

COUNTY GOVERNMENT OF KITUI



MINISTRY OF FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT



COUNTY FISCAL STRATEGY PAPER (CFSP) FOR FY 2026/27

**COUNTY GOVERNMENT OF KITUI**

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**FINANCE, ECONOMIC PLANNING & REVENUE MANAGEMENT**

When replying please quote  
Ref No. CGKTI/CT/FIN/35/VI/24

**25<sup>th</sup> FEBRUARY, 2026**

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

COUNTY ASSEMBLY OF KITUI  
OFFICE OF THE CLERK

**25 FEB 2026**

RECEIVED (COPY)  
P.O. Box 694 - 90200, KITUI

**RE: SUBMISSION OF COUNTY FISCAL STRATEGY PAPER (CFSP) FOR FY 2026/27**

The above subject refers.

Forwarded herewith please find Kitui County Fiscal Strategy Paper (CFSP) for FY 2026/27 in line with Section 117 (1) of PFM Act 2012 for your necessary action.

Thank you in advance.

A handwritten signature in blue ink, appearing to read 'Peter Mwikya Kilonzo'.

Peter Mwikya Kilonzo  
**County Executive Committee Member**  
**Finance, Economic Planning & Revenue Management**

**Copy to:** H.E. the Governor  
Kitui County

Controller of Budget  
P.O. Box 35616 – 00100  
**Nairobi**

National Treasury  
Treasury Building, Harambee Avenue  
P.O. Box 30007 – 00100  
**Nairobi**

Commission on Revenue Allocation  
P.O. Box 1310 – 00200  
**Nairobi**

County Secretary  
Kitui County

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## FOREWORD

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The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.

The County Fiscal Strategy Paper (CFSP) for FY 2026/27 builds direct linkages between policies, plans, and budgets, and sets the County Government priority programs to be implemented through the medium-term period 2026/2027–2028/2029. It provides an overview of recent economic development and outlook as well as expenditure ceilings for County Departments, units, and agencies and detailed guidelines that are aimed at structuring County Government expenditure towards most impactful programs. The programs and policies herein reflect the concerns of the Kitui Citizenry and are anchored under the County Integrated Development Plan (CIDP) 2023-2027, the 16-point Governor’s manifesto, and the approved 2026/2027 Annual Development Plan (ADP).

The 16-Point Agenda is summarized by six pillars in the Kitui ADP and CIDP which include: food security, water access, healthcare, aggregation and industrial parks, appropriately nurtured & skilled human capital and planned urban development. We have collectively assessed our needs through elaborate multi-stakeholder consultative forums to arrive at consensus on priority areas on which we shall focus public investment on in the next two (2) years.

The theme for development for FY 2026/27 is “Accelerating Kitui Economic and Social Transformation Agenda (KESTA)”. The Government has prioritized programs aimed at increasing household income. To achieve our development agenda, we shall rely on various building blocks which include 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. We shall endeavour to strive for excellence through proper planning and timely implementation of projects and programmes.

The resource envelope totalling to **Kshs 13,797,020,148** comprises of equitable share amounting to **Kshs. 11,637,574,231**, Own Source Revenue amounting to **Kshs 1,119,250,000** and Grants to a tune of **Kshs 1,040,195,917**. In the resource envelope, **84.3%** represents the equitable share while county own source revenue and grants represent **8.1%** and **7.5%** respectively of the total projected revenues.



Peter Mwikya Kilonzo  
County Executive Committee Member  
**Ministry of Finance, Economic Planning, and Revenue Management**

## ACKNOWLEDGEMENT

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We deeply appreciate the leadership and guidance provided by H.E. Dr. Julius M. Malombe EGH, Governor Kitui County, County Executive Committee Members, Chief Officers, advisors and accounting officers of the respective county spending entities.

The preparation of this CFSP was a collaborative effort involving various Government Departments, partners, members of the public, and other stakeholders. We acknowledge their invaluable contributions and thank them for their support.

Special recognition is given to the staff of the Economic Planning & Budgeting Department. Their unwavering commitment, expertise, and dedication in developing this document is highly commendable.



Patrick Masila Munuve  
Chief Officer- Economic Planning & Budgeting  
**Ministry of Finance, Economic Planning and Revenue Management**

## BACKGROUND INFORMATION

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The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28<sup>th</sup> of February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the Financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—
  - (a) The Commission on Revenue Allocation;
  - (b) The public;
  - (c) Any interested persons or groups; and
  - (d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly

# 1.0 INTRODUCTION

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## 1.1 Overview

- 9.** The County Fiscal Strategy Paper (CFSP) FY 2026/27 has been prepared in consideration of county and national economic outlook in FY 2026/27 and the sixteen-development agenda namely: Agriculture, Water, Health, Education, Urban Development, Roads and Construction, Trade and Investments, Micro Small and Medium Enterprises (MSMEs), Co-Operation Societies, Tourism and Hospitality, Women, Youth and PWDs, Environment, Energy, Information and Communication; and Security.
- 10.** The County Fiscal Strategy Paper (CFSP) for the Financial Year 2026/2027 represents a significant fiscal effort to illustrate the County development agenda and fiscal responsibility with key objective of addressing the social and economic priorities of the public. The document is linked with the county economic outlook and the County’s sixteen-point development agenda, which prioritizes Agriculture, Water, Health, Education, Urban Development, Roads and Construction, Trade and Investments, Micro, Small, and Medium Enterprises (MSMEs), Cooperative Societies, Tourism and Hospitality, Women, Youth, and Persons with Disabilities (PWDs), Environment, Energy, Information and Communication, and Security.
- 11.** Strategic Frameworks in preparation of the CFSP: The document is aligned with the National frameworks which including Vision 2030, the 5th Medium Term Plan, the United Nations Sustainable Development Goals (SDGs), and relevant National Government Policy Guidelines. Other strategic frameworks include; the 2026/2027 Budget Policy Statement (BPS), the County Integrated Development Plan (CIDP) 2023–2027, and the Annual Development Plan for FY 2026/2027 which ensured County strategic planning.
- 12.** The CFSP will be subjected to Public Participation (Engagement and Inclusivity): Extensive public participation across the County, coupled with contributions from special groups, faith-based organizations, non-governmental organizations, and individual stakeholders, has informed the development of the CFSP. This inclusive process underscores the County’s commitment to participatory governance.
- 13.** Structural Reforms: The document outlines structural reforms aimed at operationalizing the County Government’s sixteen-point development agenda. These reforms are critical in ensuring efficient service delivery and addressing emerging challenges in the governance framework.
- 14.** Strengthening Public Financial Management (PFM): To enhance financial governance, the CFSP emphasizes capacity building in Public Financial Management (PFM). This approach seeks to strengthen fiscal discipline and promote sound financial practices, enabling the County Government to optimize resources, improve service delivery, and foster an environment conducive to business, job creation, and wealth generation.
- 15.** Revenue Generation and Resource Mobilization -The CFSP proposes a robust strategy for expanding the local revenue base, addressing inefficiencies, and introducing innovative revenue streams. Partnerships with development partners and prioritization of high-impact, wealth-generating projects are central to this approach, aimed at achieving food security and economic growth.
- 16.** Programme-Based Budgeting- The CFSP reaffirms the County Government’s commitment to programme-based budgeting, which aligns expenditure priorities with the available resource envelope. Public participation remains pivotal in this process, ensuring ownership, sustainability, and transparency in the implementation of projects and programmes.

### ***Strategic Commitment***

**17.** During the FY 2026/27, the County Government of Kitui commits to continue rolling out various programs, projects, and activities with the highest potential for high economic and social impact over the medium term. These development interventions will be in line with the sixteen-pillar County development agenda. Great emphasis will be put on food production, the provision of clean water, wealth creation and value addition in crop production, livestock, agribusiness, and empowerment programs. The strategic interventions are outlined in the following sections: -

### ***Water & Irrigation***

**18.** In the 2026/27 financial year, the Kitui County Ministry of Water and Irrigation will implement projects by increased access to clean and reliable water, enhancing irrigation systems, and promoting sustainable water management. The key priority areas include:

#### ***Expansion of Water Infrastructure***

**19.** Drilling of boreholes: To increase water access across the county, the ministry will undertake drilling and equipping of boreholes, ensuring communities have consistent water supply.

**20.** Borehole hybridization: Due to high cost of operational in diesel and electricity powered engines and motors, the ministry will implement solar-powered engines and motors thereby reducing operational costs and enhancing sustainability.

**21.** Dams and pipeline extensions: The ministry will also oversee the construction, extension, and rehabilitation of water pipelines, including spring water supplies and sump well water systems (sand/sub-surface dams with uptake wells and infiltration galleries). Maintenance and repairs of existing water infrastructure will be prioritized to enhance efficiency and prevent system failures.

#### ***Sustainable Water Conservation and Storage***

**22.** Dams: To increase water access, the ministry will construct and desilt medium earth dams, construct sand dams (three per ward). These measures will improve rainwater harvesting, groundwater recharge, and resilience against droughts.

**23.** Water Service Providers (WSPs): The ministry will also support subsidies for Water Service Providers (WSPs), including Kiambere-Mwingi Water & Sanitation Company (KIMWASCO) and Kitui Water & Sanitation Company (KITWASCO), to enhance service delivery and ensure operational efficiency.

#### ***Promotion of Irrigation and Agricultural Water Use***

**24.** Food security: To increase the food security and agricultural productivity, the ministry will establish irrigation clusters and develop solar-powered irrigation schemes. This will enable smallholder farmers to engage in climate-resilient farming, reducing reliance on rain-fed agriculture.

#### ***Settlement of Pending Bills and Infrastructure Maintenance***

**25.** The ministry will clear pending bills for water infrastructure projects, ensuring contractors and service providers are compensated. Additionally, continuous operation and maintenance of water infrastructure will be prioritized to sustain efficiency in service delivery.

### ***Roads, Public Works & Transport***

**26.** In the fiscal year 2026/27, the County Ministry of Roads, Public Works, and Transport will

implement strategic interventions to enhance road infrastructure, improve transport safety, and modernize public works facilities.

### ***Roads Construction and Maintenance***

27. Major Roads - Construction and maintenance of roads, box culverts, slabs and drifts

28. Major Roads (Road's construction works and maintenance of box culverts, drifts, gravelling, concrete slabs, gabions) –Construction of Roads - (Road widening and Dozing works.)

### ***Public Works and Mechanical Support***

29. Office maintenance: The Ministry will refurbish and renovate the Public Works Headquarters and Mechanical & Transport Offices.

30. Machine and equipment maintenance: The ministry will carry out Routine maintenance of motor vehicles, plant machinery, and equipment alongside the procurement of heavy plant machinery.

31. Equipment repairs: The ministry will procure workshop tools, spares, small equipment, and machinery tyres for efficient operations.

### ***Boda Boda Transport and Safety Enhancement***

32. Boda Boda Safety: To improve the safety and professionalism of boda boda operators, the Ministry will construct, repair, and maintain boda-boda shades with kiosks. To add on safety, 2,000 riders will receive safety gear, including helmets and reflectors.

33. Boda Boda professionalism: The ministry will train 1,000 riders for smart driving licenses.

34. Boda Boda Policy: The County will finalize and operationalize the Boda Boda Policy and implement the National Road Safety Action Plan (2024-2028) through the County Transport and Safety Committee.

35. Transport and traffic management -infrastructure and installations

36. Boda Boda Security: The ministry will Install solar security lights in Busparks , boda boda stages and major parking/loading areas

### ***Health & Sanitation***

37. In FY 2026/27, the County Ministry of Health and Sanitation will prioritize the expansion and enhancement of healthcare infrastructure, service delivery, and community health programs to improve access to quality medical services.

38. Funding will address pending bills, casual wages, pharmaceutical and non-pharmaceutical supplies, and sub-county health management team operations to sustain high-quality healthcare services.

### ***Healthcare Infrastructure Development***

39. The Ministry will implement key medical infrastructure in health facilities. The infrastructure includes the Nzamba Kitonga Memorial Hospital, amenity and surgical wards in KCRH, the renal centre at Kitui County Referral Hospital (KCRH), the storeyed maternity ward at KCRH and Kyuso OPD block phase 2.

40. Other key projects will be the female/medical ward at Mwingi Level IV, renovation of Kyuso and Mutomo Mortuaries and general Ongoing renovations and upgrades will enhance existing health facilities, ensuring they meet modern healthcare standards.

### ***Primary Healthcare and Community Health Services***

41. The County will leverage DANIDA funding (100%) to strengthen primary healthcare facilities and support community health units. Funding will be allocated to dispensaries, sub-county health management teams, and stipend allowances for 2,470 Community Health Promoters (CHPs).
42. Additionally, resources will be set aside for the locum hiring of nurses, lab technicians, and clinical officers for Level 2 facilities, ensuring efficient service delivery.

#### *Sanitation, Equipment, and Service Expansion*

43. The Ministry will complete and equip the mortuaries at KCRH and Mwingi Level IV Hospital, construct toilets for primary healthcare facilities, and continue/completion of dispensaries in 17 underserved villages.
44. Renovation and operationalization of 19 health facilities will be undertaken to ensure full functionality.

#### *Medical Equipment and Operational Support*

45. Investment in medical and dental equipment, including cold chain equipment for vaccines, will be prioritized.
46. The Ministry will also upgrade medical stores and procure modern technologies such as tablets for healthcare data management.

#### *Trade, Industry, MSMEs, Innovation & Cooperatives*

47. In the FY2026/27 the Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives will implement a comprehensive strategy aimed at enhancing market infrastructure, promoting cooperative development, boosting industrialization, and attracting investment. The ministry's key priorities will include:

#### *Market Infrastructure Development and Economic Facilitation*

48. To support 24-hour economic activities, the ministry will undertake the maintenance and expansion of livestock markets in Mutha and Ngomeni while repairing existing markets and constructing toilets to improve sanitation.
49. The ministry will also install and repair market security solar lights, ensuring traders operate in safe environments.
50. Additionally, the county will establish dumping sites and waste bins in markets to enhance cleanliness and environmental sustainability.

#### *Strengthening the Cooperative Movement*

51. The ministry will promote the formation and registration of new cooperative societies, providing training on value addition, processing, governance, and financial audits to enhance operational efficiency.
52. It will oversee cooperative elections, ensuring compliance with governance standards through inspections and regular audits. Workshops and management committee meetings will be held to equip cooperatives with knowledge and skills necessary for sustainable growth.

#### *Industrial Development and Economic Investment Zones (EIZs)*

53. The county will map and conduct feasibility studies for the six (6) Economic and Investment Zones (EIZs) while progressing with the establishment of an industrial park (KCAIP) in Kanyonyoo. The CAIP will serve as manufacturing hub, fostering innovation, value addition, and industrial

growth.

**54.** To attract international investors, the ministry will organize a global investment conference, positioning Kitui as a strategic business hub. This will be complemented by the development of KIVEST II (2026-2035), a long-term investment roadmap to guide industrial and trade growth in the county. County Branding and Revenue Generation

**55.** The county will install branded light boxes to generate advertising revenue while formulating a County Branding Legal Framework to regulate and promote local businesses. This initiative will improve the visibility of Kitui's trade sector and enhance revenue streams.

### ***Energy, Environment, Forestry, Natural & Mineral Resources***

**56.** In FY 2026/27, the County Ministry of Energy, Environment, Forestry, Natural & Mineral Resources will implement strategic interventions to promote environmental conservation, climate resilience, sustainable waste management, and renewable energy adoption.

**57.** To combat climate change, the Ministry will institute and operationalize the Kitui County Climate Change Fund (KCCCF) by allocating 2.12% of the County Development Budget to climate adaptation and mitigation projects.

**58.** The World Bank-funded FLLoCA Programme and County Climate Resilience Investment (CCRI) Grant will finance locally led climate actions.

**59.** Community resilience will be strengthened through tree-growing initiatives, afforestation, conservation of water catchment areas, and the rehabilitation of degraded ecosystems.

**60.** Farmers will be sensitized on forest farming and modern agroforestry techniques, including the domestication of High-Value Multi-Purpose Trees and Shrubs (HVMPTS).

**61.** The Ministry will enhance sustainable waste management by developing a county waste management law, establishing material recovery and recycling facilities, and mapping temporary waste holding facilities.

**62.** Incentives will be introduced for waste separation at source, and a comprehensive waste management database will be maintained.

**63.** In the energy sector, rural electrification will be expanded in partnership with REREC, with solar security lights installed and maintained in emerging markets. Additionally, solar-powered water pumping systems will be installed, and communities will be trained on clean cookstove adoption.

**64.** For mineral resource development, artisanal and small-scale miners will receive training in value addition. A mineral testing and gemology laboratory will be established, community liaison committees formed, and 20% of mineral royalties are allocated to local development.

**65.** Implementation of the Kitui County River Basins Sand Utilization and Conservation Act, 2023

### ***Agriculture & Livestock***

**66.** In FY 2026/27, the County Ministry of Agriculture and Livestock Development will enhance food security, promote agri-business, and strengthen extension services.

**67.** It will support drought-tolerant crop production through the procurement of 45 MT of seeds and 16 MT of nutrient-fortified planting materials, while advancing horticulture under the SHEP approach and establishing 2,000 kitchen gardens.

**68.** The National Value Chain Development Programme (NAVCDP) and counterpart funding will drive market-oriented farming. Farmers will benefit from agri-preneurship training, soil and water conservation efforts (40 levelling kits), and subsidized mechanization (ploughing and ripped,

procurement of threshers, rippers, and destoning machines).

**69.** Extension services will be bolstered through training for 168,000 farmers and 80 officers, while infrastructure improvements include new offices in Kitui South and Kitui East, renovation of Mwingi Central office, and hosting the Kitui Agricultural Show.

**70.** The ATC will receive a 24-room hostel, zero-grazing unit, borehole, and pasture development initiatives.

**71.** Aquaculture and livestock development will see the establishment of 12 climate-smart ponds and dam stocking (12 dams).

**72.** Additionally, farmers and extension officers will receive livestock training. Poultry, goat, and dairy cattle breeds will be improved through targeted distributions, including cocks, Galla bucks, AI doses, and acres of pasture.

**73.** Veterinary services will expand livestock vaccinations, honey production support, and the completion of Phase II of the satellite diagnostic lab, alongside the procurement of 8 motorcycles.

### ***Land, Housing and Urban Development***

**74.** In FY 2026/27, the Ministry of Land, Housing and Urban Development will prioritize enhancing urban infrastructure and land management.

**75.** Key urban initiatives include implementing a Street Addressing System to improve navigation and service delivery, alongside tarmacking and cabro paving under the Dustless Programme to upgrade road infrastructure.

**76.** The ministry will construct solid waste disposal sites and install/rehabilitate street/security lights to bolster safety and cleanliness.

**77.** Additionally, stormwater drainage channels and public toilets in eight upcoming urban areas will address sanitation and flooding.

**78.** Urban centers will be elevated to higher administrative statuses (market centers, towns, municipalities) to stimulate growth, supported by the Kenya Urban Support Programme (UIG).

**79.** Beautification efforts, street parking policies, and outdoor advertising regulations will enhance urban aesthetics and functionality. A Supplementary Valuation Roll for 2026/27 will update property valuations.

**80.** On land management, the ministry will focus on County Spatial Plans and Local Land Use Development Plans to guide sustainable urbanization. Land banking will secure public land for future projects, while land adjudication and title deed issuance aim to resolve ownership disputes.

**81.** Land clinics and dispute resolution mechanisms will streamline conflict resolution, and geo-referenced market layouts will optimize commercial spaces.

**82.** Formulating land policies will ensure equitable access and efficient utilization. Together, these efforts aim to foster orderly urban growth, improve service delivery, and strengthen land governance.

## 2.0 RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

### 2.1 Global Economic Outlook

83. Global growth is estimated at 3.3 percent in 2025, underpinned by easing trade tensions, improved financial conditions, and resilient consumer and business spending. Growth is projected to remain at 3.3 percent in 2026, before easing marginally to 3.2 percent in 2027 (Table 2.1). The sustained resilience reflects continued investment in technology, particularly artificial intelligence, more flexible private-sector supply chains, and generally accommodative financial conditions. However, heightened policy uncertainty, geopolitical tensions, and the risk of renewed trade fragmentation continue to weigh on the global outlook.

**Table 2.1 Global Economic Performance**

Economy	Growth (%)			
	Actual	Estimate	Projections	
	2024	2025	2026	2027
World	3.3	3.3	3.3	3.2
Advanced Economies	1.8	1.7	1.8	1.7
<i>Of which: USA</i>	2.8	2.1	2.4	2.0
<i>Euro Area</i>	0.9	1.4	1.3	1.4
<i>Japan</i>	(0.2)	1.1	0.7	0.6
Emerging and Developing Economies	4.3	4.4	4.2	4.1
<i>Of which: China</i>	5.0	5.0	4.5	4.0
<i>India</i>	6.5	7.3	6.4	6.4
Sub-Saharan Africa	4.1	4.4	4.6	4.6
<i>Of which: South Africa</i>	0.5	1.3	1.4	1.5
<i>Nigeria</i>	4.1	4.2	4.4	4.1

*Source: IMF World Economic Outlook Update, January 2026.*

84. In advanced economies, growth is expected to be moderate at 1.8 percent in 2026 and 1.7 percent in 2027 from an estimated 1.7 percent in 2025. The United States economy is projected to expand by 2.4 percent in 2026 from a growth of 2.1 percent in 2025, buoyed by strong business investment and resilient household spending, albeit amid ongoing trade-policy uncertainty. The euro area and other major advanced economies are anticipated to register slower but stable growth, underpinned by domestic demand and wage gains, but constrained by weaker external demand and subdued business sentiment.

85. In emerging market and developing economies, growth is projected to moderate to 4.2 percent in 2026, from 4.4 percent in 2025. China's growth outlook remains firm, reflecting continued policy stimulus, increased policy bank lending, and lower effective US tariff rates following the temporary trade truce. Growth in the Middle East and Central Asia is expected to accelerate in 2026, supported by higher oil output, resilient domestic demand, and ongoing reforms. In Latin America and the Caribbean, growth is projected to slow in 2026 before recovering in 2027, while emerging and developing Europe is expected to rebound from the sharp slowdown experienced in 2025 as the effects of earlier trade-policy shifts dissipate.

86. In Sub-Saharan Africa, growth is projected to strengthen from 4.4 percent in 2025 to 4.6 percent in 2026 and 2027, supported by macroeconomic stabilization, improving domestic demand, easing inflationary pressures, and continued reform efforts in several key economies. Notwithstanding the improved outlook, the region remains exposed to risks arising from fiscal pressures, external financing constraints, and global economic uncertainty.

## 2.2 Domestic Economic Performance

87. The Kenyan economy continues to demonstrate significant resilience despite facing multiple challenges from both domestic and external environments. Over the past three years (2022–2024), the economy expanded at an average annual rate of 5.1 percent (4.9 percent in 2022, 5.7 percent in 2023, and 4.7 percent in 2024). This performance exceeds the global average growth rate of 3.5 percent and the sub-Saharan Africa average of 3.9 percent over the same period. This strong performance reflects the sound and deliberate policies implemented during the period, as well as the growing diversification of the economy, which has reduced reliance on any single sector.

88. The economy continued to demonstrate resilience in 2025, posting improved performance with growth of 4.9 percent, 5.0 percent and 4.9 percent in the first, second and third quarters respectively (Table 2.2). This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of services sector. All economic sectors recorded positive growth rates in the first three quarters of 2025, with varied magnitudes across activities.

**Table 2.2: Sectoral GDP Performance**

Sectors/Sub-sectors	Quarterly Growth Rates					
	2024 Q1	2024 Q2	2024 Q3	2025 Q1	2025 Q2	2025 Q3
<b>1. Primary sector</b>	<b>4.5</b>	<b>4.0</b>	<b>2.9</b>	<b>6.2</b>	<b>4.9</b>	<b>4.0</b>
1.1. Agriculture, Forestry and Fishing	5.6	4.5	4.0	6.0	4.4	3.2
1.2. Mining and Quarrying	(16.1)	(5.5)	(12.2)	10.8	15.3	16.6
<b>2. Secondary Sector (Industry)</b>	<b>1.5</b>	<b>0.5</b>	<b>0.3</b>	<b>2.6</b>	<b>3.3</b>	<b>4.1</b>
2.1. Manufacturing	1.9	3.2	2.3	2.1	1.0	2.5
2.2. Electricity and Water supply	2.8	1.2	0.9	3.6	5.7	3.6
2.3. Construction	0.4	(3.7)	(2.6)	3.0	5.7	6.7
<b>3. Tertiary sector (Services)</b>	<b>6.8</b>	<b>6.2</b>	<b>5.7</b>	<b>4.8</b>	<b>5.5</b>	<b>5.4</b>
3.1. Wholesale and Retail trade	3.6	2.5	2.6	5.4	4.1	4.8
3.2. Accommodation and Restaurant	38.1	35.0	22.9	4.1	7.8	17.7
3.3. Transport and Storage	4.1	3.4	4.6	3.7	5.4	5.2
3.4. Information and Communication	9.2	6.7	6.9	5.8	6.0	4.5
3.5. Financial and Insurance	9.6	8.0	7.3	5.2	6.7	5.4
3.6. Public Administration	7.5	9.0	7.3	6.5	6.0	5.1
3.7. Others	5.8	5.6	4.9	4.4	5.2	5.2
of which: Professional, Admin & Support Services	9.4	6.7	4.5	4.6	8.5	6.1
Real Estate	6.9	5.9	4.8	5.3	5.5	5.7
Education	2.4	3.2	4.8	2.9	3.2	3.4
Health	5.4	8.1	6.2	4.8	6.8	4.1
Taxes less subsidies	2.9	3.8	6.3	5.7	3.3	3.7
<b>Real GDP</b>	<b>4.9</b>	<b>4.6</b>	<b>4.2</b>	<b>4.9</b>	<b>5.0</b>	<b>4.9</b>

Source of Data: Kenya National Bureau of Statistics

**89.** In 2025, **the primary sector** grew by 6.2 percent in the first quarter, 4.9 percent in the second quarter and 4.0 percent in the third quarter compared to a growth of 4.5 percent, 4.0 percent and 2.9 percent in the corresponding quarters of 2024 (Table 2.2). This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector and a recovery in the mining and quarrying sub-sector. Activities in the agriculture, forestry, and fishing sub-sector expanded by 6.0 percent in the first quarter, 4.4 percent in the second quarter and 3.2 percent in the third quarter of 2025, compared to growth of 5.6 percent, 4.5 percent and 4.0 percent in the corresponding quarters of 2024. This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in the production of milk, coffee, and vegetables, as well as exports of cut flowers. However, the sub-sector's performance was somewhat curtailed by a decline in tea and sugarcane production.

**90.** The mining and quarrying sub-sector grew by 10.8 percent in the first quarter, 15.3 percent in the second quarter, and 16.6 percent in the third quarter of 2025, compared to contractions of 16.1 percent, 5.5 percent, and 12.2 percent, respectively, in the corresponding quarters of 2024. This growth reflected increased activity and renewed investment following a period of subdued performance in the previous year.

**91.** In the first three quarters of 2025, **the industry sector** recorded a growth of 2.6 percent in the first quarter, 3.3 percent in the second quarter and 4.1 percent in the third quarter, an improvement from a growth of 1.5 percent, 0.5 percent and 0.3 percent, respectively, in the corresponding quarters of 2024. This growth was driven by improved performance across manufacturing, electricity and water supply, and construction sub-sectors.

