUNT KSH MILLION)

Sector.....

Vote.....

Description	Approved Budget Allocation	Requirement			Allocation		
		2025/26	2026/27	2027/28	2028/29	2026/27	2027/28
Gross							
GOK							
Loans							
Grants							
Local AIA							

TABLE 3.4: ANALYSIS OF PROGRAMMES AND SUB-PROGRAMMES (CURRENT AND CAPITAL) RESOURCE REQUIREMENTS (KSH. MILLION)

Sector.....

Vote

Programmes	Approved Budget			Projection (Requirement)								
	2025/26			2026/27			2027/28			2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programmes No.1:												
Sub- Programme: 1												
Sub- Programme: 2												
Total Programme												
Repeat as above for Programme 2, 3 etc.:												
Total Vote												

TABLE 3.5 ANALYSES OF PROGRAMMES AND SUB-PROGRAMMES (CURRENT AND CAPITAL) RESOURCE ALLOCATION (KSH. MILLION)

Sector.....

Vote

Programmes	Approved Budget			Allocation								
	2025/26			2026/27			2027/28			2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programmes No.1:												
Sub- Programme: 1												
Sub- Programme: 2												
Total Programme												
Repeat as above for Programme 2, 3 etc.:												
Total Vote												

**TABLE 3.6: PROGRAMMES AND SUB-PROGRAMMES BY ECONOMIC CLASSIFICATION
ECONOMIC CLASSIFICATION (AMOUNT KSH MILLION)**

Sector

Vote

Economic Classification	Resource Requirement			Allocation		
	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Programme 1:						
Current Expenditure						
Compensation Of Employees						
Use Of Goods and Services						
Grants And Other Transfers						
Other Recurent						
Capital Expenditure						
Acquisition Of Non-Financial Assets						
Capital Grants to Government Agencies						
Other Development						
Total Programme						
Repeat as above for Programme 2, 3 etc.:						
Total Vote						

TABLE 3.7: ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION FOR SAGAS (AMOUNT KSH MILLION)

Economic Classification	2025/26	Requirement			Allocation			REMARKS
	Approved Estimates	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
NAME OF SAGA 1								
GROSS								
AIA								
NET								
Compensation to Employees								
Other Recurrent								
of which								
Insurance								
Utilities								
Rent								
Subscriptions to International Organization								
Subscriptions to Professional Bodies								
Contracted Professional (Guards & Cleaners)								
Gratuity								
Others								
Repeat as above for SAGA 2, 3 etc.:								
Total Vote								

CHAPTER FOUR: CROSS-SECTOR LINKAGES AND EMERGING ISSUES /CHALLENGES

CHAPTER FIVE: CONCLUSION

This section should summarize the key findings of the report, as outlined in the discussion under the chapters 1-4 of the report. The Conclusions should relate specifically to the report’s objectives (as set out in the introduction); identify the major issues; be arranged in order of importance; be specific, and to the point; and be a list of numbered points

CHAPTER SIX: RECOMMENDATIONS

This section should outline future actions. The recommendations should be action orientated, and feasible; relate logically to the conclusions; be arranged in order of importance; and be to the point

REFERENCES

This section should list the sources referred to in the report

APPENDICES

Appendices should contain information that is too complex to include in the report. You need to direct readers to this information, as in "Appendix A provides an overview of the Budget of MDA X"

COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

The County Budget Review and Outlook Paper (CBROP) present the recent economic developments and actual fiscal performance of the FY 2024/25 and makes comparisons to the budget appropriations for the same year. It further provides updated financial forecasts and how these projections deviated from estimates contained in the last County Fiscal Strategy Paper (CFSP) released in 28th February 2025/2026.

Lastly, this policy document also shows how the actual performance of the local and national economy in FY 2024/25 affected our compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2025/2026.

CBROP contain the following Sections;

- **Introduction:** This section shows the objectives of CBROP.
- **Review of fiscal performance:** This section shows demand and the supply side of the county government. It also indicates the deviations from the original budget estimates
- **Recent County Economic Development:** It shows the recent economic development in the county and the medium-term fiscal framework.
- **Resource Allocation Framework:** It shows the adjustment to 2025/26 budget and the budget framework for 2026/27

ANNUAL DEVELOPMENT PLAN (ADP)

The Annual Development Plan (ADP) provides the description of the significant capital projects in the county and the proposed ministerial projects/programmes to be implemented during the financial year in reference. These interventions are intended to address a myriad of the development challenges that face the county.

The Annual Development Plan document has 4 chapters: -

Chapter One is the general county information which provides description of the County in terms of the location, size, physiographic and natural conditions, demographic profiles as well as the administrative and political units. It also explains the objective of the Annual Development Plan. County planning is anchored in law. Section 107 of the County Governments Act, 2012 clearly stipulates the types of plans to be prepared by all county governments. It further details the methodology used in preparing the plan.

Chapter Two presents brief information of the county ministries, Ministerial reports on projects and programmes that will be implemented in 2024/2025 financial year. It finally outlines the challenges encountered during implementation of projects and further gives recommendations.

Chapter Three presents the assumptions made in preparation of the ADP and risks that may hinder the implementation of the project and programs as stipulated in the document.