**92.** The manufacturing sub-sector grew by 2.1 percent in the first quarter, 1.0 percent in the second quarter, and 2.5 percent in the third quarter of 2025, compared to growth of 1.9 percent, 3.2 percent, and 2.3 percent, respectively, in the corresponding quarters of 2024. This growth was supported by both food and non-food manufacturing activities. Within food manufacturing, the sub-sector benefited from strong increases in coffee auctions and milk deliveries. Non-food manufacturing also performed well, with increased production of cement and galvanized sheets, as well as increased assembly of motor vehicles.

**93.** The electricity and water supply sub-sector grew by 3.6 percent in the first quarter, 5.7 percent in the second quarter, and 3.6 percent in the third quarter of 2025, representing an improvement compared to growth of 2.8 percent, 1.2 percent, and 0.9 percent, respectively, in the corresponding quarters of 2024. Growth was driven by higher electricity generation, with solar, wind, and geothermal sources contributing significantly, although increases in thermal generation and a decline in hydro generation curtailed overall performance.

**94.** The construction sub-sector grew by 3.0 percent in the first quarter, 5.7 percent in the second quarter, and 6.7 percent in the third quarter of 2025, up from growth of 0.4 percent and contractions of 3.7 percent and 2.6 percent, respectively, in the corresponding quarters of 2024. This performance was driven by increased consumption of key inputs such as cement, iron, and steel. Additionally, the quantity of imported bitumen increased during the period.

**95.** The services sector recorded growth of 4.8 percent in the first quarter, 5.5 percent in the second quarter, and 5.4 percent in the third quarter of 2025, compared to growth of 6.8 percent, 6.2 percent, and 5.7 percent, respectively, in the corresponding quarters of 2024. The transportation and storage sub-sector expanded by 3.7 percent in the first quarter, 5.4 percent in the second quarter, and 5.2 percent in the third quarter of 2025, compared to growth of 4.1 percent, 3.4 percent, and 4.6 percent, respectively,

in the corresponding quarters of 2024. Performance in this sub-sector was supported by increased activity in road, water, and air transport, as well as railway operations.

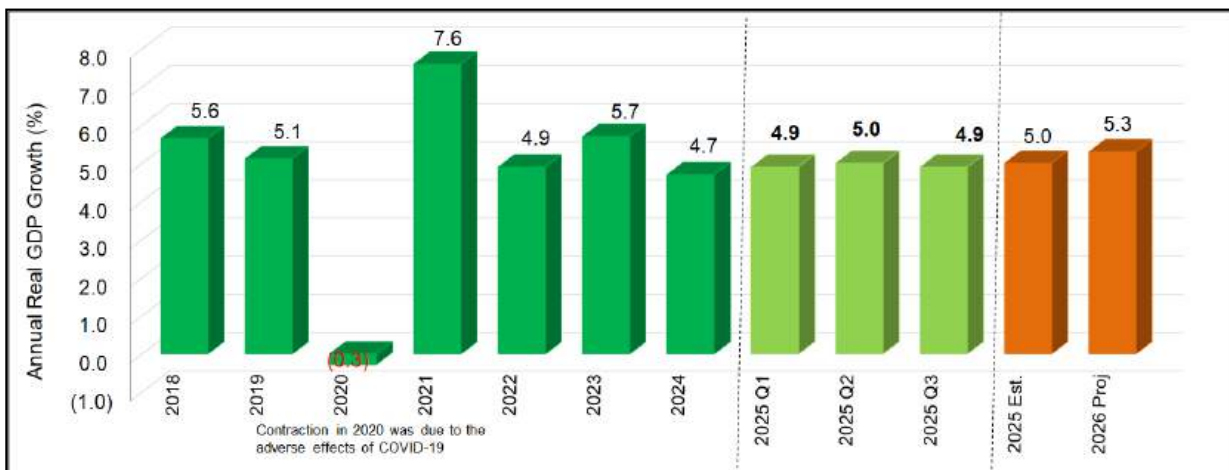
96. The accommodation and food service sub-sectors grew by 4.1 percent in the first quarter, 7.8 percent in the second quarter, and 17.7 percent in the third quarter of 2025, compared to growth of 38.1 percent, 35.0 percent, and 22.9 percent, respectively, in the corresponding quarters of 2024. This growth was largely supported by increased visitor arrivals, as Kenya co-hosted the African Nations Championship (CHAN) in the third quarter of 2025. International visitor arrivals through the two major airport, Jomo Kenyatta International Airport (JKIA) and Mombasa International Airport (MIA), increased during the first three quarters of 2025.

97. The information and communication sub-sector grew by 5.8 percent in the first quarter, 6.0 percent in the second quarter, and 4.5 percent in the third quarter of 2025, compared to growth of 9.2 percent, 6.7 percent, and 6.9 percent, respectively, in the corresponding quarters of 2024. This performance was supported by increases in both domestic and international mobile voice traffic, as well as higher mobile broadband data consumption.

98. The financial and insurance sub-sector recorded growth of 5.2 percent in the first quarter, 6.7 percent in the second quarter, and 5.4 percent in the third quarter of 2025, compared to growth of 9.6 percent, 8.0 percent, and 7.3 percent, respectively, in the corresponding quarters of 2024. The slower growth reflects the impact of easing interest rates, which moderated earnings from financial intermediation, alongside relatively modest credit growth to the private sector.

99. Leading indicators of economic activity point to improved performance in the fourth quarter of 2025. As such, full-year growth is estimated at 5.0 percent and projected to improve to 5.3 percent in 2026. This growth is supported by continued resilience of key service sectors and agriculture, and continued recovery of the industry sector. The outlook will be reinforced by the ongoing implementation of priorities under Bottom-Up Economic Transformation Agenda (BETA) (Figure 2.1).

**Figure 2.1: Annual Real GDP Growth Rates, percent**



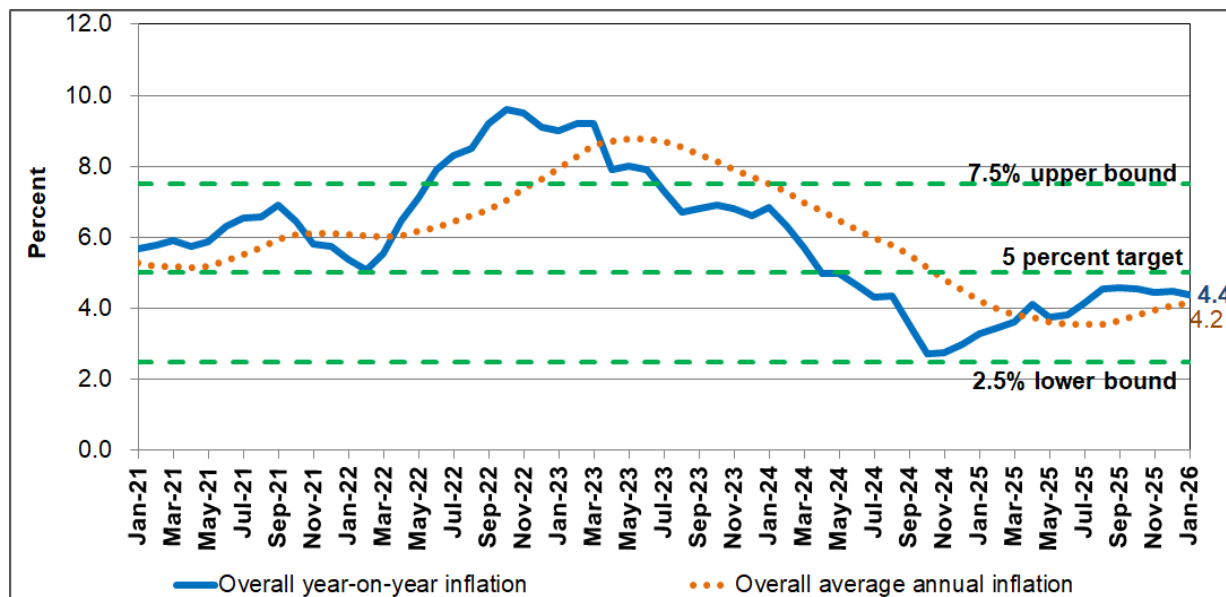
Source of Data: Kenya National Bureau of Statistics

### 2.2.1 Inflation Developments

100. Overall year-on-year inflation has declined and remained below the mid-point of the policy target range of  $5.0 \pm 2.5$  percent since June 2024. The stable inflation has been supported by: abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation attributed to the stability of the exchange rate and lower international oil prices. Inflation stood at 4.4 percent in January 2026 compared to 3.3 percent in January 2025 (Figure 2.2). The increase reflects the easing of monetary policy.

**101.** Core inflation remained muted at 2.2 percent in January 2026 from 2.0 percent in January 2025, mainly on account of lower prices of processed food items. Non-core inflation rose to 10.3 percent in January 2026 from 6.8 percent in January 2025, driven primarily by sharper increases in transport costs, as well as higher prices of vegetables, particularly tomatoes, carrots, onions, and cabbages, alongside pressures from utilities and energy.

**Figure 2.2: Inflation Rate, Percent**



Source of Data: Kenya National Bureau of Statistics

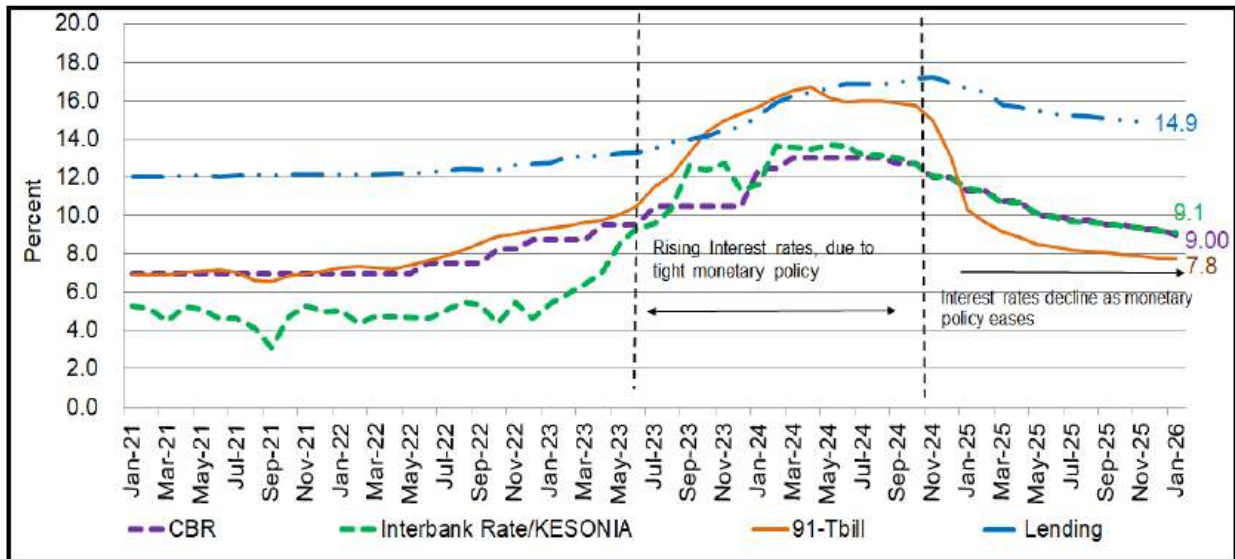
### 2.2.2 Interest Rates Developments

**102.** The Central Bank of Kenya, through the Monetary Policy Committee (MPC), has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.0 percent in December 2025 (**Figure 2.3**). This measure is intended to augment previous policy actions aimed at stimulating bank lending to the private sector and supporting economic activity. It also seeks to ensure that inflationary expectations remain firmly anchored, while the exchange rate remains stable.

**103.** Short-term interest rates declined in line with the easing of monetary policy. KESONIA (the overnight interbank rate) declined to 9.0 percent in January 2026 from 11.2 percent in January 2025, while the 91-day Treasury bill rate declined to 7.7 percent from 9.6 percent over the same period. Similarly, the 182-day Treasury bill rate declined to 7.8 percent in January 2026 from 10.0 percent in January 2025, while the 364-day Treasury bill rate declined to 9.2 percent from 11.3 percent over the same period. The decrease in government domestic borrowing rates has contributed to lower debt-servicing costs.

**104.** Commercial banks' average lending and deposit rates decreased in the year to November 2025 in tandem with the easing of the monetary policy. The average lending rate decreased to 14.9 percent in November 2025 from 17.2 percent in November 2024 while the average deposit rate also decreased to 7.3 percent from 10.4 percent over the same period. Consequently, the average interest rate spread increased to 7.6 percent in November 2025 from 6.8 percent in November 2024.

**Figure 2.3: Interest Rates.**



Source of Data: Central Bank of Kenya

### 2.2.3 Monetary and Credit Developments

105. Broad money supply, M3, grew by 9.8 percent in the year to December 2025, compared to a contraction of 0.2 percent in the year to December 2024 (Table 2.3). The improved growth of M3 was driven by higher growth in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA), particularly credit to both the Government and the private sector. The NFA of the banking system grew by 40.7 percent in the year to December 2025, compared to a growth of 6.1 percent in the year to December 2024. The increase in NFA was mainly attributable to a rise in the Central Bank’s foreign assets, while growth in commercial banks’ foreign assets slowed during the period.

**Table 2.3: Money and Credit Developments (12 Months to December 2025, KSh billion)**

				Absolute Change		Percent Change	
	2023 December	2024 December	2025 December	2023-2024 December	2024-2025 December	2023-2024 December	2024-2025 December
<b>COMPONENTS OF M3</b>							
1. Money supply, M1 (1.1+1.2+1.3)	2,044.1	2,121.4	2,406.0	77.3	284.6	3.8	13.4
1.1 currency outside banks (M0)	282.1	292.8	323.2	10.7	30.4	3.8	10.4
1.2 Demand deposits	1,663.9	1,714.5	1,970.0	50.6	255.5	3.0	14.9
1.3 Other deposits at CBK	98.0	114.1	112.8	16.1	(1.3)	16.4	(1.1)
2. Money supply, M2 (1+2.1)	3,952.3	4,231.3	4,682.7	279.0	451.3	7.1	10.7
2.1 Time and savings deposits	1,908.3	2,109.9	2,276.7	201.7	166.7	10.6	7.9
<b>Money supply, M3 (2+3.1)</b>	<b>5,498.6</b>	<b>5,488.7</b>	<b>6,029.3</b>	<b>(9.8)</b>	<b>540.6</b>	<b>(0.2)</b>	<b>9.8</b>
3.1 Foreign currency deposits	1,546.3	1,257.4	1,346.7	(288.8)	89.3	(18.7)	7.1
<b>SOURCES OF M3</b>							
1. Net foreign assets (1.1+1.2)	793.6	841.7	1,183.9	48.1	342.2	6.1	40.7
1.1 Central Bank	486.9	610.1	892.5	123.3	282.4	25.3	46.3
1.2 Banking Institutions	306.7	231.5	291.4	(75.2)	59.8	(24.5)	25.8
2. Net domestic assets (2.1+2.2)	4,705.0	4,647.1	4,845.4	(57.9)	198.4	(1.2)	4.3
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	6,252.0	5,909.0	6,429.8	(343.1)	520.9	(5.5)	8.8
2.1.1 Government (net)	2,239.5	1,984.2	2,289.6	(255.3)	305.4	(11.4)	15.4
2.1.2 Other public sector	101.3	67.1	54.5	(34.2)	(12.6)	(33.8)	(18.8)
2.1.3 Private sector	3,911.2	3,857.7	4,085.8	(53.5)	228.1	(1.4)	5.9
2.2 Other assets net	(1,547.0)	(1,261.9)	(1,584.4)	285.1	(322.5)	18.4	(25.6)

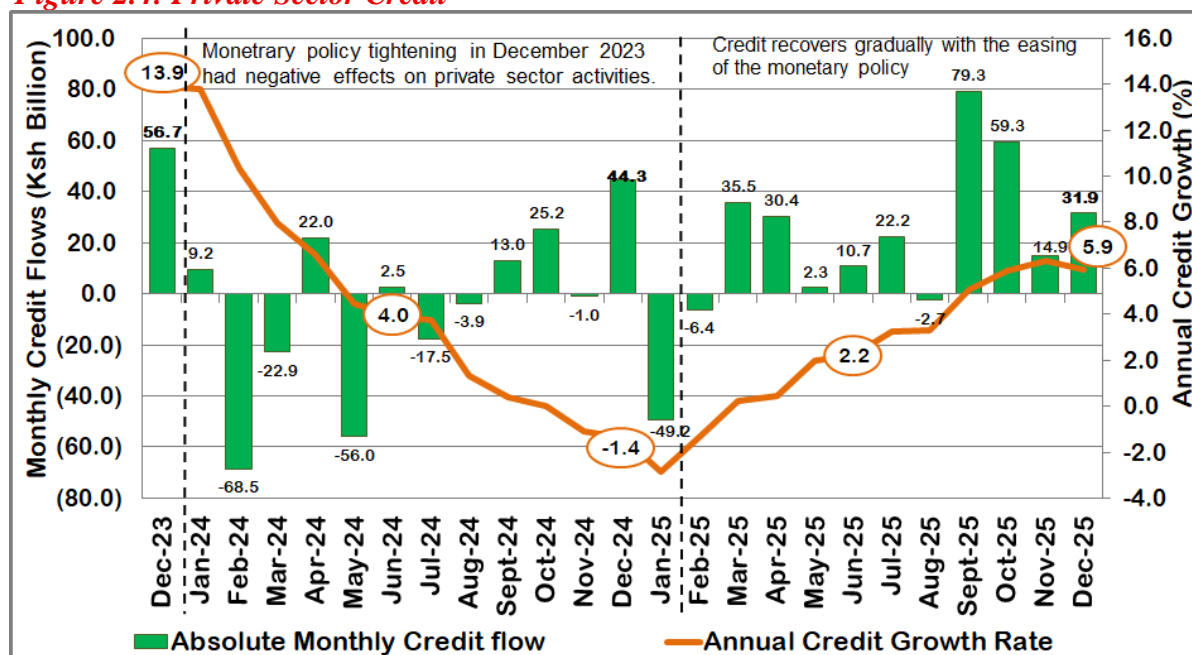
Source of Data: Central Bank of Kenya

**106.** Net Domestic Assets (NDA) improved to a growth of 4.3 percent in the year to December 2025, compared to a contraction of 1.2 percent over a similar period in 2024. The domestic credit extended by the banking system to the Government grew by 15.4 percent in the year to December 2025 compared to a contraction of 11.4 percent over a similar period in 2024 while lending to other public sectors contracted by 18.8 percent compared to a contraction of 33.8 percent over the same period. Increased net lending to government mainly reflected increase uptake of government securities by commercial banks. In contrast, lending to other public sector declined, mainly reflecting repayments by parastatals

**107.** Growth in private sector credit from the banking system recorded a growth of 5.9 percent in the year to December 2025 compared to a contraction of 1.4 percent in the year to December 2024. Growth in credit to key sectors of the economy, particularly Agriculture, manufacturing, building and construction, Finance and insurance, and consumer durables, remained strong in December 2025. This mainly reflects improved demand for credit in line with the declining interest rates.

**108.** The Monthly (month on month) credit flows to the private sector improved to KSh 31.9 billion in December 2025 due to the easing of the monetary policy stance to lower the cost of funds for banks (Figure 2.4). Sustained demand particularly for working capital due to resilient economic activities and the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs will continue to support private sector credit uptake.

**Figure 2.4: Private Sector Credit**



Source of Data: Central Bank of Kenya

### 2.2.4 External Sector Developments

**109.** The current account deficit stood at US\$ 3,298.9 million (2.4 percent of GDP) in December 2025, compared to US\$ 1,550.6 million (1.2 percent of GDP) in December 2024 (Table 2.4). The current account balance was supported by resilient goods exports, an improvement in services receipt and net primary income, and increased remittances. The current account deficit in the 12 months to December 2025 was more than fully financed by financial account inflows.

**Table 2.4: Balance of Payments (USD Million)**

				Year to December 2025		Actuals as a Percent of GDP	
	Dec-23	Dec-24	Dec-25	Absolute Change	Percent Change	Dec-24	Dec-25
<b>Overall Balance</b>	<b>1,008.1</b>	<b>(1,458.7)</b>	<b>(1,868.3)</b>	<b>(409.6)</b>	<b>(28.1)</b>	<b>(1.2)</b>	<b>(1.3)</b>
<b>A) Current Account</b>	<b>(2,728.4)</b>	<b>(1,550.6)</b>	<b>(3,298.9)</b>	<b>(1,748.3)</b>	<b>(112.8)</b>	<b>(1.2)</b>	<b>(2.4)</b>
<i>Merchandise Account (a-b)</i>	(9,556.4)	(9,734.2)	(10,995.3)	(1,261.1)	(13.0)	(7.8)	(7.9)
a) Goods: exports	11,031.3	12,507.9	13,266.1	758.1	6.1	10.0	9.5
b) Goods: imports	20,587.8	22,242.1	24,261.3	2,019.2	9.1	17.7	17.3
<i>Net Services (c-d)</i>	1,703.4	2,416.1	2,100.9	(315.2)	(13.0)	1.9	1.5
c) Services: credit	7,149.2	8,077.6	8,168.3	90.6	1.1	6.4	5.8
d) Services: debit	5,445.8	5,661.5	6,067.4	405.9	7.2	4.5	4.3
<i>Net Primary Income (e-f)</i>	(1,861.1)	(1,845.5)	(1,798.7)	46.8	2.5	(1.5)	(1.3)
e) Primary income: credit	182.3	291.7	401.1	109.4	37.5	0.2	0.3
f) Primary income: debit	2,043.5	2,137.2	2,199.8	62.6	2.9	1.7	1.6
<i>Net Secondary Income</i>	6,985.8	7,613.0	7,394.1	(218.8)	(2.9)	6.1	5.3
g) Secondary income: credit	7,079.0	7,662.1	7,459.7	(202.4)	(2.6)	6.1	5.3
of which Remittances	4,189.9	4,945.2	5,036.8	91.5	1.9	3.9	3.6
h) Secondary income: debit	93.3	49.1	65.5	16.4	33.5	0.0	0.0
<b>B) Capital Account</b>	<b>127.6</b>	<b>232.2</b>	<b>180.7</b>	<b>(51.5)</b>	<b>(22.2)</b>	<b>0.2</b>	<b>0.1</b>
<b>C) Financial Account</b>	<b>(1,847.0)</b>	<b>(3,213.6)</b>	<b>(5,266.7)</b>	<b>(2,053.1)</b>	<b>(63.9)</b>	<b>(2.6)</b>	<b>(3.8)</b>

Source of Data: Central Bank of Kenya

**110.** The balance in the merchandise account deteriorated by US\$ 1,261.1 million to a deficit of US\$. 10,995.3 million in December 2025 mainly due to an increase in import bill that more than offset the increase in exports. Goods exports increased by 6.1 percent, due to higher domestic exports particularly horticulture, coffee, manufactured goods, and apparel. Goods imports rose by 9.1 percent, reflecting increases in intermediate and capital goods imports.

**111.** Services receipts increased by 7.2 percent, mainly supported by increased receipts from travel services. The deficit on the primary account narrowed by US\$ 46.8 million to a deficit of US\$. 1,798.7 million in the year to December 2025, compared to the same period last year. Diaspora remittances increased by 1.9 percent to US\$ 5,036.8 million in the 12 months to December 2025 compared to US\$ 4,945.2 million in a similar period in 2024. Remittances increased forex inflows into the country, with some going to investment while others support household consumption of our people.

**112.** The capital account balance decreased by US\$. 51.5 million to register a surplus of US\$180.7 million in December 2025 compared to a surplus of US\$ 232.2 million in the same period in 2024. Net financial inflows improved to US\$. 5,266.7 million in December 2025 compared to US\$. 3,213.6 million in December 2024 reflecting an increase in net financial liabilities, which more than offset the decline in net acquisition of financial assets. The net financial inflows were mainly in the form of Portfolio investments, direct investments, financial derivatives and other investments.

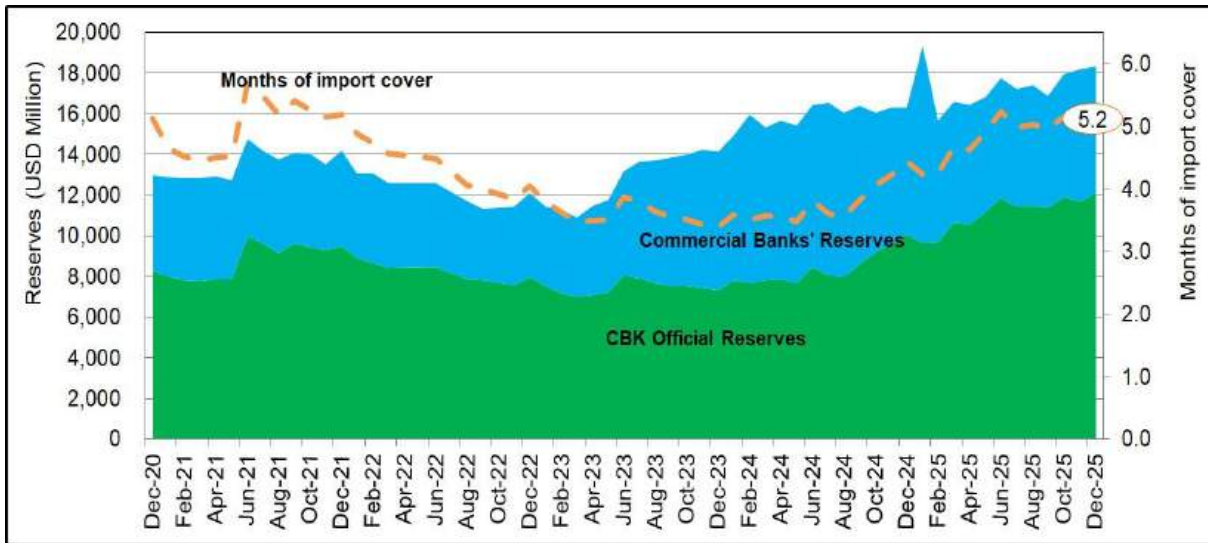
### **2.2.5 Foreign Exchange Reserves**

**113.** The banking system's foreign exchange holdings remained strong at US\$. 18,312.1 million in December 2025 from US\$. 16,324.5 million in December 2024. The official foreign exchange reserves held by the Central Bank stood at US\$. 12,098.6 million compared to US\$ 10,066.6 million over the same period in 2024 (Figure 2.5). Commercial banks foreign exchange holdings decreased to US\$. 6,213.6 million in December 2025 from US\$. 6,257.9 million in December 2024.

**114.** The official reserves held by the Central Bank in December 2025 represented 5.2 months of import cover, compared to 4.4 months of import cover in December 2024. These reserves continue to provide adequate cover and a buffer against short-term shocks in the foreign exchange market. The

level of reserves also exceeds the minimum requirement of four months of import cover.

**Figure 2.5: Foreign Exchange Reserves (USD Million)**

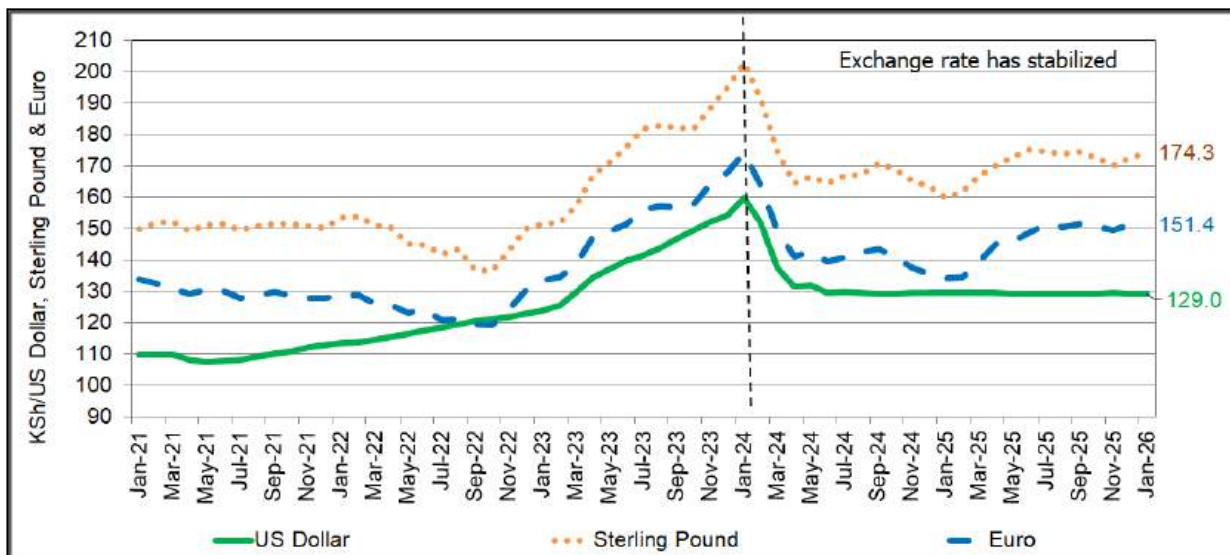


Source of Data: Central Bank of Kenya

### 2.2.6 Exchange Rate Developments

115. The Kenya Shilling remained relatively stable against the US Dollar, exchanging at an average of KSh 129.0 in January 2026 compared to KSh 129.4 in January 2025. However, the Shilling depreciated against the Sterling Pound and the Euro by 9.1 percent and 13.0 percent, respectively. The Sterling Pound averaged KSh 174.3 in January 2026, up from KSh 159.8 in January 2025, while the Euro averaged KSh 151.4 compared to KSh 134.0 over the same period. Overall, the foreign exchange market remained well-supported by steady inflows from agricultural exports and diaspora remittances, which helped cushion the Shilling against excessive volatility (Figure 2.6).

**Figure 2.6: Kenya Shillings Exchange Rate**

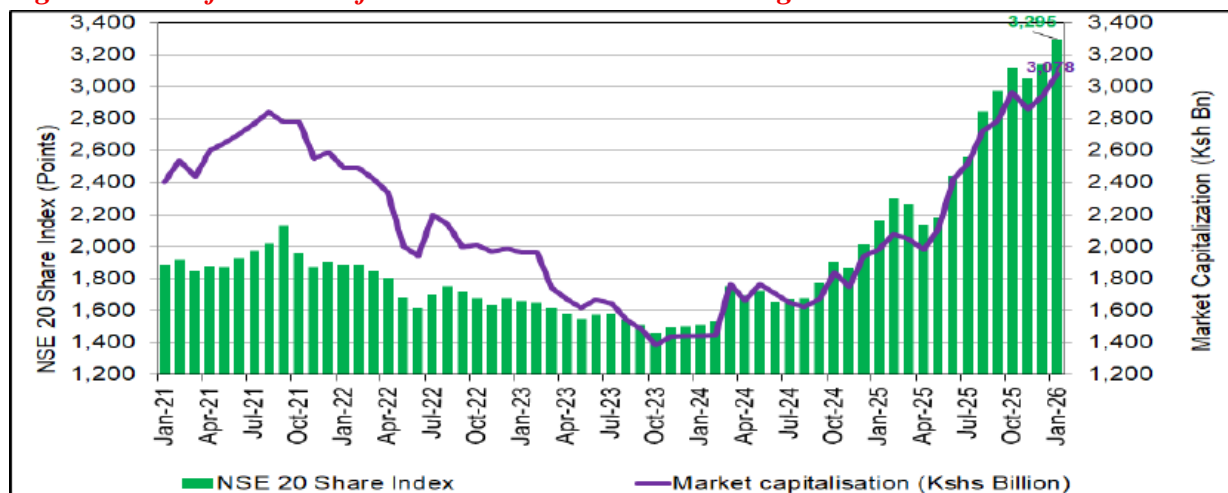


Source of Data: Central Bank of Kenya

## 2.2.7 Capital Markets Developments

116. The stability of the Kenya Shilling against major international currencies, together with improved macroeconomic conditions, has boosted investor confidence. This has driven higher foreign direct investment inflows and increased participation in the Nairobi Securities Exchange (NSE). As a result, the NSE 20 Share Index improved by 52.4 percent to 3,295 points in January 2026, up from 2,163 points in January 2025. Similarly, market capitalization expanded by 55.2 percent to KSh 3,078 billion from KSh 1,984 billion over the same period (Figure 2.7). These levels represent the strongest performance of the NSE since the pre-COVID period, reflecting renewed confidence in Kenya's economic recovery and long-term prospects.

**Figure 2.7: Performance of the Nairobi Securities Exchange**



Source of Data: Nairobi Securities Exchange

## 2.3 Fiscal Performance

117. Budget execution progressed well during the first half of the FY 2025/26. However, execution has been constrained by a combination of factors, including slower-than-anticipated adoption of the e-procurement system, revenue underperformance, and emerging expenditures pressures. To order to safeguard budget implementation while maintaining fiscal consolidation path, the Government has revised the fiscal projections for the FY 2025/26. The process has accommodated emerging revenue shortfalls and critical additional expenditure requirements, while ensuring alignment with approved fiscal targets.

### 2.3.1 Revenue Performance

118. By the end of December 2025, total revenue collected including A-I-A amounted to KSh 1,500.6 billion against a target of KSh 1,637.7 billion (**Table 2.5**). The revenue collection was below target by KSh 136.1 billion. This performance is attributed to underperformance recorded in ordinary revenue of KSh 115.3 billion, and KSh 20.8 billion in Ministerial A-I-A.

119. The ordinary revenue collection was KSh 1,236.5 billion against a target of KSh 1,351.9 billion. All ordinary revenue categories except import duty recorded below target performance during the period under review. The total revenue recorded a growth of 12.4 percent compared to a growth of 1.6 percent recorded in December 2024.

120. The ministerial A-I-A collected amounted to KSh 264.1 billion against a target of KSh 284.9 billion, KSh 20.8 million below the target. The performance of A-I-A translated to a growth of 49.2 percent.

**Table 2.5: Fiscal Performance as at 31st December, 2025**

	Dec-24			Dec-25					
	(KSh Billion)	% of GDP	% Growth	KSh Billion			% of GDP		% Growth
				Target	Prel. Act.	Deviation	Target	Prel. Act.	
<b>A. Total Revenue including External Grants</b>	1,342.2	7.4	1.8	1,654.6	1,506.3	(148.3)	8.6	7.8	12.2
<b>Total Revenues (1+2)</b>	1,334.7	7.4	1.6	1,636.7	1,500.6	(136.1)	8.5	7.8	12.4
1. Ordinary Revenue	1,157.8	6.4	6.3	1,351.9	1,236.5	(115.3)	7.0	6.4	6.8
Import duty	71.5	0.4	4.8	83.7	84.7	1.0	0.4	0.4	18.4
Excise duty	141.3	0.8	1.1	167.6	153.6	(14.0)	0.9	0.8	8.7
Income tax	530.8	2.9	8.1	626.9	542.4	(84.5)	3.3	2.8	2.2
VAT	304.1	1.7	(4.4)	379.4	351.0	(28.4)	2.0	1.8	15.4
Other Revenue	110.0	0.6	54.0	94.3	104.8	10.5	0.5	0.5	(4.7)
2. Ministerial Appropriation in Aid	176.9	1.0	(21.2)	284.9	264.1	(20.8)	1.5	1.4	49.2
3. External Grants	7.5	0.0	37.7	17.9	5.8	(12.2)	0.1	0.0	(23.3)
<b>B. Total Expenditure and Net Lending</b>	1,795.8	9.9	5.3	2,097.0	2,024.4	(72.6)	10.9	10.5	12.7
1. Recurrent Expenditure	1,372.1	7.6	5.9	1,541.3	1,552.2	10.9	8.0	8.1	13.1
2. Development	232.0	1.3	(12.7)	325.7	292.7	(33.0)	1.7	1.5	26.1
3. County Allocation	191.6	1.1	34.5	229.9	179.5	(50.4)	1.2	0.9	(6.3)
4. Contingency Fund	-	-	-	-	-	-	-	-	-
<b>C. Balance Exclusive of Grants</b>	(464.0)	(2.6)	18.6	(460.3)	(523.8)	(63.6)	(2.4)	(2.7)	12.9
<b>D. Balance inclusive of Grants (Cash basis)</b>	(456.5)	(2.5)	123.5	(442.4)	(518.1)	(75.7)	(2.3)	(2.7)	13.5
Discrepancy	(51.9)	(0.3)	131.5	-	(1.1)	(1.1)	-	(0.0)	(97.9)
<b>E. Total Financing</b>	404.6	2.2	122.5	442.4	517.0	74.7	2.3	2.7	27.8
1. Net Foreign Financing	(6.6)	(0.0)	(76.4)	(43.2)	7.8	51.0	(0.2)	0.0	(217.1)
2. Net Domestic Financing	411.2	2.3	95.8	485.6	509.2	23.6	2.5	2.6	23.8
<b>Nominal GDP (Fiscal Year)</b>	18,054.3			19,272.8	19,272.8				

Source of Data: National Treasury

### 2.3.2 Expenditure Performance

121. The total expenditure and net lending for the period ending December 2025 amounted to KSh 2,024.4 billion, against a target of KSh 2,097.0 billion. The resultant below target expenditure of KSh 72.6 billion is largely attributed to below target disbursement towards development expenditure and County Governments. Development expenditure was also below target by KSh 33.0 billion, while transfer to counties recorded a shortfall of KSh 50.4 billion mainly due to delayed disbursements. The recurrent expenditure was above target by KSh 10.9 billion mainly due to higher than targeted expenditures in operations & maintenance, and domestic interest (**Table 2.5**).

122. During the period July 2025 to December 2025, the fiscal balance including grants amounted to KSh 518.1 billion (2.7 percent of GDP) against a targeted deficit of KSh 442.4 billion (2.3 percent of GDP). The deficit was financed by net foreign borrowing amounting to KSh 7.8 billion and net domestic financing of KSh 509.2 billion.

## 2.4 Kenya's Macroeconomic Policy Outlook

123. Kenya's economic outlook is estimated to have expanded by 5.0 percent in 2025 and expected to strengthen to 5.3 percent in 2026 (see Table 2.6 for calendar years and Annex Table 1 for fiscal years). This performance is taking place against a broadly supportive global environment, where growth is estimated at 3.3 percent in 2026 and 3.2 percent in 2027, sustained by easing trade tensions, accommodative financial conditions and expanding technology investment, particularly in artificial intelligence.

**Table 2.6: Kenya's Macroeconomic Indicators and Projections**

	2023	2024	2025	2026	2027	2028	2029	2030
	Act.	Act.	Est.	Proj.	Proj.	Proj.	Proj.	Proj.
<i>annual percentage change, unless otherwise indicated</i>								
<b>National Account and Prices</b>								
Real GDP	5.7	4.7	5.0	5.3	5.3	5.3	5.3	5.3
Primary Sector	5.7	3.8	5.0	5.0	4.7	4.8	4.7	4.9
- of which: Agriculture	6.6	4.6	4.6	4.7	4.5	4.5	4.4	4.5
Secondary Sector	2.6	1.5	3.5	3.9	3.9	4.3	4.5	4.9
Tertiary Sector	6.8	6.1	5.3	6.0	6.0	6.1	6.1	6.0
GDP deflator	5.9	2.5	6.0	4.9	4.6	4.7	4.7	4.5
CPI Index (eop)	6.6	4.5	4.5	5.0	4.9	4.7	4.7	4.9
CPI Index (avg)	7.7	4.5	4.1	5.0	5.0	4.7	4.7	4.7
Terms of trade (-deterioration)	-1.7	-0.4	3.8	2.3	3.2	3.2	3.8	3.8
Exchange Rate (Ksh/US\$, average)								
<b>Money and Credit (end of period)</b>								
Net domestic assets	3.1	9.0	10.7	8.8	8.5	8.6	9.2	8.0
Net domestic credit to the Government	14.2	13.8	8.3	6.2	5.0	5.5	5.7	2.8
Credit to the rest of the economy	3.1	3.9	7.0	9.3	9.8	9.7	10.4	1.7
Broad Money, M3 (percent change)	7.2	9.2	10.5	10.2	10.2	10.2	10.3	7.6
Reserve money (percent change)	7.9	3.5	9.3	10.1	10.1	10.1	10.1	7.5
<i>in percentage of GDP, unless otherwise indicated</i>								
<b>Investment and Saving</b>								
<b>Consumption</b>	<b>89.2</b>	<b>88.8</b>	<b>89.3</b>	<b>88.7</b>	<b>88.4</b>	<b>87.9</b>	<b>87.7</b>	<b>87.2</b>
Central Government	11.8	11.2	11.6	11.2	11.0	10.6	10.3	9.9
Private	76.2	76.9	77.1	76.9	76.9	76.9	76.9	76.9
Final consumption expenditure by NPISH	0.7	0.7	0.6	0.5	0.5	0.4	0.4	0.4
<b>Gross Fixed Capital Investment</b>	<b>16.5</b>	<b>16.8</b>	<b>14.6</b>	<b>15.4</b>	<b>15.5</b>	<b>15.6</b>	<b>15.7</b>	<b>15.7</b>
Central Government	4.2	4.2	4.2	4.3	4.4	4.6	4.6	4.7
Private	12.3	12.6	10.4	11.2	11.2	11.1	11.1	11.0
<b>Gross National Saving</b>	<b>12.3</b>	<b>14.1</b>	<b>13.3</b>	<b>13.1</b>	<b>13.2</b>	<b>13.3</b>	<b>13.4</b>	<b>13.4</b>
Central Government	0.4	0.1	-0.1	0.1	0.3	1.9	2.3	2.3
Private	11.9	13.9	13.4	13.0	12.9	11.4	11.1	11.1
Exports value, goods and services	16.8	17.0	15.3	14.6	14.2	14.0	13.9	13.5
Imports value, goods and services	24.3	23.1	21.8	20.7	20.0	19.5	18.7	18.2
Current Account Balance	-4.2	-2.7	-1.3	-2.3	-2.3	-2.3	-2.3	-2.3
Gross reserves in months of next yr's imports	3.1	4.0	4.4	4.4	4.5	4.6	4.7	4.9
Gross reserves in months of this yr's imports	3.4	4.3	4.6	4.7	4.8	4.9	5.0	5.1
<b>Central Government Budget in Fiscal Years</b>								
Total revenue	16.5	17.3	17.1	17.6	16.9	17.5	17.0	16.8
Total Expenditure and Net Lending	22.5	23.0	23.2	23.9	22.5	21.4	20.6	20.2
Overall Fiscal Balance excl. Grants	-6.0	-5.8	-6.1	-6.2	-5.6	-3.9	-3.6	-3.4
Overall Fiscal Balance, incl. Grants	-5.9	-5.6	-5.9	-6.0	-5.3	-3.6	-3.3	-3.2
Statistical discrepancy	-0.2	-0.1	0.1	0.0	0.0	0.0	0.0	0.0
Overall Fiscal Balance, incl. Grants, Cash Basis	-5.6	-5.3	-5.9	-6.0	-5.3	-3.6	-3.3	-3.2
Primary Budget Balance	-0.8	0.1	-0.2	-0.1	0.4	1.6	1.6	1.4
Net domestic borrowing	3.2	3.8	5.0	4.7	4.3	2.4	2.7	2.6
<b>Public debt in Fiscal years</b>								
Nominal Government Public Debt (eop), Gross	71.9	67.5	68.9	68.2	67.2	64.6	61.8	59.3
Nominal Public Debt (eop), Net of Deposits	68.5	64.2	65.4	65.0	64.3	62.0	59.5	57.2
Domestic (Gross) Debt	33.8	34.5	36.9	38.0	38.7	37.5	36.7	35.9
Domestic (Net) Debt	30.4	31.2	33.5	34.8	35.9	34.9	34.4	33.8
External Debt	38.1	33.0	32.0	30.2	28.5	27.1	25.2	23.4
<b>Memorandum Items:</b>								
Nominal GDP (in Ksh Billion) in calendar years*	15,109	16,224	18,063	19,943	21,952	24,212	26,682	29,367
Per capita income (Ksh) in calendar years	294,504	309,722	337,789	365,411	386,424	417,903	451,676	487,671
Nominal GDP (in US\$ Million) in calendar years	108,037	121,256	139,886	154,408	169,547	186,259	205,364	226,650
* Nominal GDP in Fiscal Years in Annex Table 2								

Source: The National Treasury

**124.** Kenya's growth projection will be anchored by a robust agricultural sector, steady expansion in services, and a gradual rebound in industry. Agriculture is expected to benefit from favourable weather conditions, climate-smart investments, and Government initiatives aimed at improving productivity and market access. Strong linkages between agriculture and other sectors, particularly agro-processing, exports, and rural household incomes, will continue to support broad-based growth.

**125.** Industrial activity is projected to firm up over the medium term, supported by easing production costs and a more stable exchange rate environment. The construction industry is set for a notable turnaround following the clearance of verified pending bills, which will help restart stalled projects, improve liquidity for contractors, and stimulate related industries such as manufacturing and construction materials. Kenya's dynamic services sector, especially finance, ICT, and trade, is expected to retain momentum. Government efforts to promote sustainable tourism, expand community-based tourism models, and enhance port infrastructure to support cruise tourism will further lift hospitality and transport services.

**126.** On the demand side, private consumption and investment are expected to remain resilient, supported by a favourable macroeconomic environment. Lower inflation and prudent monetary policy will help improve household purchasing power and ease cost pressures on firms. Remittances, Kenya's largest source of foreign exchange, are projected to remain strong and provide an additional buffer for household consumption. The ongoing decline in lending rates will improve credit affordability for businesses and households, stimulating private investment, enterprise expansion, and job creation.

**127.** Private sector investments will also be bolstered by measures aimed at improving competitiveness, reducing regulatory bottlenecks, and strengthening market efficiency. Positive investor sentiment, improved access to international markets, adherence to fiscal consolidation, and a more stable exchange rate anchored on credible monetary policy and sound liability- management practices will enhance Kenya's investment climate. The expansion of Public- Private Partnerships (PPPs) is expected to play a major role in closing development infrastructure gaps. The harmonized Public Investment Policy, now fully operational, aligns PPP and Public Investment Management processes to ensure efficient, coordinated planning and execution of projects. Over the medium term, the Government will prioritize PPP investments across key sectors including Agriculture, Roads, Transport and Logistics, Urban Development and Housing, Energy, Water, ICT, Agribusiness and Manufacturing, and Health. There are currently 40 Public Private Partnership (PPP) projects, of which 10 are under implementation while 30 are in the pipeline at various stages of the PPP project cycle. In FY 2026/27, the Government targets to mobilize at least KSh 80 billion in private investment through PPPs. To strengthen openness, transparency, and accountability, the Government will continue to enforce compliance with the National Treasury Circular on Public Disclosure of Privately Initiated Proposals (PIPs) issued in April 2025, and enhance public participation at all critical stages of the PPP project lifecycle, in line with the PPP Act, including the publication of all intended and ongoing projects pursuant to Sections 43 and 69 of the PPP Act. Ongoing privatization of select State-owned enterprises will complement these efforts by improving efficiency, attracting both domestic and foreign investors, and creating fiscal space for priority development programs.

**128.** Growth in public consumption is expected to remain modest in line with the medium-term fiscal adjustment. Recurrent expenditure as a share of GDP is projected to gradually decline, while development spending is expected to rise to support implementation of BETA priorities. To support private-sector liquidity and stimulate economic activity, the Government will continue efforts to clear pending bills, especially those in the roads sector. These payments will be facilitated through a bond issuance by the Kenya Roads Board. In addition, major infrastructure investments will increasingly leverage PPP arrangements to reduce pressure on the exchequer.

**129.** Kenya's external position is expected to remain stable over the medium term, supported by rising exports and an improving global environment. The implementation of key trade agreements, stronger growth in Kenya's main regional markets in Africa, and lower international commodity prices will help strengthen export performance. The removal of certain export tariffs by China, and improved

access to European Union markets, are expected to enhance Kenya's export competitiveness, boost foreign exchange earnings, and narrow the external imbalance. Continued resilience in agricultural exports, particularly horticulture and tea, will remain a core driver of external sector stability.

**130.** Stabilizing global economic conditions are expected to strengthen diaspora remittances and support continued growth in tourism and transport services. The expected rebound in service exports, particularly tourism, ICT-enabled services, and transport, will help cushion the economy against reduced income flows from declining donor support. Import growth is projected to pick up as domestic demand strengthens, supported by a stable exchange rate and industrial recovery. The increase in imports will mainly reflect higher demand for raw materials to support manufacturing and industrial activity, as well as consumer goods required to meet rising household consumption.

### ***2.4.1 Monetary Policy Management***

**131.** The Central Bank of Kenya (CBK) manages monetary policy with the primary objective of maintaining price and financial stability to support sustainable economic growth. The framework is anchored on an inflation-targeting regime, with the current target set at  $5\pm 2.5$  percent. The introduction of core and non-core inflation measures in January 2025 has enhanced CBK's capacity to make data-driven policy decisions, with core inflation providing a more accurate reflection of underlying price trends and structural price pressures.

**132.** The Monetary Policy Committee (MPC) continues to implement reforms outlined in the White Paper on Modernization of the Monetary Policy Framework and Operations. These reforms aim to enhance the effectiveness of monetary policy, strengthen the anchoring of inflation expectations, and improve the overall transmission of policy decisions to the economy. Key elements include the shift toward a forward-looking, interest-rate-based framework, strengthened liquidity management instruments, enhanced policy communication and transparency, and upgraded market infrastructure to deepen financial markets and support investor confidence.

**133.** A significant milestone in this transition is the introduction of a revised Risk-Based Credit Pricing Model (RBCPM) for the banking sector to strengthen monetary policy transmission, enhance transparency in lending, and promote responsible credit allocation. Under the RBCPM, lending rates are linked to the Kenya Shilling Overnight Interbank Average rate (KESONIA), reflecting borrowers' risk profiles and aligning with international best practices. The total lending rate comprises KESONIA plus a risk-adjusted premium ("K") that covers operational costs, expected returns, and borrower risk, while the total cost of credit includes applicable fees and charges. To promote transparency and informed borrowing, banks are required to publish weighted average lending rates, risk premiums, and associated fees for all lending products on their websites and on the Total Cost of Credit (TCC) platform.

**134.** In a major step to modernize Kenya's financial infrastructure, the CBK extended the operating hours of the Kenya Electronic Payment and Settlement System (KEPSS) and the national Real Time Gross Settlement (RTGS) system, effective July 1, 2025. This strategic enhancement strengthens the efficiency, accessibility, and resilience of the country's payment ecosystem, supporting Kenya's transition toward a 24/7 digital economy, facilitating seamless cross-border transactions, and improving the country's competitiveness as a regional financial hub. These upgrades also promote financial inclusion by enhancing access to digital payment systems for households and businesses.

**135.** Looking ahead, monetary policy will continue to focus on preserving the credibility of the inflation-targeting framework, improving the transmission of policy rates to lending rates, and safeguarding financial stability. Policy efforts will ensure that monetary conditions remain supportive of private sector credit growth and broader economic activity, underpinned by prudent fiscal management, robust financial sector oversight, and continued development of digital financial infrastructure to enhance efficiency and inclusivity in the economy.

## **2.4.2 Fiscal Policy and Outlook**

- 136.** The fiscal policy for FY 2026/27 and the medium term will be anchored on a growth- supportive consolidation strategy that advances the Government’s priorities under Bottom - Up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan. The policy will also integrate the Government’s emerging initiatives in human capital development, agricultural transformation, energy, and transport and logistics. This approach is intended to slow the pace of public debt accumulation, strengthen debt sustainability, and support the implementation of a proactive liability-management framework, while safeguarding the quality of public services. Fiscal consolidation efforts will prioritize enhanced domestic revenue mobilization, rigorous expenditure optimization and reprioritization, and protection of essential government programs and social interventions.
- 137.** The medium-term fiscal projections in the 2026 Budget Policy Statement have been revised from those of the 2025 Budget Review and Outlook Paper (BROP) estimates taking into account budget implementation for FY 2025/26 and the available resource envelope. Over the medium term, as a percent of GDP, the Government’s total revenue including AiA is projected to increase from 16.9 percent of GDP in the FY 2026/27 to 17.5 percent of GDP in the FY 2027/28 and moderate to 17.0 percent of GDP in the FY 2028/29. Of the total revenue, ordinary revenue is projected to increase from 13.9 percent of GDP in the FY 2026/27 to 14.7 percent of GDP in the FY 2027/28 and moderate to 14.4 percent of GDP in the FY 2028/29. Total expenditure is projected to decrease from 22.5 percent of GDP in the FY 2026/27 to 21.4 percent of GDP in the FY 2027/28 to 20.6 percent of GDP in the FY 2028/29. Of the total expenditures, recurrent expenditure is projected to decline from 16.5 percent of GDP in the FY 2026/26 to 15.5 percent of GDP in the FY 2027/28 to 14.6 percent of GDP in the FY 2028/29 while development and net lending expenditure is expected to rise from 3.6 percent of GDP in the FY 2026/27 to 3.8 percent of GDP in the FY 2027/28 to 4.1 percent of GDP in the FY 2028/29.
- 138.** In line with the fiscal consolidation plan, the overall fiscal deficit is projected to gradually decline from 5.3 percent of GDP in the FY 2026/27 to 3.6 percent of GDP in the FY 2027/28 to 3.3 percent of GDP in the FY 2028/29 (Table 2.7, Annex Tables 2 and 3). This will boost the country’s debt position and ensure the country’s development agenda is sustainably funded.