Chapter Four is the final part of the plan and gives the conclusion, overall recommendations and appendices.

ANNEX 5 (A): SECTOR WORKING GROUPS FOR THE FY 2026/27 MEDIUM-TERM BUDGET

CLASSIFICATION OF FUNCTIONS OF THE GOVERNMENT(COFOG)	MTEF SECTOR	COUNTY MINISTRIES/ DEPARTMENTS/ SECTOR CONVENORS
Economic Affairs	Agriculture, Rural and Urban Development	Ministry of Agriculture and Livestock; <ul style="list-style-type: none"> - Agriculture (Sector Convener) - Livestock Ministry of Lands, Housing and Urban Development <ul style="list-style-type: none"> - Lands and Housing - Urban Development - Kitui Municipality - Mwingi Municipality
	Energy, Infrastructure and ICT	Ministry of Energy, Environment, Forestry, Natural & Mineral Resources <ul style="list-style-type: none"> - Energy Ministry of Culture, Gender, Youth, ICT, Sports & Social Services <ul style="list-style-type: none"> - ICT Ministry of Roads, Public Works and Transport <ul style="list-style-type: none"> - Roads & Public Works (Sector Convener) - Transport and Boda Boda Sector
	General Economic and Commercial Affairs	Ministry of Trade, Industry, MSMEs, Innovation and Cooperatives <ul style="list-style-type: none"> - Trade, Industry, MSMEs, Innovations & Industry (Sector Convener) - Cooperatives and Citizen Group Economic Empowerment Initiatives
Health	Health	Ministry of Health and Sanitation <ul style="list-style-type: none"> - MEDICAL SERVICES (Sector Convener) - Public Health And Sanitation - Drugs And Medical Supplies Management
Education	Education	Ministry of Education, Training & Skills Development <ul style="list-style-type: none"> - Basic Education, ECDE & Childcare Facilities Polytechnics (Sector Convener) - Vocational Centres and Homecraft

CLASSIFICATION OF FUNCTIONS OF THE GOVERNMENT(COFOG)	MTEF SECTOR	COUNTY MINISTRIES/ DEPARTMENTS/ SECTOR CONVENORS
	Public Administration and International Relations	<ul style="list-style-type: none"> - Public Service Management & General Administration - Governor's Service Unit and Public Communication - u Decentralized Units Service Delivery Coordination <hr/> Office of the Deputy Governor <ul style="list-style-type: none"> - Performance Contracting - Disaster and Emergency Service - Tourism Development & Promotion <hr/> County Public Service Board <hr/> County Assembly Service Board <hr/> Ministry of Finance, Economic Planning and Revenue Management <ul style="list-style-type: none"> - Economic Planning and Budgeting (Sector Convener) - Finance, Revenue Management and Accounting Services
Recreation, Culture and Social Protection	Social Protection, Culture and Recreation	Ministry of Culture, Youth, ICT, Sports & Social Services <ul style="list-style-type: none"> - Culture (Sector Convener) - Youth - Sports - Social Services
	Environment Protection, Water and Natural Resources	Ministry of Water and Irrigation <ul style="list-style-type: none"> - Water (Sector Convener) - Irrigation Ministry of Energy, Environment, Forestry, Natural & Mineral Resources <ul style="list-style-type: none"> - Environment - Natural Resources

ANNEX 5 (B): STRUCTURE AND COMPOSITION OF SECTOR WORKING GROUPS

SWGs shall comprise the following:

1. Chairperson — One Accounting Officer chosen by consensus by other Accounting Officers within the Sector;
2. Sector Convener — Appointed by the County Treasury;
3. Technical Working Group — Appointed by the SWG;
4. A SWG Secretariat — Appointed by the individual Accounting Officers to assist in the coordination of Sector activities;
5. Representatives from Development Partners; and
6. Representatives from the Private Sector.

ANNEX 5 (C): TERMS OF REFERENCE FOR SECTOR WORKING GROUPS

SWG's are expected to ensure that proposed programmes and projects are in line with the priorities of the CIDP and the County Government priorities. Specifically, the terms of reference for SWGs will be to:

- a. Review sector strategies in line with the overall goals outlined in the CIDP and the Governor's manifesto Priority areas;
- b. Identify the programmes and the necessary policy, legal and institutional reforms required to be undertaken;
- c. Approve list of projects to be included in the budget and level of funding;
- d. Analyze cost implications of the proposed programmes, projects and policies for the Medium-Term;
- e. Prioritize Sector Programmes and allocate resources as appropriate in accordance with agreed criteria;
- f. Identify programmes and projects to be funded under Public Private Partnerships (PPP) framework;
- g. Analyze the baseline funding and remove all the one-off expenditure for the previous years;
- h. Identify activities, projects and programmes that are of low priority in order to realize savings which should be directed to the Government priority projects;
- i. Allocate resources to projects that have been fully processed (i.e. feasibility studies done, with detailed designs, necessary approvals and land secured);
- j. Provide a detailed explanation for the rescheduling of projects which should include savings and financial implications of rescheduling projects and activities;
- k. Coordinate activities leading to the development of sector reports and indicative Sector Budget proposals; and
- l. Identify critical stakeholders and engage them in the budget process.