**Table 2.7: Fiscal Framework**

	FY 2023/24	FY 2024/25	FY 2025/26		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	<i>Actual</i>	<i>Prel.</i>	<i>Budget</i>	<i>Proj.</i>	<i>BPS Projections</i>			
<i>Amount in KSh Billion</i>								
<b>TOTAL REVENUE</b>	<b>2,702.7</b>	<b>2,923.6</b>	<b>3,321.7</b>	<b>3,352.1</b>	<b>3,533.7</b>	<b>4,038.9</b>	<b>4,337.2</b>	<b>4,699.5</b>
Ordinary revenue	2,288.9	2,420.2	2,754.7	2,744.4	2,901.9	3,390.0	3,658.0	3,957.6
Tax Revenue	2,167.8	2,272.4	2,627.1	2,600.8	2,767.4	3,099.0	3,374.0	3,705.5
Non Tax Revenue	121.1	147.8	127.6	143.6	134.5	291.1	284.0	252.1
Ministerial Appropriation in Aid	413.7	503.4	566.9	607.7	631.8	648.9	679.2	741.8
<b>TOTAL EXPENDITURE AND NET LENDING</b>	<b>3,605.2</b>	<b>3,975.9</b>	<b>4,269.9</b>	<b>4,532.8</b>	<b>4,703.9</b>	<b>4,931.4</b>	<b>5,241.6</b>	<b>5,662.3</b>
Recurrent	2,678.4	2,948.4	3,134.1	3,338.7	3,456.9	3,569.0	3,712.3	4,018.3
Development	546.4	582.9	649.0	707.3	749.5	883.8	1,041.2	1,129.7
County Transfer	380.4	444.6	484.8	484.8	495.5	473.5	483.0	509.4
Contingency Fund	-	-	2.0	2.0	2.0	5.0	5.0	5.0
<b>BALANCE EXCLUDING GRANTS</b>	<b>(902.5)</b>	<b>(1,052.4)</b>	<b>(948.2)</b>	<b>(1,180.7)</b>	<b>(1,170.2)</b>	<b>(892.5)</b>	<b>(904.4)</b>	<b>(962.9)</b>
Grants	22.0	33.3	47.2	39.9	54.4	58.8	67.1	77.1
<b>BALANCE INCLUSIVE OF GRANTS</b>	<b>(880.5)</b>	<b>(1,019.1)</b>	<b>(901.0)</b>	<b>(1,140.7)</b>	<b>(1,115.8)</b>	<b>(833.7)</b>	<b>(837.3)</b>	<b>(885.8)</b>
Adjustment to cash basis	45.4	-	-	-	-	-	-	-
<b>BALANCE INCLUSIVE OF GRANTS(cash basis)</b>	<b>(835.1)</b>	<b>(1,019.1)</b>	<b>(901.0)</b>	<b>(1,140.7)</b>	<b>(1,115.8)</b>	<b>(833.7)</b>	<b>(837.3)</b>	<b>(885.8)</b>
<i>Discrepancy</i>	<i>(16.8)</i>	<i>15.1</i>	-	-	-	-	-	-
<b>TOTAL FINANCING</b>	<b>818.3</b>	<b>1,034.2</b>	<b>901.0</b>	<b>1,140.7</b>	<b>1,115.8</b>	<b>833.7</b>	<b>837.3</b>	<b>885.8</b>
Net Foreign Financing	222.7	179.7	287.4	254.8	225.5	287.8	153.3	148.3
Net Domestic Financing	595.6	854.5	613.5	885.9	890.4	545.9	684.0	737.4
<b>Nominal GDP (Fiscal year)</b>	<b>15,666.6</b>	<b>17,144.0</b>	<b>19,272.8</b>	<b>19,003.2</b>	<b>20,947.4</b>	<b>23,081.7</b>	<b>25,446.8</b>	<b>28,024.3</b>
<i>As a share of GDP</i>								
<b>TOTAL REVENUE</b>	<b>17.3</b>	<b>17.1</b>	<b>17.2</b>	<b>17.6</b>	<b>16.9</b>	<b>17.5</b>	<b>17.0</b>	<b>16.8</b>
Ordinary revenue	14.6	14.1	14.3	14.4	13.9	14.7	14.4	14.1
Tax Revenue	13.8	13.3	13.6	13.7	13.2	13.4	13.3	13.2
Non Tax Revenue	0.8	0.9	0.7	0.8	0.6	1.3	1.1	0.9
Ministerial Appropriation in Aid	2.6	2.9	2.9	3.2	3.0	2.8	2.7	2.6
<b>TOTAL EXPENDITURE AND NET LENDING</b>	<b>23.0</b>	<b>23.2</b>	<b>22.2</b>	<b>23.9</b>	<b>22.5</b>	<b>21.4</b>	<b>20.6</b>	<b>20.2</b>
Recurrent	17.1	17.2	16.3	17.6	16.5	15.5	14.6	14.3
Development	3.5	3.4	3.4	3.7	3.6	3.8	4.1	4.0
County Transfer	2.4	2.6	2.5	2.6	2.4	2.1	1.9	1.8
Contingency Fund	-	-	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE EXCLUDING GRANTS</b>	<b>(5.8)</b>	<b>(6.1)</b>	<b>(4.9)</b>	<b>(6.2)</b>	<b>(5.6)</b>	<b>(3.9)</b>	<b>(3.6)</b>	<b>(3.4)</b>
Grants	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3
<b>BALANCE INCLUSIVE OF GRANTS</b>	<b>(5.6)</b>	<b>(5.9)</b>	<b>(4.7)</b>	<b>(6.0)</b>	<b>(5.3)</b>	<b>(3.6)</b>	<b>(3.3)</b>	<b>(3.2)</b>
Adjustment to cash basis	0.3	-	-	-	-	-	-	-
<b>BALANCE INCLUSIVE OF GRANTS(cash basis)</b>	<b>(5.3)</b>	<b>(5.9)</b>	<b>(4.7)</b>	<b>(6.0)</b>	<b>(5.3)</b>	<b>(3.6)</b>	<b>(3.3)</b>	<b>(3.2)</b>
<i>Discrepancy</i>	<i>(0.1)</i>	<i>0.1</i>	-	-	-	-	-	-
<b>TOTAL FINANCING</b>	<b>5.2</b>	<b>6.0</b>	<b>4.7</b>	<b>6.0</b>	<b>5.3</b>	<b>3.6</b>	<b>3.3</b>	<b>3.2</b>
Net Foreign Financing	1.4	1.0	1.5	1.3	1.1	1.2	0.6	0.5
Net Domestic Financing	3.8	5.0	3.2	4.7	4.3	2.4	2.7	2.6
<b>Nominal GDP (Fiscal year)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source of Data: National Treasury

### Revenue Projections versus Nominal GDP Growth Rates

139. Table 2.8 provides projections of annual growth rates of total and ordinary revenues compared to the growth rates of nominal GDP. In the FY 2026/27, total revenue is projected to grow by 5.7 percent while the nominal GDP is projected to expand by 10.2 percent. As a share of GDP, total revenue and ordinary revenue are projected at 16.9 percent and 13.9 percent in FY 2026/27, respectively.

**Table 2.8: Revenue Projections Vs Nominal GDP**

	FY 2021/22 Act.	FY 2022/23 Act.	FY 2023/24 Act.	FY 2024/25 Prel.	FY 2025/26 Proj.	FY 2026/27 Proj.	FY 2027/28 Proj.	FY 2028/29 Proj.	FY 2029/30 Proj.
<b>Amount in KSh Billions</b>									
Total Revenue	2,200	2,361	2,703	2,924	3,352	3,534	4,039	4,337	4,699
Ordinary Revenue	1,918	2,041	2,289	2,420	2,744	2,902	3,390	3,658	3,958
Nominal GDP	12,759	14,299	15,667	17,144	19,003	20,947	23,082	25,447	28,024
<b>Annual Growth Rates</b>									
Total Revenue	22.0	7.3	14.5	8.2	14.7	5.4	14.3	7.4	8.4
Ordinary Revenue	22.8	6.4	12.1	5.7	13.4	5.7	16.8	7.9	8.2
Nominal GDP	13.3	12.1	9.6	9.4	10.8	10.2	10.2	10.2	10.1
<b>Percent of GDP</b>									
Total Revenue	17.2	16.5	17.3	17.1	17.6	16.9	17.5	17.0	16.8
Ordinary Revenue	15.0	14.3	14.6	14.1	14.4	13.9	14.7	14.4	14.1
Nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source of Data: National Treasury

### 2.4.2.1 Domestic Revenue Mobilization

**140.** Government will implement a mix of tax administrative and tax policy measures in order to boost revenue collection thereby supporting economic activity. In the FY 2026/27 and over the medium term, the Government will focus on domestic resource mobilization efforts that include:

- i) Continued implementation of the National Tax Policy and the Medium-Term Revenue Strategy to progressively strengthen tax revenue mobilization by simplifying and harmonizing tax laws, rationalizing and targeting tax expenditures, and creating a simple, predictable and fair tax system.
- ii) Deepening tax administration reforms through sustained investment in technology to modernize the tax framework, improve compliance, broaden the tax base, strengthen customs valuation, and seal revenue leakages.
- iii) Scaling up non-tax revenues by enhancing the capacity of MDAs to effectively generate income from public services and strengthen their operational systems to improve service-based revenue performance.

### Fostering Fairness and Equity in Personal Income Tax

**141.** Personal Income Tax (PIT) is a central instrument for promoting fairness and equity within the tax system, as it is designed to ensure that individuals contribute to public finances in line with their economic capacity. For PIT to function effectively in this role, the tax burden must be shared broadly and applied consistently across income earners. Where compliance is uneven and concentrated on a narrow group of taxpayers, the redistributive role of PIT is weakened and confidence in the tax system is undermined. In Kenya, PIT performance has been characterized by strong compliance among formal sector employees and persistently low compliance among the self-employed. This imbalance has resulted in a system where income visibility, rather than ability to pay, largely determines tax contribution. As a consequence, formal sector taxpayers bear a disproportionate share of the PIT burden, while a large and economically active self-employed population remains outside effective taxation. This outcome is neither equitable nor sustainable and places continued pressure on a limited segment of compliant taxpayers.

**142.** Fostering fairness and equity in PIT therefore requires deliberate action to improve compliance among the self-employed and informal sector. Enhancing income visibility within this segment is essential to broadening the tax base and ensuring that PIT obligations reflect economic reality across different forms of employment. A broader and more inclusive PIT base reduces over-reliance on PAYE contributors and allows the tax burden to be shared more evenly among income earners. This approach is grounded in the canons of taxation, particularly equity, fairness, certainty, convenience, and economy. Equity is strengthened when taxpayers are assessed based on their economic capacity rather than the form in which

their income is earned. Fairness is reinforced when individuals with similar income levels are subject to similar tax treatment, regardless of whether they are formally employed or self-employed. Certainty is enhanced when tax obligations are credible and consistently applied across all income earners, reducing perceptions that compliance is optional for certain groups.

**143.** At the same time, a focus on administrative efficiency ensures that compliance measures are proportionate, scalable, and cost-effective. By adopting risk-based and data-informed approaches, the tax system can reduce reliance on intrusive enforcement methods while directing effort to areas of highest non-compliance. This supports the canon of economy by lowering the cost of collection relative to revenue yield, while also improving convenience for compliant taxpayers. Ultimately, fostering fairness and equity in PIT is not about increasing the burden on any one group, but about rebalancing the system so that all income earners contribute according to their ability to pay. By improving compliance among the self-employed and easing the disproportionate pressure on formal sector taxpayers, the PIT system can better fulfil its redistributive role, strengthen tax morale, and support sustainable domestic revenue mobilization.

### ***2.4.2.2 Expenditure Reforms***

**144.** The Government continues to implement measures to enhance expenditure control and ensure value for money in public spending. Key interventions include the continued enforcement of austerity measures aimed at reducing recurrent expenditure, rollout of end-to-end e-procurement systems to increase transparency, continued implementation of governance reforms targeting state corporation including privatization, and piloting of the Human Resource Management System (HRMS), which is being deployed across all National Government Ministries and Departments as well as County Governments to improve wage bill management.

### ***Implementation of Treasury Single Account***

**145.** To enhance public cash management, the Government is implementing the Treasury Single Account (TSA) in three phases. In November 2025, the National Treasury issued a circular providing guidelines for the implementation of the TSA system. The TSA aims to enhance efficiency in government cash management, unify government banking arrangements, and provide real-time visibility of public cash resources, thereby strengthening overall fiscal transparency management.

**146.** Following its operationalization, all Ministries and Departments (MDAs), representing 100 percent coverage, were migrated to the TSA environment with effect from 1st July 2025. During the FY 2025/26, the National Treasury will continue implementing the remaining TSA features, notably the automation of County Government exchequer processes, which is expected to be completed by the end of the financial year. In addition, inclusion of State Corporations and SAGAs daily cash balances in the TSA system through the CBK's Granular Data Integration (GDI) system to enable visibility of bank accounts in commercial banks.

### ***Accrual Accounting***

**147.** To improve cash management and enhance financial and fiscal reporting, the Government is in the process of transitioning from cash basis to accrual basis of accounting. The transition is being implemented over a three-year period (1st July 2024 – 30th June 2027), in line with IPSAS 33 on first-time adoption of accrual accounting. The phased approach outlines the progressive recognition of assets and liabilities on public sector balance sheets.

**148.** In FY 2024/25, transitioning entities recognized financial assets and financial liabilities. In FY 2025/26, entities will additionally recognize inventories in accordance with IPSAS 12 (Inventories), while

progressively identifying non-financial assets and liabilities for recognition in FY 2026/27, to ensure full compliance with the IPSAS accrual framework. IPSAS 12 guides the recognition, measurement and expensing of inventories, including items held for sale, in production, or for consumption in service delivery. With audited accrual-based comparative figures for FY 2024/25 available, the FY 2025/26 financial statements will comprise:

- i) Statement of Financial Position (as at 30<sup>th</sup> June 2026, with 2025 comparatives), reflecting financial assets, financial liabilities (IPSAS 41) and inventories (IPSAS 12), with disclosures on classifications, donated inventories, and inventories pledged as security.
- ii) Statement of Financial Performance (for FY 2025/26 with 2024/25 comparatives), including inventories expensed and any write-downs or reversals.
- iii) Statement of Changes in Net Assets/Equity, Cash Flow Statement (direct method), and a Statement of Budget Information comparing budget and actual amounts.
- iv) Related accounting policies, notes and disclosures, including inventory valuation methods (FIFO).

**149.** The Public Sector Accounting Standards Board (PSASB), in concurrence with the National Treasury, will provide standardized reporting templates in line with the Public Finance Management Act, 2012.

**150.** Entities shall apply IPSAS 46 on measurement, with guidance to use historical cost or current operational value for assets, and cost of fulfilment for liabilities. Where estimates are required during transition, they shall be consistent with IPSAS 14 and reflect conditions prevailing at the transition date, including market rates and management's best judgment for non-financial assets.

### ***Zero-based Budgeting Approach***

**151.** The Government has entrenched Zero-Based Budgeting in budget preparation for the FY 2026/27. The IFMIS Budget Module now incorporates standardized costing methodologies, allowing Ministries, Departments, and Agencies (MDAs) to prioritize spending based on program impact and fiscal efficiency. This approach ensures that FY 2026/27 and subsequent budgets are based on credible and cost-effective expenditure frameworks.

### ***Public Investment Management Reforms***

**152.** Public Investment Management (PIM) reforms aim to embed fiscal discipline, climate resilience, and transparency into the country's capital expenditure framework. The PIM Regulations, 2022, now require Ministries, Departments, and Agencies (MDAs) to complete ongoing projects before starting new ones, thereby reducing fiscal risks and ensuring value for money. Additionally, all projects must undergo environmental and climate risk assessments, including disaster risk evaluations, to ensure investments are sustainable and aligned with national climate commitments. These measures strengthen institutional credibility and protect public resources while positioning Kenya's investment portfolio to deliver long-term development impact.

**153.** To enhance efficiency and accountability, the Public Investment Management Information System (PIMIS) has been implemented across National Government MDAs, with expansion underway to County Governments. PIMIS digitises the submission, tracking, approval, implementation, and monitoring of project concept notes, prefeasibility, and feasibility studies, while a PIM-PPP framework is being developed to integrate Public-Private Partnership projects into the system. To fully realise these reforms, ongoing training on the PIM framework and PIMIS usage is essential, equipping MDAs and counties with the skills to apply climate risk evaluation, enforce compliance, and leverage data analytics for decision-making. The national treasury is institutionalising this training, alongside stakeholder engagement and oversight, which

will be pivotal in ensuring that Kenya's public investments remain transparent, resilient, and impactful.

### *National Assets and Liabilities Management Reforms*

**154.** The Government is committed to unlocking the full potential of its substantial and diverse public asset portfolio through the development of an Optimal Asset Utilization Framework. This strategic initiative aims to transform idle and underperforming assets into engines of growth and fiscal sustainability. Asset optimization provides a sustainable, non-tax revenue pathway that can reduce reliance on borrowing, ease pressure on the Exchequer, and eliminate unnecessary acquisition of new assets. To complement this, the Government's effort to streamline operation and maintenance will enhance operational efficiency by reducing costly repairs and extending asset life cycles, which will deliver significant expenditure savings. This directly supports ongoing revenue-enhancement measures and accelerates fiscal consolidation efforts.

**155.** When fully leveraged, these assets will strengthen fiscal sustainability, improve service delivery, and enhance financial performance across their lifecycle. Key opportunities for optimization include the commercialization of public land, road corridors/way leaves and training facilities, efficient allocation of office space, and leasing. Further, to bridge the resources gap, the Government is standardizing leasing practices across Ministries, Departments, Agencies (MDAs), and County Governments by developing a comprehensive Leasing Framework. This framework will provide clear guidelines for leasing public assets and attract private sector investment.

**156.** Further, to enhance asset and liabilities management, the Government has operationalized Assets and Inventory Management Modules in IFMIS, with State Departments, County Governments, Commissions, and Independent Offices already on boarded and actively uploading asset registers. This enhances transparency, accountability, and efficiency in managing public resources by providing a centralized platform for tracking and reporting government assets. Asset Tagging and Asset Valuation Policy Frameworks are under development to ensure completeness and accuracy of asset registers. This is aligned with the accrual accounting transition roadmap, which requires all assets to be identified, valued and recorded in the financial statement by 30th June 2027.

### *Pension Reforms*

**157.** To consolidate and advance ongoing public service pension reforms, the Government continues to strengthen the Public Service Superannuation Scheme (PSSS) alongside legacy non-contributory pension arrangements, with a focus on sustainability, efficiency, transparency, and timely payment of benefits. Key reform interventions include the digitisation and re-engineering of pension administration processes, anchored on the deployment of an end-to-end Enterprise Resource Planning (ERP) solution. This reform is designed to enhance data integrity, automate pension workflows, improve monitoring and reporting, and reduce processing timelines across the pension lifecycle - from enrolment and contribution management to benefit computation and payment. These reforms are aligned to the broader Public Finance Management framework and the Government's digital public service agenda, and are expected to deliver improved service delivery to pensioners and beneficiaries, strengthen compliance, and enhance institutional accountability in the management of public pension obligations.

### *Public Procurement Reforms*

**158.** To streamline public procurement processes and enhance integrity, the Government has undertaken significant legal, institutional and technological reforms. In part, the Government developed the Public Procurement and Asset Disposal (Amendment) Bill, 2025 to modernise Kenya's procurement legal framework in line with evolving governance, digitisation and local content objectives. Key reform areas in the Bill include: enhancement of transparency and accountability through mandatory disclosure and

reporting requirements; strengthen the role of the Regulator to enforce standards, compliance and sanctions for noncompliant Procuring Entities; promotion of local content and preference and reservation schemes, especially for youth, women and persons with disabilities; and provision a stronger legal basis for electronic procurement and framework contracting.

**159.** To operationalize procurement reforms and eliminate manual inefficiencies, the Government has prioritised the rollout of an end-to-end e-Government Procurement (e-GP) System. The system that was officially launched in July 2025, has shifted procurement processes from fragmented and manual processes to a fully digitised procurement platform. Since its rollout, 1,538 Procuring Entities have been registered, over 33,000 suppliers registered, over 22,000 staff trained, over 12,000 suppliers/contractors trained, 584 Annual Procurement plans published, 2100 tenders closed, and 223 contracts published in the e-Government Procurement system. In addition, the platform has been integrated with core Government systems, including: IFMIS, Business Registration Services (BRS), e-Citizen, and i-Tax, with initial on-boarding prioritising National Government Ministries, Departments and Agencies (MDAs); State Corporations; and County Governments. Next steps will include: full rollout of the system to Schools, and other Procuring Entities; continuous user training and change management to improve adoption and system utilisation; and issuance of manuals and guidelines to assist users of the system.

### *State Owned Enterprises' Reforms*

**160.** Many State-Owned Enterprises (SOEs) have continued to require recurrent budget support, on-lending, and Government guarantees, thereby creating significant contingent liabilities for the Exchequer. To mitigate these fiscal risks and reallocate public resources towards priority social and development expenditures, the Government is implementing a comprehensive programme of SOE reforms, including privatization, partial divestiture, and strategic partnerships. In January 2025, the Cabinet approved far-reaching reforms to streamline State Corporations and strengthen governance, accountability, and operational efficiency. These reforms entail:

- i) Merger of 42 State Corporations into 20 entities to improve operational efficiency and eliminate redundancy as some have duplicating and or overlapping mandates;
- ii) Dissolution of 25 State Corporations and their functions transferred back to their parent ministries or other State Corporations;
- iii) Restructuring six State Corporations to align their mandates for improved performance;
- iv) Declassification of four public funds currently categorized as State Corporations and transferring their functions back to the relevant ministries; and,
- v) Declassification of 13 professional bodies currently categorized as State Corporations to private entities with no exchequer budget.

**161.** The reform agenda is anchored in the Government-Owned Enterprises Act, 2025, which was passed by Parliament in October 2025 and assented to by the President in November 2025. The Act establishes a comprehensive legal framework for governance, oversight, and performance management of Government-Owned Enterprises (GOEs), requiring them to operate as commercially viable entities under clear governance standards, including merit-based board appointments and robust performance contracts, with the objective of enhancing efficiency, transparency, and accountability while reducing fiscal risks to the Exchequer.

**162.** Consistent with this framework, the Government has approved the partial privatization of Kenya Pipeline Company (KPC) through an Initial Public Offering (IPO) on the Nairobi Securities Exchange, involving the sale of 65 percent of Government shareholding while retaining a strategic 35 percent stake.

The transaction is targeted for completion by 31st March 2026 and is expected to generate approximately KSh 100 billion, contributing to domestic revenue mobilization and deepening capital market participation.

**163.** Further, the Government has agreed to a partial divestment of its stake in Safaricom PLC, involving the sale of 15 percent of its shares to Vodafone Kenya (part of the Vodacom Group) at approximately KSh 34 per share, raising an estimated KSh 204 billion, together with an upfront payment of KSh 40.2 billion in respect of future dividends, bringing total proceeds to about KSh 244 billion. Following the transaction, Government shareholding will stand at 20 percent, Vodafone at 55 percent, and public investors at 25 percent. The proceeds will be applied to support priority national infrastructure investments and broader economic development objectives.

### *Settlement and Resolution of Pending Bills*

**164.** The Government remains firmly committed to resolving pending bills as part of strengthening fiscal discipline, supporting private sector liquidity, and restoring confidence in public financial management. Since its inauguration, the Pending Bills Verification Committee has received a total of 115,617 claims valued at KSh 664.8 billion. As at 31st December 2025, the Committee had analyzed 91,911 claims valued at KSh 637.6 billion, representing about 80 percent of the total number of bills submitted.

**165.** Of the analyzed claims, settlement is being operationalized through specific financing channels, with KSh 80.3 billion of pending bills related to the roads sector earmarked for settlement through securitization, while KSh 155.3 billion has been recommended for settlement in the FY 2025/26. This demonstrates steady progress toward clearing verified obligations while safeguarding the integrity of the verification and settlement process. Going forward, the Committee will prioritize verification of the remaining 23,706 pending bills valued at KSh 27.2 billion, largely relating to the National Hospital Insurance Fund (now transitioning to the Social Health Authority) under the State Department for Medical Services, Kenya Wildlife Service under the State Department for Wildlife, Public Universities, and Sugar Companies.

### *2.4.2.3 Deficit Financing Policy*

**166.** The Government will continue to mobilize resources from both domestic and external sources to finance fiscal deficits to meet its debt maturities as guided by the Medium-Term Debt Management Strategy. External financing will remain focused on concessional and semi-concessional facilities from multilateral and bilateral partners, while commercial borrowing will be limited to liability management operations and to priority projects that are unable to secure concessional funding but are aligned to the national development agenda.

**167.** On the domestic front, the Government will prioritize the issuance of medium to long-term Treasury bonds to reduce refinancing risks and smoothen the redemption profile, while the use of short-term Treasury bills will be restricted to liquidity management purposes. In line with the PFM Act, CAP 412A, the Government will also continue to broaden the investor base and introduce new instruments to enhance market depth. To diversify financing sources, the Government will explore alternative instruments including sustainability-linked bonds, diaspora bonds, Samurai bonds and Panda bonds. The Government remains firmly committed to narrowing fiscal deficits over the medium term to contain the growth of public debt and safeguard fiscal sustainability.

## 2.5 Risks to the Economic Outlook

**168.** Kenya's economic outlook faces several downside risks that could constrain growth and challenge macroeconomic stability. Domestically, extreme weather events, such as droughts, floods, and prolonged dry spells, pose significant threats to agricultural output. Disruptions in food production could lead to elevated food prices, fuelling inflationary pressures and reducing household purchasing power. Climate-related damage to infrastructure, including roads, bridges, and irrigation systems, could further disrupt economic activities and increase Government

**169.** spending on emergency response and reconstruction, diverting resources from development priorities.

**170.** On the external front, rising costs of imported fuel and food, driven by global supply shocks, geopolitical tensions, or trade restrictions, could amplify inflation and increase production costs for businesses. Volatility in international financial markets, fluctuations in commodity prices, and tighter global financing conditions may also adversely affect investment flows and exchange rate stability. Uncertainty surrounding trade policies, tariffs, or regional trade agreements could further impede export growth and cross-border commerce.

**171.** Despite these potential headwinds, there are significant upside opportunities. Accelerated implementation of structural reforms under BETA and the Fourth Medium-Term Plan, including enhanced public financial management, improved expenditure efficiency, governance reforms, and streamlined business regulations, could boost investor confidence, attract private investment, and spur economic activity. A supportive global economic environment, characterized by stable commodity prices, declining oil prices, and robust external demand, could further strengthen export earnings, foreign exchange inflows, and overall economic resilience. Additionally, Kenya's transition to climate-smart agriculture, renewable energy investments, and enhanced disaster preparedness can mitigate some domestic risks, supporting more sustainable and inclusive growth.

**172.** Sustained coordination between monetary and fiscal policies will remain critical in maintaining a stable macroeconomic environment conducive to investment, savings, and growth. The Government will continue to closely monitor both domestic and international developments and implement timely policy interventions to shield the economy from adverse shocks, while promoting structural transformation and resilience in key sectors such as agriculture, energy, manufacturing, and services.

## 3.0 BUDGET FOR FY 2026/27 AND THE MEDIUM TERM

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**173.** During FY 2026/2027, the County government will be committed to fiscal discipline by maximizing the revenue collection and allocation in economic and social growth. The goal will be achieved through need-based resource allocation across all sixteen key sectors. The county will put in place key strategies for revenue administration reforms to achieve the set targets in the 2026/2027 FY and the medium-term. Expenditure management will enable the county to effectively implement projects and programs within the budgets and expenditure framework.

### 3.1 FY 2026/27 Budget Framework

**174.** In preparation of FY 2026/2027 CFSP, the county will adopt programmes and projects from the County Integrated Development Plan (CIDP) 2023-2027, ADP (2026/2027), public participation reports, Departmental priorities, programmes and development policies of the County Government. The fiscal plan will be based on the county management reforms in revenue and expenditure management in order to maximize the achievements and projects gains in county spending. The plan will also be developed based on the sixteen county development Agenda and the medium-term plan from National government.

### 3.2 Revenue Projections

**175.** The County government projects a total resource envelope of **Kshs. 13,797,020,148** during the FY 2026/27 constituting an equitable share - **Kshs 11,637,574,231** Own Source Revenue - **Kshs 1,119,250,000** and conditional grants - **Kshs 1,040,195,917**.

**176.** The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill, 2026, for consideration and enactment as required by the PFM Act, 2012.

**TABLE 1: REVENUE PROJECTIONS FOR FY 2025/2026 AND THE MTEF**

Source	Approved Revenue Estimates 2025/26	Revote	Adjustment for ELRP - Project Ended, Account Closed and Bank Balances refunded to NPCU - Ministry Headquarter Kilimo House	Revised Revenue Estimates FY 2025/26 SUPPLEMENT ARY I	Projected Revenue Estimates FY 2026/27 - CFSP	Projected Revenue Estimates 2027/28	Projected Revenue Estimates 2028/29
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
<b>Equitable share</b>							
Equitable share	11,384,160,751	119,747,086		11,503,907,837	11,637,574,231	12,219,452,943	12,830,425,590
<b>Sub Total Equitable Share</b>	<b>11,384,160,751</b>	<b>119,747,086</b>		<b>11,503,907,837</b>	<b>11,637,574,231</b>	<b>12,219,452,943</b>	<b>12,830,425,590</b>
<b>Grants</b>							
Settlement of Doctors' Salary Arrears					43,756,694	43,756,694	43,756,694
Road Maintenance Fuel Levy	445,098,850	152,455,602		597,554,452	-	-	-
Grants from World Bank (KDSP) - Level I	37,500,000	1,511,137		39,011,137	37,500,000	37,500,000	37,500,000
Grants from World Bank (KDSP) - Level II	352,500,000	5,625,000		358,125,000	352,500,000	352,500,000	352,500,000
World Bank (Emergency Locust Response Project (ELRP))	121,025,000	8,363,458	(129,388,458)	-	-	-	-
Covid - 19 - Ministry of Health and Sanitation		16,326,684		16,326,684	-	-	-
IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	151,515,152	96,679,493		248,194,645	231,250,000	231,250,000	231,250,000
HSSP/HSPS - (DANIDA/IDA)	13,601,250	488,076		14,089,326	14,229,000	14,229,000	14,229,000
County Aggregation and Industrial Parks Programme	250,000,000	51,525,750		301,525,750	-	-	-
Community Health Promoters	58,050,445			58,050,445	74,100,000	74,100,000	74,100,000
World Bank loan to Supplement financing of County Health Facilities	-			-	-	-	-
World Bank Credit to Finance Locally - Led Climate Action Program (FLLoCA)	205,807,064	171,282,426		377,089,490	205,807,064	205,807,064	205,807,064

Source	Approved Revenue Estimates 2025/26	Revote	Adjustment for ELRP - Project Ended, Account Closed and Bank Balances refunded to NPCU - Ministry Headquarter Kilimo House	Revised Revenue Estimates FY 2025/26 SUPPLEMENT ARY I	Projected Revenue Estimates FY 2026/27 - CFSP	Projected Revenue Estimates 2027/28	Projected Revenue Estimates 2028/29
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
UNFPA (9th Country Programme Implementation)	-			-	-	-	-
Development of Youth Polytechnics	-	362,908		362,908	-	-	-
Allocations for 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees					1,987,622	1,987,622	1,987,622
Kenya Urban Support Project - World Bank				-	-	-	-
Kenya Urban Support Programme Phase Two – Urban Development Grant (UDG) Conditional Allocations to County Government’s ( Kitui Municipality)					28,464,416	28,464,416	28,464,416
Kenya Urban Support Programme Phase Two – Urban Development Grant (UDG) Conditional Allocations to County Government’s ( Mwingi Municipality)					21,765,280	21,765,280	21,765,280
Kenya Urban Support Project (UIG)- World Bank	28,400,000	32,314,592		60,714,592	28,400,000	28,400,000	28,400,000
Kitui County Pro-poor programme		1,235,286		1,235,286	-	-	-
Allocation for Court Fines	50,000			50,000	99,723	99,723	99,723
Allocation for 20% Share of Mineral Royalties	114,279			114,279	336,118	336,118	336,118
<b>Subtotal</b>	<b>1,663,662,040</b>	<b>538,170,412</b>	<b>(129,388,458)</b>	<b>2,072,443,994</b>	<b>1,040,195,917</b>	<b>1,040,195,917</b>	<b>1,040,195,917</b>
	<b>13,047,822,791</b>	<b>657,917,498</b>	<b>(129,388,458)</b>	<b>13,576,351,831</b>	<b>12,677,770,148</b>	<b>13,259,648,860</b>	<b>13,870,621,507</b>

Source	Approved Revenue Estimates 2025/26	Revote	Adjustment for ELRP - Project Ended, Account Closed and Bank Balances refunded to NPCU - Ministry Headquarter Kilimo House	Revised Revenue Estimates FY 2025/26 SUPPLEMENT ARY I	Projected Revenue Estimates FY 2026/27 - CFSP	Projected Revenue Estimates 2027/28	Projected Revenue Estimates 2028/29
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
<b>Own Source Revenue</b>					-		
<b>County Ministry/ Entity-</b>							
Office of the Governor	52,671,748	-		52,671,748	51,971,748	53,011,183	54,071,407
Office of the Deputy Governor	131,497	-		131,497	131,497	134,127	136,809
Ministry of Water and Irrigation	1,828,948	-		1,828,948	2,028,948	2,069,527	2,110,918
Ministry of Education, Training & Skills Development	131,497	-		131,497	131,497	134,127	136,809
Ministry of Roads, Public Works & Transport	5,915,880	-		5,915,880	5,915,880	6,034,198	6,154,882
Ministry of Health and Sanitation - Appropriation - In - Aid (A-I-A)	606,609,754	33,000,000		639,609,754	639,609,754	652,401,949	665,449,988
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	1,548,625	-		1,548,625	1,848,625	1,885,597	1,923,309
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	19,022,072	-		19,022,072	19,222,072	19,606,514	19,998,644
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	452,256	-		452,256	452,256	461,301	470,527
Ministry of Finance, Economic Planning & Revenue Management	169,319,821	-		169,319,821	169,319,821	172,706,217	176,160,341
Ministry of Agriculture & Livestock	25,958,372	-		25,958,372	25,958,372	26,477,539	27,007,090
Ministry of Lands, Housing & Urban Development	55,382,007	-		55,382,007	55,382,007	56,489,647	57,619,440
Kitui Municipality	95,723,622	-		95,723,622	95,723,622	97,638,094	99,590,856
Mwingi Municipality	51,553,901	-		51,553,901	51,553,901	52,584,979	53,636,679
<b>Subtotal</b>	<b>1,086,250,000</b>	<b>33,000,000</b>	-	<b>1,119,250,000</b>	<b>1,119,250,000</b>	<b>1,141,635,000</b>	<b>1,164,467,700</b>
<b>TOTAL</b>	<b>14,134,072,791</b>	<b>690,917,498</b>	<b>(129,388,458)</b>	<b>14,695,601,831</b>	<b>13,797,020,148</b>	<b>14,401,283,860</b>	<b>15,035,089,207</b>

Source	Approved Revenue Estimates 2025/26	Revote	Adjustment for ELRP - Project Ended, Account Closed and Bank Balances refunded to NPCU - Ministry Headquarter Kilimo House	Revised Revenue Estimates FY 2025/26 SUPPLEMENT ARY I	Projected Revenue Estimates FY 2026/27 - CFSP	Projected Revenue Estimates 2027/28	Projected Revenue Estimates 2028/29
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
<b>Revote from previous budget</b>		<b>49,755,337</b>		<b>49,755,337</b>	-	-	
Reallocation from County Assembly for Car loan <b>(130,000,000)</b> and House Loan <b>(10,694,663)</b>	<b>140,694,663</b>	<b>(140,694,663)</b>		-	-	-	-
% of Equitable Share	80%			78.0%	84.3%	85%	85%
% of Own Resources	8%			7.6%	8.1%	8%	8%
% of Grants	12%			14.1%	7.5%	7%	7%
% of Revote	0%			0.3%	0.0%	0%	0%
	<b>100</b>			<b>100.0</b>	<b>100.0</b>	<b>100</b>	<b>100</b>
<b>Total Resource Envelope</b>	<b>14,274,767,454</b>	<b>599,978,173</b>	<b>(129,388,458)</b>	<b>14,745,357,169</b>	<b>13,797,020,148</b>	<b>14,401,283,860</b>	<b>15,035,089,207</b>

### 3.3 Notes to the Revenue Projections

**177.** The National Treasury proposes to allocate County Governments (Horizontal Allocation of Revenue) an equitable share of **KSh 420.0 billion** from the shareable revenue raised nationally to be shared among county governments using the **Fourth Basis formula** for sharing revenue approved by the Senate under Article 217 of the Constitution.

**178.** The Fourth Basis formula which is applicable from financial year 2025/26 to financial year 2029/30 has taken into account the following parameters:

- a) The Baseline Allocation Ratio;
- b) Affirmative Action Allocation; and
- c) The Fourth Basis indices namely:
  - (i) Population (45%);
  - (ii) Basic Share index (35%);
  - (iii) Poverty Index (12%); and
  - (iv) Geographical Size (8%).

**179.** The horizontal distribution of County Governments' equitable revenue share allocation of **KSh 420.0 billion** for FY 2026/27 shall be in accordance with the Fourth determination of the basis of the division of revenue among counties approved by Senate pursuant to Article 217 (7) of the Constitution. The County Government of Kitui is earmarked to receive **Kshs. 11,637,574,231** in FY 2026/27 an increment of **Kshs. 133,666,394 (+1.16%)** from FY 2025/26. The allocations to Counties may go up owing to the ongoing engagements among Council of Governors (COG), Commission of Revenue allocation (CRA) and the Senate. Once the County Allocations Revenue Act, 2026 (CARA) is enacted, the amounts budgeted under equitable share for Kitui County will be amended accordingly.

**180.** The Road Maintenance Levy Fund (RMLF) in Kenya is a critical, fuel-levy-funded mechanism established in 1993 to finance road maintenance, rehabilitation, and development, aiming for a safe and efficient road network. Administered by the Kenya Roads Board (KRB), it currently collects 25 shillings per litre of petrol and diesel, generating approximately 115 billion shillings annually to support **National Trunk and County Roads**. In the 2024/2025 financial year, the KRB released **Kshs 3,682,774,150** to the 47 counties for road maintenance. Kitui County received **Kshs. 152,421,270** out of the initial allocated amount of **Kshs. 445,098,850** representing 34.24%. In the **CGAAA, 2025**, there was no Road Maintenance Levy Fund (RMLF) allocations leading to significant budget deficits to counties.

**181.** To achieve **Kshs. 1,119,250,000** in FY 2026/27, the County Government of Kitui will fast track OSR enhancement strategies such as implementation of the following; **FIF Act, 2023**, Kitui County River Basin Sand Utilization and Conservation Act, 2023, new rates as per the valuation roll, Mapping and Full Automation of all revenue streams, Finance Act 2025/26, The Kitui County Alcoholics Drinks Control (Amendment) Act, 2024, land waivers and training & Capacity Building of Revenue Officers. Operationalization of Kitui and Mwingi Municipalities is expected to bring in additional revenue.

**182.** The amounts budgeted under grants are contained in CGAAA, 2025. These amounts may not be fully absorbed in FY 2025/26. Any amounts not absorbed in FY 2025/26 will be revoted in FY 2026/27 Supplementary Budget 1 e.g. Kitui County Aggregation and Industrial Park (KCAIP) have a grant allocation of Kshs. 250 Mn in FY 2025/26 which may not be fully absorbed in FY 2025/26. The following County Ministries will have unspent grants revoted in FY 2026/27 supplementary budget 1: Ministry of Health & Sanitation, Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives, Ministry of Energy, Environment, Forestry, Natural & Mineral Resources, Ministry of Finance, Economic Planning & Revenue Management, Ministry of Agriculture & Livestock and Ministry of Lands, Housing and

### 3.4 Expenditure Projections

**183.** The county expenditure for FY 2026/2027 is projected to be **Kshs. 13,797,020,148** which includes **Kshs 6,271,585,911** for Personnel Emoluments (P.E), **Kshs 3,238,082,069** for Operation and Maintenance (O&M), and **Kshs 4,287,352,168** for development expenditure. The amounts are distributed across all the ministries based on the objectives, programmes and projects of the ministry.

**184.** In realization of the development agendas, the county departments will review their fiscal plans in both CFSP FY 2026/27 and the annual estimates to minimize on the non-priority programmes and projects.

**185.** In order to redirect expenditure to priority programs, county departments will review their budgets with the goal of removing low-priority expenditures and one-time expenditures from previous years in order to realize savings that can be realigned/reallocated to high priority programs and ensure completion of ongoing projects.

**186.** The performance of previously sponsored projects/programs will also be evaluated in order to improve development project execution and absorption capability. This will also guarantee that initiatives are properly planned and performed.

**Table 2** below shows the proposed ceilings per spending entity.

**Table 2: Kitui County Government - CFSP Ceilings FY 2026/27**

County Ministry	Recurrent Estimates		Total Recurrent Estimates	Development Estimates	Total Budget Estimates	%
	PE	O&M				
Office of the Governor	589,307,167	796,218,081	1,385,525,248	977,250,000	2,362,775,248	17.1%
Office of the Deputy Governor	79,668,380	74,538,207	154,206,587	43,502,808	197,709,395	1.4%
Ministry of Water & Irrigation	110,407,882	61,275,948	171,683,830	542,866,186	714,550,016	5.2%
Ministry of Education, Training & Skills Development	813,444,415	197,495,353	1,010,939,768	121,601,207	1,132,540,975	8.2%
Ministry of Roads, Public Works & Transport	177,932,181	33,049,217	210,981,398	389,900,000	600,881,398	4.4%
Ministry of Health & Sanitation	2,990,245,988	825,045,868	3,815,291,856	347,714,541	4,163,006,397	30.2%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	86,850,458	133,496,539	220,346,997	198,254,210	418,601,207	3.0%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	54,797,555	77,300,381	132,097,936	373,779,883	505,877,819	3.7%
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	90,018,005	112,230,622	202,248,627	68,196,364	270,444,991	2.0%
Ministry of Finance, Economic Planning & Revenue Management	246,115,956	149,606,199	395,722,155	451,000,000	846,722,155	6.1%
Ministry of Agriculture & Livestock	328,627,256	100,161,048	428,788,304	329,695,186	758,483,490	5.5%
Ministry of Lands, Housing and Urban Development	66,945,284	51,504,321	118,449,605	146,362,087	264,811,692	1.9%
Kitui Municipality	55,508,829	30,271,525	85,780,354	128,214,416	213,994,770	1.6%
Mwingi Municipality	49,853,847	19,232,890	69,086,737	55,265,280	124,352,017	0.9%
County Public Service Board	43,598,222	39,701,506	83,299,728	13,750,000	97,049,728	0.7%
County Assembly Service Board	488,264,486	536,954,364	1,025,218,850	100,000,000	1,125,218,850	8.2%
<b>TOTALS</b>	<b>6,271,585,911</b>	<b>3,238,082,069</b>	<b>9,509,667,980</b>	<b>4,287,352,168</b>	<b>13,797,020,148</b>	<b>100.0%</b>
<b>PERCENTAGE (%)</b>	45.46%	23.47%	68.93%	31.07%	100.00%	

### 3.5 Recurrent Expenditure Projections

187. Total recurrent expenditure budget in the FY 2026/27 is estimated to be **Kshs. 9,509,667,980** as compared to **Kshs. 9,266,740,361** in FY 2025/26 printed budget estimates. The wage bill is projected at **Kshs. 6,271,585,911**. The projected wage bill is **45.46 percent** of total revenues which exceeds the statutory 35 percent threshold because of the following reasons:

### 3.6 Personal Emoluments Budgetary Allocations

#### 3.6.1 Overview

188. A citizen-cantered, efficient and effective service delivery can only be attained by an organization whose structure is aligned to the core mandate and optimally staffed. Realization of the County Government's 16-Sector Development Agenda, and Kitui County CIDP 2023 - 2027 therefore requires employees with the right staff and skills mix.

189. Over time, several county ministries have experienced staff exits either through natural attrition or transfer of services to other institutions. This has led to staff shortages in some critical areas, hence hampering effective service delivery.

190. To achieve our development Agenda, we shall rely on various building blocks which include 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. To achieve this, the County plans to recruit different cadres across various ministries. These include Agricultural extension officers, Water Engineers, Road Engineers, Health Sector Staff among others. Its worthy noting that Kitui County is the 6th largest/ most expansive County in Kenya hence increased cost of service delivery is hereby expected.

191. For instance, Kitui County has 247 county villages and as per the Kitui CIDP 2023 – 2027 each village should have at least one operational health facility. To operationalise a health facility (a basic dispensary) which requires at least 3 staff (*1 nurse, 1 watchman and 1 cleaner*) the following cost per annum is incurred: -

**Table 3: Summary of Cost of Operationalizing a New Dispensary**

Item	Approximate Cost (Kshs.)
Construction	4,224,085
Equipment and Furniture	688,046
Drugs and non-pharmaceuticals	501,124
Human Resources (One Nurse)	972,040
Wages for one cleaner and one watchman	226,188
Operations and maintenance	116,000
<b>Total</b>	<b>6,727,483</b>

Source: Ministry of Health and Sanitation, 2026

#### 3.6.2 Kitui County Wage Bill Status

192. Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a ceiling on County Government expenditure on wages and benefits at 35 per cent of the County's total revenue.

**193.** In the FY 2026/27, the projected wage bill is 45.46% of total revenues which exceeds the statutory 35 percent threshold because of the following reasons:

- (a) The County inherited a huge number of staff (**119**) from the defunct local authorities taking up **Kshs. 104,359,170** in personnel emoluments annually;
- (b) Conversion of **1,686** ECDE teachers from temporary workers to Permanent & Pensionable (P&P) terms resulting in a gross annual wage increase of **Kshs. 304,602,781**;
- (c) SRC salary reviews costed the county government an additional **Ksh. 88,769,555** per annum;
- (d) To ensure existing departments are effective e.g. extension officers under the ministry of Agriculture & Livestock;
- (e) Increased rates of statutory employer contributions resulting in a total annual wage increase of **Kshs. 229,926,323**. Housing Levy and Pension had an annual increment of **Kshs. 65,931,592** and **Ksh. 160,721,730** respectively; and
- (f) Ministry of Health & Sanitations increased budgetary allocations to cater for Collective Bargaining Agreement (CBA) Implementation. This has led to **Kshs. 292,696,831** PE increment in the Ministry of Health and Sanitation within a period of three (3) years.

***The detailed explanation of the current wage bill status is provided below: -***

- i) The County inherited a huge number of staff (**119**) from the defunct local authorities taking up **Kshs. 104,359,170** in personnel emoluments annually. The inherited staff had Collective Bargaining Agreements (CBA) with former local authorities and implementation of the same has been costly to County Government of Kitui. While this workforce accounts for a fairly big chunk of the wage burden, most of them do not possess technical skills and ministries are still compelled to recruit technical staff such as agricultural extension officers, engineers and medical personnel.
- ii) In July 2023, the County Government of Kitui converted **1,686** ECDE teachers from temporary workers to Permanent & Pensionable (P&P) terms. This resulted in a gross annual wage increase of **Kshs. 304,602,781** from **Kshs. 299,118,480** to **Kshs. 603,721,261 (+102%)**.
- iii) SRC salary reviews: Provisions of SRC Circular Ref. SRC/TS/29 Vol.II (29) of 12th September, 2024 on salary review for County Governments employees, costed the county government an additional **Ksh. 88,769,555** per annum.

**194.** SRC circular no. **SRC/TS/24/6 VOL.II (108)** dated **29th August, 2025** on budget projections on review of remuneration and benefits for state officers and other public officers for the 4th remuneration and benefits review cycle (FY 2025/26-2028/2029). The circular requested the respective County Governments through the Council of Governors, to confirm availability of PE budgets under the FY 2025/26 for the implementing the salary arrears that was reviewed under the 3rd Remuneration and Benefits Review Cycle and Phase 1 of the 4th Remuneration and Benefits Review Cycle.

**195.** The circular reviewed Kitui's outstanding/arrears salary structure for the 3rd Remuneration and Benefits Review Cycle to be **Kshs. 136,567,169** and **Kshs. 151,029,414** as the cost of implementing 4th Remuneration and Benefits Review Cycle totalling to **Kshs. 287,596,583**.

**196.** A team comprising of Kitui County Public Service Board, Human Resources, Finance and

Economic Planning will analyse the impact of implementation of the SRC salary review and advise accordingly.

**197.** To deliver the County Government of Kitui Mandate as provided for in Article 186 of the Constitution of Kenya 2010 Schedule 4 which specifies respective functions and powers of national and county governments. In 2022, we established crucial departments which had staffing needs for instance, the departments of Transport & Boda-Boda, Irrigation and Performance Contracting led to growth in PE. The recruitments ensured delivery of County’s mandate as enshrined in the Constitution.

**198.** Additional recruitment will be undertaken in FY 2025/26 to address the following needs as summarized in the table below: -

**Table 4: Additional Recruitment Need**

County Ministry	Need for additional recruitment
Ministry of Agriculture & Livestock	Extension officers are vital for food security, acting as the primary bridge between agricultural research and farmers to boost productivity and sustainability. They educate farmers on modern techniques, enhance climate resilience, reduce post-harvest losses, and improve access to markets and resources, directly fostering increased, stable food production
Ministry of Health & Sanitation	To operationalise an extra new 34 health facilities in villages pursuant to a joint County Assembly and County Executive resolution to make sure all the 247 villages have at least one operational health facility.
Ministry of Water & Irrigation	Water engineers and irrigation staff are vital to Kitui County, serving as the technical backbone for water security, agricultural productivity, public health, and disaster risk reduction. They are responsible for designing, building, maintaining, and managing essential water infrastructure, which is critical for both rural and urban development.

v)The P.E has been impacted by the increased rates of statutory employer contributions over the last two years (i.e., Gratuity, Lapfund, Laptrust, GOK Superannuation scheme, NSSF, Housing Levy and NITA).

**199.** The total employer contributions represent **9.4%** of the total P.E budget. The table below shows an analysis of annual employer contributions towards statutory institutions:

**Table 5: Increased Statutory Deductions Impact on PE**

	Base /Month July – 2022	Current/ Month Jan – 2026	Growth/ Month	Growth/ Annum	% Growth
<b>Pension</b>	<b>23,942,204</b>	<b>33,140,202</b>	<b>9,197,998</b>	<b>110,375,970</b>	<b>38.4%</b>
Gratuity	3,035,037	3,507,703	472,666	5,671,989	15.6%
Lapfund	3,999,506	4,425,252	425,746	5,108,957	10.6%
Laptrust	13,845,131	21,767,634	7,922,503	95,070,032	57.2%
GOK Superannuation scheme	3,062,531	3,439,613	377,083	4,524,992	12.3%
			-		
NSSF	626,000	4,821,480	4,195,480	50,345,760	670.2%
Housing Levy	-	5,494,299	5,494,299	65,931,592	+100%
NITA	-	272,750	272,750	3,273,000	+100%
			-		
<b>Total</b>	<b>24,568,204</b>	<b>43,728,731</b>	<b>19,160,527</b>	<b>229,926,323</b>	<b>78.0%</b>
*Annual	294,818,449 (24,568,204*12)	524,744,771 (43,728,731*12)			

Source: Kitui County Human Resource Department, 2026.

**200.** The Ministry of Health & Sanitation budget allocation has steadily increased over the years, driven by several factors, including;

**(a) Staff Promotions:**

Since August 2022, a total of 756 officers in the Ministry of Health & Sanitation have been promoted at a cost of Ksh. **38,203,645.20** annually.

**(b) Planned Recruitment for FY 2025/2026:**

Due to the growing demand for healthcare services as well as the earmarked increase in the number of Health facilities from **310** to **353**, the Ministry plans to recruit **223** additional health sector staff across different cadres. This planned recruitment of health sector and other medical staff will further increase the wage bill by **Ksh 274,415,217** per annum.

**(c) New Recruitment in September 2024:**

In September 2024, the Ministry of Health & Sanitation recruited 16 officers (i.e., 3 Medical officers, 3 Clinical officers, 3 Lab Technologists, 4 nurses, 3 pharmaceutical technologists), resulting in an additional annual cost of **Ksh. 10,559,572**

**(d) Transition from Partner-Supported to Permanent Staff:**

**16 officers** are earmarked for transitioning from partner-supported staff to permanent staff, at a total annual cost of **Ksh. 10,856,122**.

**(e) Collective Bargaining Agreement (CBA) Implementation**

Since 2017, different CBAs have been implemented in the health sector such as;

- (i) The 2017 CBA for Doctors which introduced an emergency call allowance of **Ksh 72,000** per month per doctor hence increasing the wage bill by **Kshs 124,416,000** per year (*i.e., 144 doctors \*72,000\*12 = 124,416,000*).
- (ii) The 2018 CBA for nurses which introduced a nursing service allowance of Kshs 20,000 per nurse per month totaling **Kshs 162,480,000** per year (*i.e., 677 nurses \*20,000\*12 = 162,480,000*).
- (iii) The 2020 CBA for clinical officers which introduced emergency call allowance of Kshs 10,000 per clinical officer per month totaling Kshs **26,400,000** (*i.e., 220 clinical officers\*10,000\*12 = 26,400,000*).
- (iv) A new CBA between County Government's and the Kenya Union of Clinical Officers (KUCO). This Agreement shall be effective from **1st July 2025** and shall remain in force for a period of four (4) years until amended or renewed.
- (v) Additionally, all the CBAs for healthcare workers introduced a health risk allowance further increasing the wage bill by **Kshs 92,189,400** per year as shown below:-

**Table 6: Trend on PE allocations to Ministry of Health & Sanitation.**

Cadre	No	Rate	Health Risk Allowance monthly	Annually
Bio Medical Engineer	24	2,000	48,000	576,000
Clinical Officer	200	2,000	400,000	4,800,000
Community Oral Health Assistant	6	2,000	12,000	144,000
Community Oral Health Officer	1	2,000	2,000	24,000
Dental Technologist	4	2,000	8,000	96,000
Dentist	6	20,000	120,000	1,440,000
Health Records	48	2,000	96,000	1,152,000
Laboratory Scientist	136	3,000	408,000	4,896,000
Medical Officer	118	20,000	2,360,000	28,320,000
Mortuary Attendant	3	2,000	6,000	72,000
Nurse	677	3,850	2,606,450	31,277,400
Nutrition And Dietetics	57	2,000	114,000	1,368,000
Occupational Therapist	8	2,000	16,000	192,000

Cadre	No	Rate	Health Risk Allowance monthly	Annually
Orthopaedic Technologist	13	2,000	26,000	312,000
Pharmaceutical Technologist	58	2,000	116,000	1,392,000
Pharmacist	20	20,000	400,000	4,800,000
Physiotherapist	14	20,000	280,000	3,360,000
Public Health	88	2,000	176,000	2,112,000
Physiotherapist	4	2,000	8,000	96,000
Radiographer	24	20,000	480,000	5,760,000
<b>Total</b>	<b>1,783</b>	<b>132,850</b>	<b>7,682,450</b>	<b>92,189,400</b>

Source: Ministry of Health & Sanitation, 2026

201. The below table shows the percentage increase in Personal Emoluments for the County Ministry of Health & Sanitation since FY 2022/2023.

**Table 7: Trend on PE allocations to Ministry of Health & Sanitation.**

Financial Year	HRH Budget	Budget Increase	% Increase
2022/23	2,469,873,965		
2023/24	2,497,270,315	27,396,350	1.1%
2024/25	2,683,235,689	185,965,374	7.4%
2025/26	2,762,570,796	79,335,107	3.0%
<b>Total</b>		<b>292,696,831</b>	

Source: Ministry of Health & Sanitation, 2026

202. The PE for the Ministry of Health and Sanitation increased by **Kshs 292,696,831 (11.85 %)** from **Ksh 2,469,873,965** in FY 2022/2023 to **2,762,570,796** in FY 2025/2026.

### 3.6.3 Proposed Interventions to Control Expenditure on PE

203. To ensure compliance with the legal limit on expenditure on personnel emoluments, we are putting in place the following measures:

(a) Carry out regular staff and payroll audits; The County formed Kitui County Human Resource Audit and Rationalization Committee which presented their findings to H.E., the Governor in February, 2023. The committee made the following recommendations:

- i. The County Public Service Board (CPSB) should not undertake recruitment without request for staff by the relevant departments and confirmation of a budget;
- ii. All appointments should be in line with approved staff establishment; and
- iii. CPSB should always give preference to qualifying officers already serving within the CPSB.

b) Controlled engagement of temporary workers whereby they will be engaged on three (3) months or one (1) year contract as per need basis as provided for under Kitui County

Temporary Workers Policy. Further, the cabinet resolved that the County Executive Committee MUST approve any temporary staff being engaged by departments.

- c) Minimize unplanned staff transfers which eats into the existing allocation for wages
- d) The cabinet made a resolution that all new recruitments by departments MUST be approved by the County Executive Committee and incorporated in the Ministerial and County Annual Recruitment Plans approved by County Executive Committee / Cabinet and within budget.
- e) Fast tracking revenue enhancement strategies for boosting Own Source Revenue such as: -
  - i. Increased own source revenue at our health facilities due to implementation of Facilities Improvement Financing Act, 2023;
  - ii. Implementation of the Kitui County River Basin Sand Utilization and Conservation Act, 2023;
  - iii. Implementation of new rates as per the valuation roll;
  - iv. Mapping and Full Automation of all revenue streams;
  - v. Enforcement of Finance Act 2025/26;
  - vi. Implementation of the Kitui County Alcoholics Drinks Control (Amendment) Act, 2024
  - vii. Implementation of land waivers; and
  - viii. Training and Capacity Building of Revenue officers.

### **3.4 Development Expenditure Projections**

**204.** In the FY 2026/27, the overall development expenditure is expected to be **Kshs. 4,287,352,168**. This accounts for **31.07 percent** of the overall budget, which is in line with the fiscal responsibility requirement of allocating at least 30 percent of the budget to development expenditure.

### **3.5 Overall Deficit and Financing**

**205.** To avoid deficits that have no clear plan on how they will be funded, the County Government has allocated resources for spending that are corresponding to the revenues expected in the FY 2026/27. The County budget shall be financed through transfer from the National Government and local revenue collected from fees, charges, rates, grants, among others as allowed by the governing legal framework. The FY 2026/27 fiscal framework is therefore fully financed i.e. a balanced budget.

### **3.6 Risks to the 2026/27 County budget framework**

**206.** The 2026/27 Kitui County budget framework is subject to several risks that could impact revenue generation, expenditure execution, and overall fiscal sustainability. A structured analysis of these risks is outlined below:

#### ***a) Revenue Mobilization Constraints***

**207.** The county's reliance on national transfers and own-source revenue presents a significant risk, especially if economic downturns, policy shifts, or administrative inefficiencies lead to delays or reductions in funding. Unpredictable equitable share disbursements and dependency on donor grants

(such as FLLoCA, KDSP and NAVCDP) could disrupt project implementation. Furthermore, weak enforcement of local revenue collection mechanisms may result in underperformance against revenue targets.

#### ***b) Public Expectations vs. Fiscal Realities***

**208.** Public participation in previous CFSPs has highlighted high community demands, including infrastructure development, healthcare, and water projects. Balancing these priorities within budgetary constraints remains a challenge, as funding shortfalls could lead to project delays, incomplete initiatives, or public dissatisfaction.

#### ***c) Infrastructure Implementation Delays***

**209.** Capital-intensive projects, such as road construction, hospital upgrades, and water supply systems, face risks of delayed procurement, cost overruns, and contractor inefficiencies. Poor project oversight and bureaucratic hurdles could further exacerbate implementation challenges, increasing the likelihood of stalled or abandoned projects.

#### ***d) Administrative and Governance Risks***

**210.** Weak interdepartmental coordination, poor financial controls, and administrative inefficiencies could derail budget execution. Additionally, ineffective monitoring and evaluation mechanisms may hinder service delivery. The accumulation of pending bills remains a major concern, as unresolved obligations from previous fiscal years could constrain funds for new development initiatives.

#### ***e) Legislative and Compliance Risks***

**211.** Failure to adhere to Public Finance Management Act (PFMA), 2012 and other fiscal regulations could result in legal disputes, penalties, or delays in funding approvals. Oversight bodies such as the Auditor-General and the County Assembly may flag financial mismanagement, leading to budget revisions or withheld disbursements.

#### ***f) Economic and External Shocks***

**212.** Macroeconomic factors, including inflation, currency fluctuations, and national economic slowdowns, could impact construction costs, procurement of medical supplies, and agricultural investments. Climate change-related shocks, such as droughts and floods, may further strain county resources by increasing emergency response costs and disrupting food production.

#### ***g) Technological and Innovation Risks***

**213.** As the county adopts digital solutions for record-keeping, service delivery, and infrastructure management, risks such as technical failures, cybersecurity threats, and lack of skilled personnel may arise. Without adequate investment in ICT infrastructure and capacity building, digital transformation.

### **3.7 Fiscal Structural Reforms**

#### ***3.7.1 Revenue mobilization***

**214.** The County endeavours to grow its OSR in line with Article 175 (b) of the Constitution of Kenya, 2010 that envisages that the County Governments should have reliable sources of revenue to enable them to govern and deliver services effectively. The FY 2026/27 County Fiscal Strategy Paper is formulated on the assumption that the projected revenue will be **Kshs. 1,119,250,000.**

**215.** Kitui County is committed to enhancing OSR generation through efficient management of public resources and improved service delivery. Revenue administration challenges in Kitui County broadly touch on the extent of automation and digitization, land valuation roll, County data adequacy, staffing

and staff capacity and policy framework as indicated below.

**216.** The County is implementing the following OSR enhancement strategies;

**a) *Develop, enact, and implement an elaborate policy and legal framework:*** The County Government of Kitui will enact a Revenue Administration Act as the primary legislation for the operationalization of the revenue function and develop Kitui County OSR Monitoring and Evaluation (M&E) framework.

**b) *Data mapping:*** The County is carrying out comprehensive data mapping exercise to develop a revenue database for all the revenue streams.

Data mapping is an essential tool businesses use to keep accurate and up-to-date data records. Using mapping processes, information can be securely and accurately tracked, moved and stored between different locations or databases. The exercise will aid in planning and enhance accuracy in projecting revenue for each stream.

Data mapping can help organisations maintain structured, accurate and easily accessible records that can be analysed and transferred with ease. It can also be used to reduce data duplication, which is a common problem for many companies.

**c) *Automation:*** The County Government of Kitui will:

- (i) Integrate revenue collection systems for improved revenue collection, tracking and forecasting;
- (ii) Acquire Land Information and Management System (LIMS) and integrate it with the revenue collection system;
- (iii) Introduce a self-service module on the revenue management system such as a web-based service for convenient access of services; and
- (iv) Procure digital weighbridges in selected core barriers including Kwa Vonza, Kanyonyoo and Athi barriers.

**d) *Staffing and staff development:*** The county will employ adequate staff, build their technical capacity through training and facilitation of their work assignments. The revenue department will promote culture change and entrench ethical conduct through rewards and sanctions.

**e) *Stakeholder engagement:*** The Revenue Department will conduct revenue sensitization drives to make business operators and other taxpayers have a mindset shift and understand the importance of paying for licenses, fees and other charges.

**f) *Interdepartmental collaboration:*** The County Government of Kitui will:

- (i) Hold regular interdepartmental meetings to foster collaboration and joint effort in revenue collection and enforcement;
- (ii) Consultatively set and review departmental revenue targets and develop the annual Finance Bills; and
- (iii) Sensitize staff on monitoring and evaluation, carry out quarterly review of departmental targets and actuals, and take corrective actions.

**g) *Explore untapped and underexploited revenue streams:*** The county will explore additional revenue streams such as receipts from game reserves and park entry fees, materials

testing by the roads department, stadium hire and optimize revenue collection from Agricultural Training Centre (ATC) & Agricultural mechanization services (AMS).

### ***3.7.2 Expenditure Management***

**217.** Kitui County will adopt a comprehensive, multi-faceted approach to expenditure management in the FY2026/27, emphasizing accountability, efficiency, and sustainability. Drawing from best practices both locally and internationally, the county will ensure that funds are used prudently and in alignment with its developmental goals. Below is the framework for expenditure management in Kitui County:

#### ***Strengthening Budgeting and Financial Planning***

##### **a) Zero-Based Budgeting (ZBB)**

**218.** Kitui will implement zero-based budgeting to ensure that each expenditure is justified from scratch. This method will prioritize key projects that align with the county's strategic objectives, ensuring resources are allocated based on impact rather than historical spending. Public participation will be incorporated into the budgeting process, providing citizens with a voice in expenditure decisions.

##### **b) Performance-Based Budgeting (PBB)**

**219.** The county will introduce performance-based budgeting, where each department will be assessed based on its ability to achieve set goals. This approach encourages fiscal discipline and ensures that every allocation directly contributes to the county's development agenda.

#### ***Enhanced Procurement Systems and Transparency***

##### **c) E-Procurement Systems**

**220.** Kitui will adopt an automated e-procurement system, modelled after successful national systems like Kenya's IFMIS. This will allow for transparent procurement processes, ensuring value for money and preventing corruption. Real-time monitoring and audit trails will be implemented to track procurement activities and ensure compliance with county policies.

##### **d) Competitive Procurement Processes**

**221.** All major projects will follow a competitive procurement approach, ensuring that only qualified contractors are awarded projects. This method will minimize the risk of poor-quality work and ensure cost efficiency.

#### ***Strengthening Financial Oversight and Accountability***

##### **e) Internal and External Audits**

**222.** Kitui will continue to enhance its internal audit functions, supported by an Audit Committee that is fully operational. The county will also engage with external auditors to ensure compliance with the Public Finance Management Act (PFMA). Regular audits will track the expenditure and highlight inefficiencies or irregularities, fostering a culture of accountability.

##### **f) Fiscal Responsibility Laws and Commitments**

**223.** The county will enforce strict commitment control systems to manage pending bills and contain spending on non-essential items. This will include limiting travel expenses, focusing only on essential training, and ensuring that circulars on cost reduction are implemented across all departments.

## ***Participatory Approach and Public Engagement***

### **g) Community-Driven Project Identification**

**224.** Kitui will continue using a participatory approach to identify projects at the ward level, ensuring that investments are based on actual community needs. These projects will be approved by the County Assembly and executed in full compliance with the law, deepening devolution and ensuring that services are brought closer to the people.

### **h) Civic Education and Awareness**

**225.** The county will continue to conduct civic education programs to raise awareness about the budgetary process and the use of public funds. Increased engagement between the County Government and the County Assembly will ensure smooth coordination and enhance the efficiency of service delivery.

## ***Technology-Driven Financial Management***

### **i) Integrated Financial Management System (IFMIS)**

**226.** Kitui will continue using the Integrated Financial Management System (IFMIS) for processing payments. This will ensure real-time tracking of expenditures and help maintain financial discipline. Furthermore, the county will invest in budgeting and financial management software to enhance monitoring and control of public funds.

## ***Containing Recurrent and Non-Essential Spending***

### **j) Budget Controls and Cost-Cutting Measures**

**227.** To ensure that recurrent and non-essential spending does not overrun the budget, Kitui will implement targeted interventions. These will include limiting foreign and domestic travel to only the most critical activities, restricting training to essential needs, and issuing circulars for strict cost reduction across all departments.

### **k) Commitment Control and Pending Bills Management**

**228.** The county will continue to tighten commitment controls and put systems in place to reduce the stock of pending bills. This will be critical in avoiding debt accumulation and ensuring timely project execution.

## ***Capacity Building and Consultation***

### **l) Capacity Building for Effective Implementation**

**89.** To support other departments in properly managing their budgets, Kitui will continue capacity building initiatives. This will ensure that all staff involved in budgetary processes are equipped with the necessary skills to handle financial resources effectively.

### **m) Consultations with the County Budget and Economic Forum (CBEF)**

**229.** Consultations with the County Budget and Economic Forum (CBEF) will be deepened to foster collaboration in planning, budgeting, and financial management. These consultations will ensure transparency, accountability, and compliance with fiscal policies, particularly the PFM Act.

### **n) Guiding Principles in Resource Allocation**

**230.** The PFM Act, 2012 and the PFM (County Regulations), 2015 sets out fiscal responsibility principles that guide the Medium-Term Expenditure Framework (MTEF) for the County. The guiding principles that are considered in the allocation of the available resources include:

**231.** The requirement that the County public debt shall never exceed twenty (20) percent of the County

government's total revenue at any one time. The county will not be incurring any debt; The County Government wages shall be contained at thirty-five (35) percent of the County government's total revenue in the medium term; the approved expenditures of a County assembly will be as per senate's recommendations, the County government actual expenditure on development shall be at least thirty percent.

### **3.8 County's Adherence to the Fiscal Responsibility Principles.**

**232.** The proposed MTEF adheres to the fiscal responsibility principles outlined by law: The development expenditures have been projected at 30 percent of the County budget against an obligatory minimum of 30 percent. Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases. The County does not intend to borrow in the FY 2025/26 & FY 2026/27 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue.

### **3.9 Resource Sharing Guidelines**

**233.** Allocation of Departmental ceilings over the medium term has been informed by these guidelines. In the recurrent expenditure category, nondiscretionary expenditures take first charge. This includes payment of Salaries and wages projected at **45.46 percent** of the expected total revenue receipts. Other recurrent expenditures that include operations and maintenance account for **23.47 Percent** of the projected total revenue. Development expenditure takes **31.07 percent** of the total revenue available (Table 9). Development expenditures have been shared out on the basis of the CIDP priorities and strategic interventions identified in various forums. Also included in the criteria used for apportioning the capital budget is ongoing projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County. The projected Departmental expenditure ceilings are summarized in the Table 3 on Medium Term Departmental ceilings.

**TABLE 8: MEDIUM TERM CEILINGS PER COUNTY MINISTRY / SPENDING ENTITY, 2025/26-2028/29 (KSHS)**

County Ministry	FY 2025/26- Supplementary Budget 1 (A)	% of Total Budget	Projected Revenue Estimates FY 2026/27 - CFSP (B)	% of Total Budget	Change from the 2025/26 Budget (B-A)	% Change from the 2025/26 Budget (B/A%)	Projected Revenue Estimates 2027/28	Projected Revenue Estimates 2028/29
Office of the Governor	2,341,807,593	15.9%	2,362,775,248	17.1%	20,967,654	0.9%	2,466,256,965	2,574,797,764
Office of the Deputy Governor	195,709,395	1.3%	197,709,395	1.4%	2,000,000	1.0%	206,368,411	215,450,754
Ministry of Water & Irrigation	675,550,016	4.6%	714,550,016	5.2%	39,000,000	5.8%	745,844,936	778,669,822
Ministry of Education, Training & Skills Development	1,038,139,169	7.0%	1,132,540,975	8.2%	94,401,806	9.1%	1,182,142,513	1,234,169,002
Ministry of Roads, Public Works & Transport	1,078,435,850	7.3%	600,881,398	4.4%	(477,554,452)	-44.3%	627,198,010	654,801,205
Ministry of Health & Sanitation	4,107,075,795	27.9%	4,163,006,397	30.2%	55,930,602	1.4%	4,345,332,266	4,536,571,801
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	655,320,644	4.4%	418,601,207	3.0%	(236,719,437)	-36.1%	436,934,551	456,164,188
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	713,438,406	4.8%	505,877,819	3.7%	(207,560,587)	-29.1%	528,033,589	551,272,525
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	253,444,991	1.7%	270,444,991	2.0%	17,000,000	6.7%	282,289,584	294,713,244
Ministry of Finance, Economic Planning & Revenue Management	948,194,248	6.4%	846,722,155	6.1%	(101,472,093)	-10.7%	883,805,777	922,702,366
Ministry of Agriculture & Livestock	800,428,135	5.4%	758,483,490	5.5%	(41,944,645)	-5.2%	791,702,551	826,545,646
Ministry of Lands, Housing and Urban Development	323,374,959	2.2%	264,811,692	1.9%	(58,563,267)	-18.1%	276,409,566	288,574,444
Kitui Municipality	185,530,354	1.3%	213,994,770	1.6%	28,464,416	15.3%	223,367,031	233,197,489
Mwingi Municipality	95,586,737	0.6%	124,352,017	0.9%	28,765,280	30.1%	129,798,223	135,510,686
County Public Service Board	85,470,928	0.6%	97,049,728	0.7%	11,578,800	13.5%	101,300,184	105,758,439
County Assembly Service Board	1,247,849,948	8.5%	1,125,218,850	8.2%	(122,631,098)	-9.8%	1,174,499,703	1,226,189,830
<b>TOTALS</b>	<b>14,745,357,169</b>	<b>100.0%</b>	<b>13,797,020,148</b>	<b>100.0%</b>	<b>(948,337,021)</b>	<b>-6.4%</b>	<b>14,401,283,860</b>	<b>15,035,089,207</b>

Source: Ministry of Finance, Economic Planning &amp; Revenue Management, 2026.

## 4.0 MID-YEAR BUDGET IMPLEMENTATION PERFORMANCE AND FISCAL ABSORPTION ANALYSIS (FY 2025/26)

### 4.1 FY 2025/26 Mid-Year Total Budget Performance and Implementation Progress

**234.** The Total Budget performance for the first half of the FY 2025/26 reflects steady and controlled implementation, with an overall absorption rate of **61.21%**, KSh 5.31 billion utilized out of **KSh 8.68 billion** available. This demonstrates progressive execution aligned with the mid-year spending cycle, allowing adequate fiscal space for second-half program acceleration.

**235.** Notably, Education achieved an impressive 97.92% absorption, signaling strong program delivery and effective utilization of allocated resources, while Health recorded a solid 75.29%, underscoring sustained investment in essential services. The Office of the Governor (64.38%), Agriculture (61.46%), County Assembly Service Board (62.81%), and Culture (69.62%) also reflect balanced expenditure patterns consistent with planned operational timelines.

**236.** Meanwhile, sectors such as Water, Roads, Energy, Trade, Lands, and Finance show moderate absorption levels ranging between 33% and 46%, indicating that substantial resources remain available to fast-track development projects in the second half of the year. Overall, the expenditure trend reflects prudent cash flow management, phased project implementation, and a strong foundation for accelerated delivery in the remaining period.

**Table 9: Total Budget Performance and Implementation Progress-FY2025/26 First Half**

Ministry/Spending Entity	First Half Available Budget	First Half Cumulative Expenditure	Variance	Absp %
Office of The Governor	1,195,394,195	769,645,130	425,749,065	64.38%
Office of the Deputy Governor	107,918,769	71,771,789	36,146,980	66.51%
Ministry of Water and Irrigation	481,388,448	167,037,624	314,350,824	34.70%
Education Training and Skills Development	533,368,684	522,270,399	11,098,285	97.92%
Ministry Of Roads, Public Works and Transport	607,595,727	210,832,332	396,763,395	34.70%
Health and Sanitation	2,781,338,135	2,093,996,232	687,341,903	75.29%
Trade Industry MSMs Innovation & Cooperatives	332,021,343	126,384,008	205,637,335	38.07%
Ministry Of Energy Environment Forestry & Natural Resources	440,610,413	145,447,240	295,163,173	33.01%
Ministry Of Culture Gender Youth ICT Sports and Social Services	119,222,494	83,003,238	36,219,256	69.62%
Ministry of Finance Economic Planning and Revenue Management	552,387,383	255,770,052	296,617,331	46.30%
Ministry of Agriculture and Livestock	388,041,313	238,477,625	149,563,688	61.46%
Ministry of Lands Housing and Urban Development	369,765,406	149,298,007	220,467,399	40.38%
County Public Service Board	49,400,464	25,460,330	23,940,134	51.54%
County Assembly Service Board	724,811,171	455,271,235	269,539,936	62.81%
<b>Grand Total</b>	<b>8,683,263,945</b>	<b>5,314,665,241</b>	<b>3,368,598,704</b>	<b>61.21%</b>

## 4.2 First-Half Development and Recurrent Expenditure

**237.** The FY 2025/26 first-half expenditure performance reflects a balanced and structured implementation approach across both Development and Recurrent budgets. Overall absorption stands at 61.21%, with KSh 5.31 billion utilized out of KSh 8.68 billion available, indicating steady progress aligned with the financial year cycle. The expenditure trend demonstrates prudent cash flow management, ensuring that essential operations are sustained while preserving adequate fiscal space for accelerated implementation in the second half of the year.

**238.** Development expenditure recorded an absorption rate of 26.58%, reflecting the phased nature of capital project implementation, where procurement processes, contract finalization, and project mobilization typically gain momentum in the latter half of the year. Notable progress is observed in the Office of the Governor and the Ministry of Culture, while other departments maintain controlled spending levels to support structured rollout of infrastructure and investment projects. This positions the County for increased development absorption as projects transition into execution stages.

**239.** Recurrent expenditure posted a strong absorption rate of 80.47%, underscoring operational stability and continued delivery of public services. Key service sectors such as Health, Education, Roads, and Finance demonstrate solid utilization levels, ensuring that core mandates remain uninterrupted. Overall, the spending pattern reflects fiscal discipline, service continuity, and a strategic sequencing of development activities to enhance efficiency and impact in the remaining half of the financial year.

**Table 10: First-Half Development and Recurrent Expenditure**

Ministry/Spending Entity	First Half Available Budget	First Half Cumulative Expenditure	Variance	Absp %
<b>DEVELOPMENT</b>				
Office of The Governor	476,050,588	273,232,318	202,818,270	57.40%
Office of the Deputy Governor	1,476,404	4,638,532	(3,162,128)	314.18%
Ministry of Water and Irrigation	398,256,529	104,941,311	293,315,218	26.35%
Education Training and Skills Development	81,663,512	26,330,354	55,333,158	32.24%
Ministry Of Roads, Public Works and Transport	490,255,027	106,836,473	383,418,554	21.79%
Health and Sanitation	186,483,051	51,563,255	134,919,796	27.65%
Trade Industry MSMs Innovation & Cooperatives	228,572,594	39,908,055	188,664,539	17.46%
Ministry Of Energy Environment Forestry & Natural Resources	374,691,448	96,320,083	278,371,365	25.71%
Ministry Of Culture Gender Youth ICT Sports and Social Services	22,966,952	17,692,016	5,274,936	77.03%
Ministry of Finance Economic Planning and Revenue Management	278,948,637	12,553,984	266,394,653	4.50%
Ministry of Agriculture and Livestock	174,640,586	21,545,333	153,095,253	12.34%
Ministry of Lands Housing and Urban Development	226,991,832	69,595,476	157,396,356	30.66%
County Public Service Board	10,000,000	-	10,000,000	0.00%
County Assembly Service Board	153,171,390	-	153,171,390	0.00%
<b>Sub-Total</b>	<b>3,104,168,550</b>	<b>825,157,190</b>	<b>2,279,011,360</b>	<b>26.58%</b>
<b>RECURRENT</b>				
Office of The Governor	719,343,607	496,412,812	222,930,795	69.01%
Office of the Deputy Governor	106,442,365	67,133,257	39,309,108	63.07%

Ministry/Spending Entity	First Half Available Budget	First Half Cumulative Expenditure	Variance	Absp %
Ministry of Water and Irrigation	83,131,919	62,096,313	21,035,606	74.70%
Education Training and Skills Development	451,705,172	495,940,045	(44,234,873)	109.79%
Ministry Of Roads, Public Works and Transport	117,340,700	103,995,859	13,344,841	88.63%
Health and Sanitation	2,594,855,084	2,042,432,977	552,422,107	78.71%
Trade Industry MSMs Innovation & Cooperatives	103,448,749	86,475,953	16,972,796	83.59%
Ministry Of Energy Environment Forestry & Natural Resources	65,918,965	49,127,157	16,791,808	74.53%
Ministry Of Culture Gender Youth ICT Sports and Social Services	96,255,542	65,311,222	30,944,320	67.85%
Ministry of Finance Economic Planning and Revenue Management	273,438,746	243,216,068	30,222,678	88.95%
Ministry of Agriculture and Livestock	213,400,727	216,932,292	(3,531,565)	101.65%
Ministry of Lands Housing and Urban Development	142,773,574	79,702,531	63,071,043	55.82%
County Public Service Board	39,400,464	25,460,330	13,940,134	64.62%
County Assembly Service Board	571,639,781	455,271,235	116,368,546	79.64%
<b>Sub-Total</b>	<b>5,579,095,395</b>	<b>4,489,508,051</b>	<b>1,089,587,344</b>	<b>80.47%</b>
<b>Grand Total</b>	<b>8,683,263,945</b>	<b>5,314,665,241</b>	<b>3,368,598,704</b>	<b>61.21%</b>

### 4.3 First Half Personal Emoluments Analysis

**240.** The Personal Emoluments performance for the first half of the FY 2025/26 demonstrates strong fiscal discipline and effective workforce management, with an overall absorption rate of 98.31%—KSh 3.37 billion spent against an available budget of KSh 3.43 billion. Most spending entities achieved commendable alignment between budgeted provisions and actual payroll obligations, notably the Office of the Governor (99.74%), Roads, Public Works and Transport (99.94%), Trade (99.12%), Energy (97.41%), and Culture (99.68%), reflecting accurate staff planning and stable compensation structures. Sectors such as Health (92.34%) and Water (89.98%) also maintained healthy absorption levels, demonstrating prudent utilization of personnel resources while safeguarding service delivery.

**241.** The higher absorption recorded in Education (116.28%), Finance (146.52%), and Agriculture (112.65%) signals responsive adjustments to operational demands, likely driven by staffing needs and strategic strengthening of critical functions.

**242.** Meanwhile, moderated spending in Lands (52.77%) and the County Public Service Board (72.02%) suggests ongoing rationalization and phased recruitment. Overall, the expenditure trend reflects a well-managed wage bill anchored on service continuity, operational stability, and progressive institutional strengthening.

**Table 11: First Half Personal Emoluments Analysis**

<b>MINISTRY/SPENDING ENTITY</b>	<b>First Half Available Budget</b>	<b>First Half Cumulative Expenditure</b>	<b>Variance</b>	<b>Absp %</b>
Office of The Governor	281,071,584	280,346,811	724,773	99.74%
Office of the Deputy Governor	44,834,190	41,971,701	2,862,489	93.62%
Ministry of Water and Irrigation	55,203,941	49,672,391	5,531,550	89.98%
Education Training and Skills Development	406,722,208	472,935,012	(66,212,804)	116.28%
Ministry Of Roads, Public Works and Transport	88,696,090	88,639,534	56,556	99.94%
Health and Sanitation	1,891,974,296	1,747,009,908	144,964,388	92.34%
Trade Industry MSMs Innovation & Cooperatives	43,425,229	43,041,543	383,686	99.12%
Ministry Of Energy Environment Forestry & Natural Resources	27,218,778	26,513,430	705,348	97.41%
Ministry Of Culture Gender Youth ICT Sports and Social Services	45,009,002	44,865,732	143,270	99.68%
Ministry of Finance Economic Planning and Revenue Management	123,057,979	180,309,870	(57,251,891)	146.52%
Ministry of Agriculture and Livestock	161,260,578	181,667,391	(20,406,813)	112.65%
Ministry of Lands Housing and Urban Development	33,472,642	17,663,312	15,809,330	52.77%
County Public Service Board	17,884,711	12,881,020	5,003,691	72.02%
County Assembly Service Board	210,653,724	184,873,073	25,780,651	87.76%
<b>Grand Total</b>	<b>3,430,484,952</b>	<b>3,372,390,728</b>	<b>58,094,224</b>	<b>98.31%</b>

#### 4.4 First-Half Revenue Performance Analysis

**243.** The County’s revenue performance for the first half of FY2026/25 shows a total collection of KSh 531.63 million against an annual target of KSh 1.086 billion, translating to a 48.94% overall realization. This indicates moderate progress towards annual revenue targets, with a strong foundation for accelerated collection in the second half of the financial year. Several revenue streams, including Advertising, Business Permits, Facility Improvement Financing (FIF), and various service fees, have already met or exceeded expectations, demonstrating the potential of the County’s diversified revenue base.

**244.** However, a number of streams underperformed relative to their annual targets. Notably, Agricultural Show (0%), Land Administration Fees (15.86%), Land Rates (22.75%), Market Fees (28.72%), Sand Approval Fees (0.54%), and Single Business Permits (10.88%) recorded low realization, highlighting the need for strengthened compliance, enforcement, and targeted revenue mobilization strategies. Under-collection in these areas may reflect delays in licensing, slow uptake of services, or gaps in enforcement mechanisms.

**Table 12: First Half Personal Emoluments Analysis**

Revenue Stream	FY2026/25 Annual Targeted Revenue (Kshs)	FY2026/25 Actual Revenue	Variance	% Realization
Advertising	-	4,257,200	4,257,200	100.00%
Agricultural show	6,442,784	-	(6,442,784)	0.00%
Alcoholic Drinks License	30,171,748	13,923,500	(16,248,248)	46.15%
Architectural Fee	-	543,922	543,922	100.00%
Borehole Drilling	2,951,000	1,622,000	(1,329,000)	54.96%
Burial Fees	28,609	12,400	(16,209)	43.34%
Business Permits, Current Year	-	18,284,475	18,284,475	100.00%
Certificate to Transport	375,260	65,430	(309,830)	17.44%
Cess	12,152,256	10,184,712	(1,967,544)	83.81%
Change of User	-	45,000	45,000	100.00%
Clumping Fees	-	20,000	20,000	100.00%
Cooperative Audit	712,614	39,732	(672,882)	5.58%
Debts Clearance Certificate Fee	-	60,000	60,000	100.00%
Delivery Charges	9,210	91,750	82,540	996.20%
Drilling only, dry rate at Ksh. 100,000 per borehole	-	600,000	600,000	100.00%
Enclosed Parking	-	787,600	787,600	100.00%
Facility Improvement Financing (FIF)	773,901,696	426,333,907	(347,567,789)	55.09%
Fines and Penalties	-	57,200	57,200	100.00%
Fire Fighting	-	17,900	17,900	100.00%
Hiring of Machinery	-	215,401	215,401	100.00%
House and Stalls	2,520,656	1,036,500	(1,484,156)	41.12%
Land Administration Fees	24,220,735	3,841,033	(20,379,702)	15.86%
Land rates	20,371,343	4,633,961	(15,737,382)	22.75%
Library Services	-	8,405	8,405	100.00%
Market and Stock Fees	-	4,633,990	4,633,990	100.00%
Market Fees	16,108,700	4,627,032	(11,481,668)	28.72%
Material Testing Lab	-	11,700	11,700	100.00%
Meat Inspection/Vetinary Services	2,541,422	266,808	(2,274,614)	10.50%
Ministry of Tourism, Sports and culture	452,256	80,100	(372,156)	17.71%
Movement Permit	-	38,500	38,500	100.00%
NEMA Comments	-	52,500	52,500	100.00%
Noise pollution	-	58,300	58,300	100.00%
Parking fees	20,096,257	3,823,520	(16,272,737)	19.03%
Pegging/Perimeter Wall Fee/ Pole Connection	-	136,500	136,500	100.00%
Plot Transfer Fee	-	4,000	4,000	100.00%
Ploughing	2,166,366	-	(2,166,366)	0.00%
Projects Sign Board	-	331,000	331,000	100.00%
Receipts from Sale of Agricultural Goods	674,665	331,180	(343,485)	49.09%

<b>Revenue Stream</b>	<b>FY2026/25 Annual Targeted Revenue (Kshs)</b>	<b>FY2026/25 Actual Revenue</b>	<b>Variance</b>	<b>% Realization</b>
Resource Centres	-	29,000	29,000	100.00%
SACCO renewal fees	-	11,000	11,000	100.00%
Sale & search of assets	17,690	700	(16,990)	3.96%
Sale of Flowers, Plants, Firewood, Produce etc	-	31,000	31,000	100.00%
Sand approval fee,pollution &penalties	18,972,072	102,400	(18,869,672)	0.54%
Sign Board & Advertising	24,354,682	1,087,200	(23,267,482)	4.46%
Single Business Permits	102,649,433	11,166,122	(91,483,311)	10.88%
Slaughter House Fees	2,768,682	1,214,615	(1,554,067)	43.87%
Stadia (Specialized Ground— Showground, Hire of Fenced/Secured Public Space)	-	5,000	5,000	100.00%
Street Parking	-	2,607,030	2,607,030	100.00%
Training/Learning Centre Fee	3,718,896	2,324,450	(1,394,446)	62.50%
Transportation Fees	16,161,227	10,684,600	(5,476,627)	66.11%
Veterinary Services	-	500	500	100.00%
Waste Disposal Fees	-	60,000	60,000	100.00%
Weights & Measures	1,536,011	-	(1,536,011)	0.00%
Bus Park Fee	-	453,220	453,220	100.00%
Penalties & penalties	173,730	33,370	(140,360)	19.21%
Building Inspection Fee	-	743,750	743,750	100.00%
<b>TOTAL</b>	<b>1,086,250,000</b>	<b>531,631,115</b>	<b>(554,618,885)</b>	<b>48.94%</b>

## 5.0 DEPARTMENTAL/ SECTOR PRIORITIES FOR THE FY 2025/26 COUNTY FISCAL STRATEGY PAPER

### 5.1 OFFICE OF THE GOVERNOR

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>COUNTY SECRETARY, PUBLIC SERVICE MANAGEMENT &amp; GENERAL ADMINISTRATION</b>				
Personnel Emoluments (PE)	To ensure fair compensation for employee	Staff salaries and wages	Enhanced service delivery	562,723,167
Operations and Maintenance (O&M) for Governor's Office and Staff (Department of Public Service Management and General Administration)	To enhance operational efficiency for improved service delivery	i) Utilities in the Governor's Administration Block (Electricity and Water) ii) Motor vehicle fuel iii) Staff training and development iv) Provision of office stationery, furniture and equipment v) Domestic and Foreign travel vi) National celebrations vii) Staff training and Development	Enhanced service delivery	32,500,200
Staff medical cover	To promote staff well-being and productivity	Provision of staff medical cover	Enhanced service delivery	310,000,000
Work Injury Benefit Act (WIBA) Cover	To ensure compliance with the Work Injury Benefits Act (WIBA), thereby safeguarding employee welfare and minimizing institutional liability.	Provision of WIBA cover for staff	Enhanced service delivery	30,000,000
Motor vehicle Insurance	To ensure risk management associated with motor vehicles	Comprehensive motor vehicle insurance for all county government vehicles	Enhanced service delivery	40,000,000
Executive Representation and Official Engagements	To support the effective execution of the Governor's official, representational, and stakeholder engagement functions- Governor's Movements	i) Coordination and facilitation of the Governor's official functions with national government agencies, county institutions, and strategic partners ii) Facilitation of consultative and oversight meetings between the County Executive and the County Assembly iii) Facilitation of the Governor's official	Well-coordinated, timely, and dignified executive engagements	53,451,355

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
		travel and movement for supervision, inspection, commissioning, launches, and participation in key meetings and forums iv) Support for stakeholder engagements and public interface activities undertaken by the Governor v) Payment and logistical support for the Governor's security detail vi) Provision of hospitality and protocol services for special events, courtesy calls, and official functions hosted by the Governor		
Operations and Maintenance (O&M) for Human Resource Unit	To enhance operational efficiency for improved service delivery	i) Staff training and Development ii) Office equipment iii) Stationeries iv) Digitization of Human Resource Records v) Motor vehicle fuel	Enhanced service delivery	17,220,000
Operations and Maintenance (O&M) for Enforcement unit	To enhance operational efficiency for improved service delivery	i) Purchase of uniforms ii) Purchase of enforcement equipment and arms iii) Training and development iv) Stationery v) Office furniture and equipment vi) Motor vehicle fuel vii) Uniforms and police equipment	Enhanced service delivery	12,270,000
Operations and Maintenance (O&M) for Monitoring and Policy development and coordination	To enhance operational efficiency for improved service delivery	i) Office furniture and equipment ii) Training and staff development iii) Stationery iv) Hospitality Supplies and Services	Enhanced service delivery	13,100,000
Operations and Maintenance (O&M) for Records Management Unit	To enhance operational efficiency for improved service delivery	i) Purchase of Records Management system ii) Office furniture and equipment iii) Bulk filers	Enhanced service delivery	12,880,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
		iv) Training and staff development v) Stationery vi) Hospitality Supplies and Services		
<b>CABINET AFFAIRS</b>				
Operations and Maintenance (O&M) for Office of the County Secretary – General Administration	To ensure efficient, reliable, and sustainable operations of the Office of the County Secretary	i) Vehicle Fleet Management System ii) Catering and Hospitality iii) Office furniture and equipment iv) Fuel and Lubricants v) Training and staff development vi) Domestic/Foreign Subsistence Allowances	Uninterrupted and well-functioning administrative operations under the Office of the County Secretary	17,700,000
Coordination of Cabinet Affairs	To facilitate efficient, coordinated, and well-supported Cabinet operations that enable timely executive decision-making, strengthened governance, and improved service delivery.	i) Catering and Hospitality of Cabinet affairs ii) Stationery iii) Training and staff development iv) Motor vehicle fuel v) Electronic tablets to facilitate paperless cabinet meetings	Improved efficiency, timeliness, and quality of executive coordination, decision-making, and policy implementation through well-facilitated Cabinet operations.	29,500,000
Strengthening Executive Coordination and Governance	To enhance operational efficiency, mobility, and effectiveness of the Office of the County Secretary	Purchase of an official motor vehicle for the County Secretary	Improved executive coordination, timely inter-departmental oversight, and effective service delivery	20,000,000
<b>Sub-Total O&amp;M &amp; PE</b>				<b>1,151,344,722</b>
Promote socio-economic development in the community Staff Office Space	To promote equitable development across the entire County's 40 Wards and 247 villages through implementing small-scale infrastructure projects addressing immediate community needs	Community Level Infrastructure Development Programme (CLIDP) Projects for FY 2026/2027	Improved social economic status	750,000,000
	To ensure the settlement of outstanding financial obligations	Historical CLIDP Pending Bills cleared by the PBC and CLIDP Pending Bills from FY 2024/2025	Improved social economic status	145,000,000
	To provide office space for enhanced service delivery	Completion of County Offices Block	Enhanced service delivery	20,000,000
	To provide office space for enhanced service delivery	Refurbishment of the Governor's Administration Block	Enhanced service delivery	7,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>Sub-Total Development</b>				<b>922,000,000</b>
<b>TOTAL COUNTY SECRETARY, PUBLIC SERVICE MANAGEMENT &amp; GENERAL ADMINISTRATION</b>				<b>2,073,344,722</b>
<b>GOVERNOR'S SERVICE DELIVERY UNIT &amp; PUBLIC COMMUNICATION</b>				
Strengthen project oversight and service coordination	Enhance departmental efficiency and accountability	Operational and maintenance support for (i) Project Tracking and Monitoring Unit, (ii) Protocol Unit, (iii) Public Communication Unit, (iv) Customer Care Unit	Improved coordination, timely project monitoring, enhanced public communication, and responsive customer service delivery	37,500,000
Enhance executive engagement and stakeholder relations	Strengthen collaboration with MCAs, development partners, and community representatives	Liaison committee meetings between the Governor and Members of the County Assembly, Development Partners, and community representatives (minimum of two forums)	Strengthened intergovernmental relations, improved collaboration with partners, and inclusive community engagement	18,500,000
Improve executive leadership and strategic alignment	Facilitate high-level strategic planning and leadership cohesion	Executive retreat meetings involving the Governor, CECMs, Chief Officers, and Directors (minimum of two retreats)	Enhanced policy coherence, improved leadership coordination, and informed executive decision-making	9,000,000
Strengthen governance and institutional frameworks	Operationalize statutory governance structures for better oversight	Operationalization and maintenance of SEKEB and support to governance structures as provided under the SEKEB Act, including Council of Governors (CoG) subscription	Functional governance structures, compliance with statutory requirements, and strengthened intergovernmental coordination	16,145,660
Ensure legal compliance and risk management	Reduce legal and operational risks in county operations	Payment of legal dues, settlement of court-awarded litigation cases, engagement of a pool of qualified legal practitioners, and settlement of pending legal bills	Reduced litigation risks, timely resolution of legal matters, improved compliance, and protection of county interests	20,000,000
Office of the Chief of Staff – O&M	Support smooth executive office operations	Operations and maintenance for the Office of the Chief of Staff	Effective coordination of executive functions and efficient delivery of strategic leadership support	13,288,200
Office of the County Attorney – O&M	Strengthen legal advisory and compliance functions	Operational and maintenance expenditure for the Office of the County Attorney to ensure effective provision of legal advisory services, litigation management, and statutory compliance	Continuity of executive services, improved administrative efficiency, and strengthened executive oversight	30,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>TOTAL GOVERNOR'S SERVICE DELIVERY UNIT &amp; PUBLIC COMMUNICATION</b>				<b>144,433,860</b>
<b>DECENTRALIZED UNITS SERVICE DELIVERY COORDINATION</b>				
O&M	Enhance General Administration and Support Services	Provision of administrative support services including office supplies, ICT equipment and accessories, stationery, sanitation and cleaning materials, staff uniforms, communication services (airtime and internet), staff facilitation and allowances, official events coordination, vehicle and motorbike maintenance, and fuel and lubricants for HQ, Sub-Counties and Ward offices	Sustained and efficient county operations through well-equipped, clean, connected and mobile decentralized offices, resulting in improved service delivery and administrative effectiveness countywide	43,754,766
P&E-Temporary Staff	Ensure adequate manpower & compliance	Engagement of 175 market cleaners, 3 toilet cleaners, NSSF & Housing Levy contributions	Clean markets, statutory compliance, timely payment of casuals	26,584,000
O&M	Strengthen public participation	Civic education, advertising, awareness and publicity campaigns	Improved civic awareness and citizen engagement	5,200,000
O&M	Secure office accommodation	Payment of rents and rates for VA and Ward Administrators' offices	Uninterrupted office operations	8,607,900
O&M	Enforce regulatory framework	Operationalization of Kitui County Alcoholic Drinks Control Act, 2014	Improved alcohol regulation and reduced illicit trade	5,600,000
Sub- Total O&M				63,162,666
Security Infrastructure	Improve public safety and law enforcement	Completion of 8 police stations	Increased police accessibility, faster response times, enhanced security	40,250,000
Local Governance	Strengthen ward-level service delivery	Construction of 2 ward administrators' offices	Improved local governance and access to government services	15,000,000
<b>Sub- Total Development</b>				<b>55,250,000</b>
<b>TOTAL DECENTRALIZED UNITS SERVICE DELIVERY &amp; COORDINATION</b>				<b>118,412,666</b>
<b>Personnel Emoluments (PE)</b>				<b>589,307,167</b>
<b>O&amp;M</b>				<b>796,218,081</b>
<b>TOTAL RECURRENT</b>				<b>1,385,525,248</b>
<b>TOTAL DEVELOPMENT</b>				<b>977,250,000</b>
<b>TOTAL VOTE</b>				<b>2,362,775,248</b>

## 5.2 OFFICE OF THE DEPUTY GOVERNOR

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Personnel Emoluments (PE)	Staff remuneration	Staff salaries and allowances	Attract and retain skilled personnel	79,668,380
Operations & Maintenance (O&M)	Office operations and service delivery	Goods and services	Smooth departmental operations	74,538,207
<b>Sub -Total Recurrent Expenditure</b>				<b>154,206,587</b>
<b>DEPARTMENT OF PERFORMANCE CONTRACTING, DISASTER &amp; EMERGENCY SERVICES</b>				
Operationalization of Emergency Response Centre	Establish a coordinated and effective emergency management system	Installation of water hydrant	Improved emergency response capacity	4,500,000
Operationalization of Emergency Response Centre	Establish a coordinated and effective emergency management system	Construction of 12-person dormitory for emergency responders	Improved emergency response readiness	3,969,719
ICT Infrastructure	Build resilient ICT systems for emergency coordination	Installation of ICT infrastructure at Emergency Response Centre	Faster and coordinated response	5,633,089
Disaster Response	Ensure prompt and effective disaster response	Disaster response and support services	Enhanced livelihood resilience	5,600,000
<b>Sub- Total</b>				<b>19,702,808</b>
<b>DEPARTMENT OF TOURISM, HOSPITALITY AND GAME RESERVES</b>				
Operationalization of Tourism Sites	Complete Mutomo Reptile Park	Capacity building for curators and snake handlers (NMK & site induction)	Operational reptile park with increased visitation	2,000,000
Operationalization of Tourism Sites	Complete Mutomo Reptile Park	Provision of snake handling equipment and graphics	Improved visitor experience	1,500,000
Operationalization of Tourism Sites	Complete Mutomo Reptile Park	Stocking and feeding of reptiles (1 year)	Sustained park operations	2,500,000
Operationalization of Tourism Sites	Complete Mutomo Reptile Park	Landscaping around snake house	Enhanced site aesthetics	1,500,000
Infrastructure Development	Develop Kalundu Eco-Park	Perimeter fencing and ticketing system	Revenue generation initiated	3,000,000
Development of Tourism Sites	Ikoo Valley	Land acquisition and construction of bazaar viewpoint	Increased tourist attractions	1,300,000
Development of Tourism Sites	Nzambani Rock	Fencing of tourism land parcel	Secured attraction site	2,000,000
Development of Tourism Sites	Akamba Cultural Centre	Community-led tourism cultural centre	Cultural tourism development	1,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Development of Tourism Sites	Yanzuu Retreat & Ulonzo Hills	Community sensitization on eco-tourism	Enriched tourism circuit	1,000,000
Development of Tourism Sites	Mumoni & Mutitu Hills IBAs	Tourism infrastructure support for Site Support Groups	Improved bird tourism	700,000
Wildlife Conservation	Mwingi Game Reserve	Renovation of George Adamson & Ikime camps	Enhanced visitor experience	800,000
Wildlife Conservation	Community Conservancies	Access road grading & water pan desilting (Kanyonyoo)	Established conservancy	2,000,000
Policy & Legal Framework	Conservancies Governance	Drafting of County Conservancies Bill	Legal framework established	1,500,000
Tourism Promotion	Hospitality Standards	Three hospitality symposiums (Mwingi, Kitui, Mutomo)	Improved service quality	1,200,000
Tourism Promotion	Branding	Branding of tourism attraction sites	Increased visibility	1,800,000
<i>Sub- Total</i>				<i>23,800,000</i>
<i>Personnel Emoluments (PE)</i>				<i>79,668,380</i>
<i>O&amp;M</i>				<i>74,538,207</i>
<b>TOTAL RECURRENT</b>				<b>154,206,587</b>
<b>TOTAL DEVELOPMENT</b>				<b>43,502,808</b>
<b>TOTAL VOTE</b>				<b>197,709,395</b>

### 5.3 MINISTRY OF WATER & IRRIGATION

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
General Administration & Support Services	Human Resource Management	Personnel Emoluments (PE)	Improved efficiency and motivation of personnel	110,407,882
General Administration & Support Services	Institutional Efficiency & Service Delivery	Operational Maintenance (O&M)	Reduced system failures, improved service delivery	61,275,948
<b>Sub -Total Recurrent Expenditure</b>				<b>171,683,830</b>
<b>WATER &amp; IRRIGATION</b>				
Water Security & Access	Increase access to clean and reliable water sources	Drilling and/or equipping of boreholes	Improved water availability, reduced water scarcity	60,000,000
Water Storage & Conservation	Enhance water storage capacity for domestic and agricultural use	Construction/desilting of medium earth dams	Increased water retention, improved drought resilience	53,000,000

<b>Broad Priority</b>	<b>Strategic Objective</b>	<b>Project / Programme (FY 2026/2027)</b>	<b>Expected Outcome</b>	<b>Budget (KES)</b>
Financial Accountability & Obligation Fulfillment	Settle outstanding payments for completed water projects	Payment of completed water project bills	Improved contractor confidence, enhanced financial credibility	15,000,000
Water Distribution Expansion	Extend and improve water supply networks to underserved areas	Construction/extension of water pipelines including spring water supplies	Increased water access, reduced reliance on distant sources	15,000,000
Climate-resilient Water Solutions	Develop sustainable water sources using natural filtration	Construction of sump well water supplies (sand/sub-surface dams with uptake wells, infiltration galleries, distribution lines)	Improved groundwater recharge, enhanced climate resilience	174,000,000
Renewable Energy & Water Sustainability	Reduce operational costs and environmental impact of water supply systems	Borehole hybridization – conversion from genset to solar-powered engines	Increased efficiency, reduced energy costs, sustainable water access	29,000,000
Infrastructure Sustainability	Ensure continued functionality of existing water supply systems	Water supplies maintenance, repairs & rehabilitation	Reduced system breakdowns, uninterrupted water supply	24,714,346
Water Service Delivery & Affordability	Support WSPs in providing affordable and reliable water services	Subsidies to Water Service Providers (KIMWASCO & KITWASCO)	Improved service delivery, increased access to safe drinking water	50,000,000
<b>Subtotal – Water &amp; Irrigation</b>				<b>420,714,346</b>
<b>IRRIGATION</b>				
Water Conservation & Climate Resilience	Increase water retention and recharge groundwater	Sand dams – 2 per ward	Enhanced water availability, improved drought resilience	92,000,000
Financial Accountability & Obligation Fulfillment	Clear outstanding payments for completed water projects	Pending bills as cleared by review committee	Improved contractor confidence, enhanced financial credibility	5,000,000
Agricultural Productivity & Water Management	Promote large-scale irrigation for food security and income generation	Establishment of irrigation clusters	Increased agricultural output, enhanced food security	20,151,840
Renewable Energy & Sustainable Agriculture	Reduce irrigation costs and reliance on fossil fuels	Repairs and maintenance of irrigation infrastructure- sand dams and irrigation projects	Increased agricultural productivity, lower energy costs, sustainable farming	3,000,000
Renewable Energy & Sustainable Agriculture	Reduce irrigation costs and reliance on fossil fuels	Training & capacity building of farmers in irrigation clusters ( Skills Development )	Increased agricultural productivity, lower energy costs, sustainable farming	2,000,000
<b>Subtotal – Irrigation</b>				<b>122,151,840</b>

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<i>Personnel Emoluments (PE)</i>				<i>110,407,882</i>
<i>O&amp;M</i>				<i>61,275,948</i>
<b>TOTAL RECURRENT</b>				<b>171,683,830</b>
<b>TOTAL DEVELOPMENT</b>				<b>542,866,186</b>
<b>TOTAL VOTE</b>				<b>714,550,016</b>

## 5.4 MINISTRY OF EDUCATION, TRAINING & SKILLS DEVELOPMENT

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Personnel Emoluments (PE)	Staff remuneration	Payment of staff salaries and allowances	Attract and retain skilled education personnel	813,444,415
Operations & Maintenance (O&M) Other- General Administration and Planning	Institutional efficiency	Goods and services for smooth operations	Improved service delivery and operational continuity	17,708,010
<b>Sub -Total Recurrent Expenditure</b>				<b>831,152,425</b>
Early Child Development				
Operations & Maintenance (O&M) Other- Early Child Development	Institutional efficiency	Goods and services for smooth operations	Improved service delivery and operational continuity	31,359,202
<b>Other Recurrent</b>				
Pro-Poor Bursary Support Programme	Provide financial and material support to vulnerable groups	Scholarships and other Educational Benefits (Pro-Poor Programme) (72% - Bursaries) and Scholarships and other Educational Benefits (Pro-Poor Programme) (3% - Administrative Budget)	Enhanced social protection, reduced poverty levels	90,000,000
<b>Sub -Total other Recurrent Expenditure</b>				<b>90,000,000</b>
<b>Development</b>				
Social Welfare & Poverty Alleviation	Provide financial and material support to vulnerable groups	Education support programme (Pro-poor)- pro-poor infrastructure support programme 25%:	Enhanced social protection, reduced poverty levels	30,000,000
ECDE Learning Materials	Purchase of specialised plant equipment and machinery	Purchase of educational aids and related equipment (ECDE CBC Curriculum Teaching and learning materials)	Purchase of educational aids and related equipment (ECDE CBC Curriculum Teaching and learning materials)	21,000,000

<b>Broad Priority</b>	<b>Strategic Objective</b>	<b>Project / Programme (FY 2026/2027)</b>	<b>Expected Outcome</b>	<b>Budget (KES)</b>
Early Childhood Education & Infrastructure Development	Expand and improve learning facilities for young children	Construction of ECDE classrooms	Increased access to quality early childhood education	20,000,000
<b>Sub-Total Development</b>				<b>71,000,000</b>
<b>Polytechnics, Vocational Centres and Homecraft Centres</b>				
Operations & Maintenance (O&M) Polytechnics, Vocational Centres and Homecraft Centres	Institutional efficiency	Goods and services for smooth operations	Improved service delivery and operational continuity	20,428,141
<b>Other Recurrent</b>				
Education & Certification Support	Support students in vocational training centers with examination fees	Payment of Grade Test Examination Fees	Increased certification rates, improved employment opportunities	18,000,000
Social Protection & Economic Empowerment	Provide targeted support to vulnerable individuals and families	Matching fund for 2Jiajiri partnership Programme	Enhanced self-reliance, improved socio-economic conditions	20,000,000
<b>Sub Total</b>				<b>38,000,000</b>
<b>Development</b>				
Vocational Training & Skills Development	Upgrade vocational training centers and provide accommodation	Refurbishment and construction of VTCs ( Workshops & Dormitories)	Improved learning environment, increased student enrollment	40,601,207
Women Empowerment & Skills Development	Establish a center for skills training and economic empowerment	Construction of Mother Home Craft Centre	Enhanced skills development, improved livelihood opportunities	5,500,000
Women Empowerment & Skills Development	Provide necessary tools and equipment for effective training	Furnishing and equipping of mother homecraft centre	Increased capacity for training, enhanced skill acquisition	4,500,000
<b>Sub Total</b>				<b>50,601,207</b>
<i>Personnel Emoluments (PE)</i>				<i>813,444,415</i>
<i>O&amp;M</i>				<i>197,495,353</i>
<b>TOTAL RECURRENT</b>				<b>1,010,939,768</b>
<b>TOTAL DEVELOPMENT</b>				<b>121,601,207</b>
<b>TOTAL VOTE</b>				<b>1,132,540,975</b>

## 5.5 MINISTRY OF ROADS, PUBLIC WORKS AND TRANSPORT

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>General Administration and Support Services</b>				
Personnel Emoluments	To Enhance General Administration Planning and Support Services	PE	Enhanced Service Delivery	177,932,181
Operations and Maintenance	To enhance General Administration, Planning and support services	O&M	Enhanced service delivery	6,460,000
Operations and Maintenance	To enhance General Administration, Planning and support services	O&M – Roads and Public Works	Enhanced Service Delivery	15,276,000
Operations and Maintenance	To enhance General Administration, Planning and support services	O&M – Transport and Boda Boda	Enhanced Service Delivery	11,313,217
<b>Sub-Total</b>				<b>210,981,398</b>
<b>Roads Department</b>				
Improving Infrastructure within the County	Enhance efficient transport and support effective service delivery through construction, maintenance and rehabilitation of road network in the County.	Major Roads - Construction and maintenance of roads, box culverts, slabs and drifts	Improved mobility, accessibility, connectivity and safety	50,000,000
		Dustless Towns programme in which market roads will be upgraded to bitumen standards	Improved Mobility, accessibility, connectivity and safety and Security and reduced dust in towns and market centres	
		Major Roads (Road's construction works and maintenance of box culverts, drifts, gravelling, concrete slabs, gabions) -	Improved Mobility, accessibility, connectivity safety and Security.	96,000,000
		Construction of Roads - (Road widening and Dozing works.)	Improved Mobility, accessibility, connectivity safety and Security	17,000,000
		Access Roads (Fuel maintenance of plant and machinery)	Improved Mobility, accessibility, connectivity safety and Security	17,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
		Pending Bills	Improved Mobility, accessibility, connectivity safety and Security	
<b>Sub-Total</b>				<b>180,000,000</b>
<b>Public Works</b>				
To achieve sustainable and conducive working environment	Refurbishment and renovation works at Public Work's HQs Offices and Mechanical & Transport Offices	1. Perimeter wall fencing of Chief Officers – Roads and Public Works Compound and sanitation facilities and Fence at Public Works Offices at Zombe. 2. Installation of Solar Security Lights at Chief Officer's Offices and Public Works HQ	Completion of indicated infrastructure structures.	5,500,000
	Walling and storm water drainage of the Northern Part of Ithookwe Stadium	Walling and storm water drainage of the Northern Part of Ithookwe Stadium	Walling and storm water drainage of the Northern Part of Ithookwe Stadium	37,000,000
	Refurbishment and renovation works at Public Work's HQs Offices and Mechanical & Transport Offices	Renovation of Public works HQ Block 2 and installation of 2 water tanks of 10,000 litres at Public HQ and Public Works Office at Kauwi in Kitui West.		2,000,000
<b>Sub-Total</b>				<b>44,500,000</b>
<b>Mechanical services</b>				
Improving Infrastructure within the County	Enhance efficient transport and support effective service delivery through construction, maintenance and rehabilitation of road network in the County.	In-house grading	Improved Mobility accessibility, connectivity safety and Security	22,400,000
		Purchase of roads Machinery (One Grader)	Improved service delivery leading to well-maintained infrastructure	45,000,000
		Maintenance of Plant, Machinery and Equipment	Improved Mobility, accessibility, connectivity safety and Security	10,000,000
		Maintenance of Ministry motor vehicles	Improved Mobility, accessibility, connectivity safety and Security	5,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
		Completion and Equipping with Spares, Small Equipment's and Tools for Motor Vehicle inspection Workshop and Offices.	Improved Mobility, accessibility, connectivity safety and Security	5,000,000
		Purchase of Roads Plant Machinery tyres, wearing parts and accessories.	Improved service delivery leading to well-maintained infrastructure	10,000,000
<b>Sub-Total</b>				<b>97,400,000</b>
<b>Transport and Boda Boda</b>				
Boda Boda Sector Reforms	Capacity Building and Economic Empowerment of people involved in the boda-boda Sector	Construction of Modern Boda Boda Shades with Solar Lights.	Improved livelihoods of the people involved in the Boda Boda sector, increased own source revenue from rent	10,000,000
		Rehabilitation, Repair and Reallocation of 40No of Boda Boda Shades.	Improved livelihoods of the people involved in the Boda Boda sector, increased own source revenue from rent	8,000,000
		Implementation, Monitoring, Evaluation and Learning of Kitui County Boda Boda policy	Improved livelihoods of the people involved in the Boda Boda sector, increased own source revenue from rent	3,000,000
		Organize Training of 1,200 No. Boda Boda riders leading to issuance of Smart Driving Licences	Improved livelihoods of the people involved in the Boda Boda sector.	14,000,000
		Sensitization to the Boda Boda operators on road safety matters, Customer care, discipline, maintenance and traffic rules	Improved livelihoods of the people involved in the Boda Boda sector.	
		Purchase and Issuance of safety riding gears to identified and trained Boda Boda Riders-helmets, reflectors)	Improved livelihoods of the people involved in the Boda Boda sector.	5,000,000
		Carry out Sensitization forums to Boda Boda riders on formation of Boda Boda SACCOs and Self-Help Groups to raise the welfare of operators.	Improved livelihoods of the people involved in the Boda Boda sector.	3,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
		Purchase and Install Closed Circuit Television Cameras in the two Municipalities busy roads	Enhanced road safety levels and improved flow of traffic at the County	7,000,000
		Installation of Transport Traffic flow control signals in the County busy roads	Enhanced road safety levels and improved flow of traffic at the County	10,000,000
		Purchase of utility vehicle 1No. Service van (Double Cab)	Improved service delivery leading to well-maintained infrastructure	
	Road safety management program	Implementation of National Road Safety Action Plan 2024 - 2028 through County Transport and Safety Committee	Enhance of road safety levels at the County	8,000,000
<b>Sub-Total</b>				<b>68,000,000</b>
<i>TOTAL PE</i>				<i>177,932,181</i>
<i>TOTAL O&amp;M</i>				<i>33,049,217</i>
<i>TOTAL RECCURRENT</i>				<i>210,981,398</i>
<i>TOTAL DEVELOPMENT</i>				<i>389,900,000</i>
<i>GRAND TOTAL</i>				<i>600,881,398</i>

## 5.6 MINISTRY OF HEALTH & SANITATION

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>MEDICAL SERVICES</b>				
Human Resources & Operations	Improve quality and continuity of healthcare services	<b>Personnel Emoluments (PE)</b>	Adequate staffing levels and improved service delivery	1,135,288,681
	Improve quality and continuity of healthcare services	Casual wages (County Health Management Teams – CHMT)	Strengthened health service coordination	1,800,000
	Improve quality and continuity of healthcare services	Locum services for nurses, laboratory technologists and RCOs (Level 3 facilities)	Reduced staffing gaps and improved service coverage	5,500,000

<b>Broad Priority</b>	<b>Strategic Objective</b>	<b>Project / Programme (FY 2026/2027)</b>	<b>Expected Outcome</b>	<b>Budget (KES)</b>
Health Facility Operations	Enhance operational efficiency of hospitals	Facility Improvement Fund (FIF) – Hospitals (AIA)	Improved hospital operations and responsiveness	342,489,657
Primary Healthcare Services	Strengthen frontline healthcare delivery	County Primary Health Care facilities funding (Health Centres)	Improved access to essential health services	5,638,750
Health Systems Strengthening	Improve sub-county health management	Sub-County Health Management Team (SCHMT) support programme	Enhanced service delivery at sub-county level	2,000,000
Institutional Operations	Ensure uninterrupted service delivery	Other Operations and Maintenance Budget (O&M)	Efficient day-to-day health facility operations	18,382,882
<b>Total Recurrent Expenditure</b>				<b>1,511,099,970</b>
<b>DEVELOPMENT EXPENDITURE</b>				
Donor Programme Support	Improve quality and continuity of healthcare services	Grants adjustments (HSSP/HSPS – DANIDA/IDA) and settlement of doctors’ salary arrears	Improved staff motivation and retention	44,384,444
Donor Programme Support	Sustain donor-supported health programmes	DANIDA counterpart county funding (100%)	Continued implementation of donor-funded programmes	25,110,000
Specialized Healthcare Services	Expand specialized maternal and child health services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Continuation of construction of Mother and Child Block at Mwingi Level IV Hospital	Improved access to specialized services	60,000,000
Maternal & Child Health	Reduce maternal and child morbidity and mortality	Facility Improvement Fund (FIF) – Hospitals (AIA)-Continuation of stalled construction of Maternity/Pediatric and Amenity/Surgical Wards at KCRH and	Reduced maternal and child mortality rates	100,000,000
<b>Total Development Expenditure</b>				<b>229,494,444</b>
<b>Total Medical services</b>				<b>1,740,594,414</b>
<b>PUBLIC HEALTH AND SANITATION</b>				
General Administration & Support Services	Enhance general administration, planning and support services	Personnel Emoluments (PE)	Adequate staffing and improved service delivery	1,046,544,163
Human Resource Support	Strengthen service delivery at primary health facilities	Locum services for nurses, laboratory technologists and RCOs (Level 2 facilities)	Reduced staffing gaps and improved service coverage	8,000,000
Primary Healthcare Financing	Support frontline health service delivery	County Primary Health Care facilities funding (Dispensaries)	Improved access to essential health services	16,916,251

<b>Broad Priority</b>	<b>Strategic Objective</b>	<b>Project / Programme (FY 2026/2027)</b>	<b>Expected Outcome</b>	<b>Budget (KES)</b>
Community Health Systems	Improve primary healthcare services	Stipend allowances for 2,470 Community Health Promoters (CHPs)	Increased access to preventive and promotive health services	88,920,000
Health Systems Strengthening	Improve sub-county coordination and oversight	Sub-County Health Management Team (SCHMT) support programme	Enhanced service delivery at sub-county level	2,000,000
Institutional Operations	Ensure uninterrupted service delivery	Other Operations and Maintenance Budget (O&M)	Efficient day-to-day public health operations	18,575,976
<b>Total Recurrent Expenditure (PE &amp; O&amp;M)</b>				<b>1,180,956,390</b>
<b>DEVELOPMENT EXPENDITURE</b>				
Public Health Infrastructure	Improve quality of healthcare services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Equipping, landscaping and installation of gates for newly constructed mortuaries at KCRH and Mwingi Level IV Hospital (including mortuary coolers)	Improved preservation of bodies and dignified public health services	15,000,000
Community Health Systems	Improve primary healthcare services	Community Health Promoters Grant (Other Current Transfers)	Strengthened community-based health interventions	74,100,000
Public Health Infrastructure	Improve quality of healthcare services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Repair and renovation of Kyuso, Mutomo and Nuu mortuaries	Improved functionality and preservation standards	4,000,000
<b>Sub-total Development Expenditure</b>				<b>93,100,000</b>
<b>Total Public Health</b>				<b>1,274,056,390</b>
<b>DRUGS AND MEDICAL SUPPLIES</b>				
General Administration & Support Services	Enhance administration, planning and support services	Personnel Emoluments (PE)	Adequate staffing and efficient service delivery	808,413,144
Human Resource Support	Support uninterrupted service delivery	Casual wages	Reduced staffing gaps and improved operational efficiency	1,200,000
Health Systems Strengthening	Improve quality of healthcare services	Sub-County Health Management Team (SCHMT) support programme	Enhanced coordination and service delivery at sub-county level	1,000,000
Essential Medicines & Supplies	Improve quality of healthcare services	Pharmaceuticals and non-pharmaceuticals	Continuous availability of essential medicines and medical supplies	193,660,092

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Essential Medicines & Supplies	Improve quality of healthcare services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Pharmaceuticals and Non-Pharmaceuticals	Continuous availability of essential medicines and medical supplies	100,000,000
Medical Equipment Maintenance	Improve quality and reliability of healthcare services	Maintenance of medical and dental equipment (including haematology and biochemistry analyzers, CT scan, ultrasound, mortuary coolers, generators, renal dialysis machines, anaesthesia equipment, oxygen analyzers, ECG machines, water purification systems, and X-ray machines)	Reduced equipment downtime and improved diagnostic and treatment capacity	4,000,000
Institutional Operations	Ensure smooth day-to-day operations	Other Operations and Maintenance Budget (O&M)	Improved efficiency and continuity of services	14,962,260
<b>Total Recurrent Expenditure (PE &amp; O&amp;M)</b>				<b>1,123,235,496</b>
<b>DEVELOPMENT EXPENDITURE</b>				
Health Infrastructure Support	Improve service delivery	Facility Improvement Fund (FIF) – Hospitals (AIA)-Upgrading of medical stores (shelving, ceiling, tiling, air conditioning) at Katulani, Kauwi and Tseikuru Sub-County Hospitals	Improved storage conditions and medicines management	2,520,097
Specialized Clinical Services	Improve specialized services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Equipping of Mutomo Sub-County Hospital Theatre	Enhanced surgical capacity	1,000,000
	Improve specialized services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Equipping of Kanziko Health Centre for newly constructed structures	Improved service readiness and utilization	1,000,000
	Improve specialized services	Facility Improvement Fund (FIF) – Hospitals (AIA)-Equipping of Mutitu Theatre	Improved surgical service delivery	1,000,000
Specialized Clinical Services	Improve specialized services	Equipping of Kyuso Sub-County Hospital for newly constructed structures	Enhanced specialized healthcare services	3,000,000
Rehabilitative Health Services	Improve rehabilitative care	Facility Improvement Fund (FIF) – Hospitals (AIA)-Purchase of medical equipment for rehabilitation departments in Ikutha and Nuu (occupational therapy and physiotherapy)	Improved rehabilitative services across the county	1,000,000
Primary Healthcare Strengthening	Improve early diagnosis and treatment	Equipping of 26 new dispensaries with basic medical equipment	Increased detection and management of non-	4,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
			communicable diseases at primary care level	
Health Facility Operationalization	Improve service delivery	Facility Improvement Fund (FIF) – Hospitals (AIA)-Equipping of Yatta Health Centre for newly constructed structures	Improved facility functionality and service delivery	1,000,000
Emergency & Diagnostic Services	Improve service delivery	Facility Improvement Fund (FIF) – Hospitals (AIA)- Equipping of Kanyangi Sub-County Hospital (Resuscitaires and Ultrasound Machine)	Enhanced emergency response and diagnostic capacity	4,600,000
Blood Transfusion Services	Improve service delivery	Facility Improvement Fund (FIF) – Hospitals (AIA)- Equipping and furnishing of the new KCRH Blood Satellite	Improved blood storage and transfusion services	6,000,000
Financial Obligations	Settle outstanding liabilities	Pending Bills – Development	Improved contractor confidence and project completion	-
<b>Total Development Expenditure</b>				<b>25,120,097</b>
<b>Total Public Health</b>				<b>1,148,355,593</b>
<b>Personnel Emoluments (PE)</b>				<b>2,990,245,988</b>
<b>O&amp;M</b>				<b>825,045,868</b>
<b>TOTAL RECURRENT</b>				<b>3,815,291,856</b>
<b>TOTAL DEVELOPMENT</b>				<b>347,714,541</b>
<b>TOTAL VOTE</b>				<b>4,163,006,397</b>

## 5.7 MINISTRY OF TRADE, INDUSTRY, MSMEs, INNOVATION & COOPERATIVES

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>ADMINISTRATION SERVICES (RECURRENT)</b>				
Institutional Governance & Administration	Enhance general administration, planning and support services	Personnel Emoluments (Staff Salaries & Allowances)	Motivated workforce and continuity in service delivery across the Ministry	86,850,458
Institutional Governance & Administration	Enhance general administration, planning and support services	Operations & Maintenance (utilities, travel, office operations, supplies and services)	Effective coordination and operational efficiency in Ministry programmes	37,849,825

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>Sub-Total (Recurrent)</b>				<b>124,700,283</b>
<b>PROGRAMME: TRADE &amp; MSMEs DEVELOPMENT (DEVELOPMENT)</b>				
Development of market support infrastructure	Improve business environment and promote an active investment climate	Fencing of Mutha Livestock Yard	Secured and organized livestock trading environment leading to increased market efficiency	2,000,000
Development of market support infrastructure	Improve business environment and promote an active investment climate	Fencing of Ngomeni Livestock Yard	Improved safety, orderliness and revenue collection in livestock markets	2,000,000
Market infrastructure expansion	Improve access to organized livestock markets	Purchase and establishment of livestock yard at Kamuwongo Market (ESP-supported site)	Increased access to formal livestock trading facilities	2,000,000
Market infrastructure expansion	Improve access to organized livestock markets	Purchase and establishment of livestock yard at Kakongo Market (ESP-supported site)	Enhanced livestock commercialization and rural market development	2,000,000
Market security and night economy	Facilitate 24-hour economic activities in markets	Installation of solar security lights in trade centres/ markets	Improved security and extended economic activity hours in trade centres/markets	20,000,000
Market security and night economy	Facilitate 24-hour economic activities in markets	Maintenance of solar security lights in trade centres/ markets	Sustained security and functionality of installations	22,000,000
Market infrastructure improvement	Enhance functionality, hygiene and attractiveness of markets	Repair of 10 markets, construction of 15 market toilets and upgrading of market facilities	Improved sanitation, compliance and trader satisfaction	43,000,000
Ease of doing business	Strengthen trade governance and regulatory environment	Development and improvement of Trade and Markets Policy	Predictable, transparent and investor-friendly market operations	3,000,000
Market sanitation	Improve traders' working environment	Establishment of dumping sites and provision of waste bins in markets	Clean, healthy and environmentally compliant market spaces	-
MSME capacity building (Jua Kali)	Boost MSME productivity and entrepreneurial skills	Acquisition of modern tools and capacity building on bookkeeping, customer care and business norms- (shavers, carpentry and Masonry tools, hair dressing machines, etc.) and capacity Building of MSMEs (bookkeeping and customers handling skills and norms)	Skilled, productive and competitive MSMEs with improved incomes	30,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<i>Sub-Development</i>				<i>126,000,000</i>
<b>Sub-Total (Trade &amp; MSMEs)</b>				<b>126,000,000</b>
<b>COOPERATIVES DEVELOPMENT</b>				
Cooperative development and strengthening	Promote cooperative development, market linkages and value addition	Cooperative education and promotion of new cooperative societies	Increased formation, registration and formalization of cooperative societies	4,000,000
Cooperative capacity building	Build cooperatives to support industrial aggregation	Training cooperatives on value addition and processing	Enhanced aggregation, improved processing capacity and cooperative-led industrial growth	5,000,000
Cooperative governance and accountability	Strengthen governance, compliance and financial integrity of cooperatives	Cooperative governance audit programme (training, governance reviews and audits)	Improved governance, accountability and compliance within cooperative societies	6,500,000
Democratic governance of cooperatives	Ensure transparent and credible leadership in cooperative societies	Supervision of cooperative society elections	Democratically elected leadership and strengthened institutional legitimacy	3,000,000
Cooperative management support	Strengthen management oversight and decision-making	Attendance and facilitation of Cooperative Societies' General Meetings and Management Committee meetings	Improved management practices and timely decision-making	3,500,000
Leadership and governance capacity	Improve leadership competencies within cooperatives	Conduct cooperative societies governance training workshops	Strengthened leadership skills and ethical governance	3,000,000
Compliance and revival of cooperatives	Enhance transparency, accountability and revival of dormant cooperatives	Inspection of cooperative societies for compliance and revival	Reduced non-compliance and reactivation of dormant cooperatives	3,500,000
Financial accountability	Strengthen financial discipline in cooperative societies	Conduct cooperative audits	Transparent financial reporting and improved member confidence	4,500,000
<i>Sub-Recurrent</i>				<i>33,000,000</i>
<i>Sub-Development</i>				<i>-</i>
<b>Sub-Total (Cooperatives)</b>				<b>33,000,000</b>
<b>COUNTY BRANDING &amp; MARKETING (DEVELOPMENT)</b>				

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
County branding and image enhancement	Create a strong, recognizable and consistent Kitui County brand identity	Branding of Kitui County Headquarters entry areas (Roundabout – Entering Kitui from Nairobi)	Enhanced county identity, improved first impressions and strengthened investor and visitor perception	6,200,000
County visibility and positioning	Harmonize county image across strategic access points	Re-branding of county entry and exit points	Unified and consistent county identity across major access corridors	1,500,000
Promotion of flagship investments	Strengthen visibility of county priority investments	Branding of flagship county projects	Improved visibility of county development priorities and enhanced public confidence	5,250,000
Conference and events marketing	Position Kitui County as a competitive conferencing destination	Branding and marketing of county conferences	Increased conference visibility, attendance, and economic spillovers to local businesses	4,200,000
Evidence-based branding strategy	Identify branding gaps and inform strategic branding decisions	Conduct county branding and marketing surveys	Data-driven branding interventions and improved effectiveness of county marketing efforts	3,496,714
<i>Sub-Recurrent</i>				<b>20,646,714</b>
<i>Sub-Development</i>				-
<b>SUB-TOTAL – BRANDING &amp; MARKETING</b>				<b>20,646,714</b>
<b>INDUSTRY &amp; INVESTMENT DEVELOPMENT</b>				
Operationalization of Economic & Investment Zones (EIZs)	Ensure land readiness and legal compliance for industrial investment	Land banking, titling, and zoning in all designated EIZs	Investor-ready and legally compliant EIZs ready for immediate development	12,000,000
Legal and regulatory framework for EIZs	Provide a predictable policy environment for investors	Development of legal and regulatory framework to support EIZs	Transparent and enforceable rules for industrial investments	3,900,000
Investor awareness and engagement	Promote investor knowledge and awareness about EIZs	EIZ-centric awareness and investor sensitization across all wards	Balanced spatial industrial development and informed investors	6,000,000
Investment data management	Enable evidence-based industrial planning	GIS mapping, monitoring and evaluation systems and EIZ investment database	Real-time investment planning and decision-making	2,000,000
Investment promotion	Increase domestic and foreign investments	Participate in investment conferences, investor forums, and engagement meetings	Increased domestic and foreign direct investment inflows	6,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Investor confidence building	Position Kitui County as an attractive investment destination	Support county, national, and international marketing campaigns	Improved investor confidence and county visibility	2,700,000
Local investor mobilization	Encourage local private sector investment	Attract and mobilize local investors	Increased local private investment	3,500,000
Local investor capacity building	Improve participation and investment by local entrepreneurs	Attract, mobilize, and capacity build local (Kitui) investors	Enhanced participation and increased investments in Kitui County	4,700,000
Institutional investment support	Establish sustainable investment promotion structures	Establishment and operationalization of a Special Purpose Vehicle (SPV)	Institutionalized investment promotion for long-term sustainability	3,000,000
One-Stop Investor Support	Reduce procedural delays for investors	Set up of a One-Stop Investor Facilitation Centre	Reduced investment approval timelines and improved ease of doing business	2,300,000
Industrial infrastructure development	Ensure investor-ready industrial park facilities	Construction of internal roads in Kitui County Industrial Park	Fully serviced and investor-ready industrial park	5,000,000
Industrial utilities provision	Provide reliable utilities for industrial operations	Drilling of boreholes and extension of Masinga piped water	Continuous water supply for industrial activities	9,254,210
Power integration	Reduce operational costs and ensure energy efficiency	Electricity connection and integration of power solutions	Reduced cost of doing business	8,000,000
Industrial sustainability	Promote climate-smart industrial operations	Solid and liquid waste management systems	Climate-smart and sustainable industrial infrastructure	3,500,000
Industrial planning support	Enable informed decision making	Feasibility studies	Evidence-based planning and risk mitigation	3,000,000
Industrial connectivity	Improve digital integration in industrial operations	ICT backbone infrastructure	Improved connectivity and efficiency	2,500,000
Industrial security	Enhance investor confidence and safety	Installation of security lights within CAIP	Secure investment environment	3,900,000
Agro-processing industrial hub	Promote value addition in agro-products	Establishment of a Functional agro-industrial hub	Operational agro-processing hub	5,700,000
Aggregation centre development	Reduce post-harvest losses and improve market access	Construction and equipping of aggregation centres	Reduced post-harvest losses	1,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Industrial processing capacity	Increase value addition in local products	Equipping of CAIPs with processing equipment, cold storage, and warehousing facilities	Increased value addition	5,000,000
Industrial governance	Ensure efficient industrial park management	Establishment of CAIP governance and management framework	Efficient industrial park management	9,500,000
Industrial branding and promotion	Attract investors to CAIP	Support branding, marketing, and promotion of CAIP as an anchor industrial hub	Increased investor attraction	3,500,000
MSME capacity building	Strengthen small-scale manufacturing	Support training and capacity building of MSMEs and cooperatives (processing, packaging, marketing, financial management)	Improved MSME competitiveness	3,000,000
Startup support	Improve survival rate of small enterprises	Business incubation and mentorship programmes	Increased survival rate of industries	3,000,000
Product standards	Ensure quality compliance of local products	Standards and certification support programmes for startup local manufacturers (KEBS, KIRDI)	Improved product quality and market competitiveness	2,300,000
<i>Sub-Recurrent</i>				<i>42,000,000</i>
<i>Sub-Development</i>				<i>72,254,210</i>
<b>Sub-Total (Industry &amp; Investment)</b>				<b>114,254,210</b>
<i>Personnel Emoluments (PE)</i>				<i>86,850,458</i>
<i>O&amp;M</i>				<i>133,496,539</i>
<b>TOTAL RECURRENT</b>				<b>220,346,997</b>
<b>TOTAL DEVELOPMENT</b>				<b>198,254,210</b>
<b>TOTAL VOTE</b>				<b>418,601,207</b>

## 5.8 MINISTRY OF ENERGY, ENVIRONMENT, CLIMATE CHANGE, NATURAL & MINERAL RESOURCES

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
General Administration & Support Services	Enhance administration, planning and support services	Personnel Emoluments (PE)	Adequate staffing and efficient service delivery	54,797,555
General Administration & Support Services	Enhance administration, planning and support services	Operations & Maintenance – General Administration	Improved coordination, supervision and service delivery	12,696,405
Environmental Governance	Strengthen departmental administration and oversight	Operations & Maintenance – Environment, Climate Change & Forestry Department	Improved implementation of environmental and climate programmes	11,382,103
Energy & Natural Resources Governance	Strengthen departmental administration and oversight	Operations & Maintenance – Energy, Natural & Mineral Resources Department	Improved delivery of energy and natural resource services	31,397,462
Natural Resource Governance	Operationalize Kitui County Utilization and Conservation Act, 2024	Operationalization of County River Basins Sand Utilization and Conservation Act structures	Improved regulation, compliance and sustainable utilization of natural resources	12,000,000
<b>Sub- Total Recurrent</b>				<b>122,273,525</b>
<b>ENVIRONMENT, CLIMATE CHANGE &amp; FORESTRY DEPARTMENT</b>				
Climate Change Adaptation & Mitigation	Strengthen climate resilience and adaptive capacity	Operationalization of Kitui County Climate Change Fund (KCCCF) through allocation of 3% of County Development Budget	Access to climate finance and strengthened climate-resilient livelihoods	75,570,509
Climate Resilience Financing	Support locally-led climate action	World Bank Credit – Financing Locally Led Climate Action Programme (FLLoCA), County Climate Resilience Investment Grant (CCRIG III)	Improved community livelihoods and climate resilience	201,873,256
Forest Conservation & Restoration	Increase forest cover across the county	Purchase of tree seedlings	Increased forest cover and ecosystem restoration	8,500,000
Forest & Woodland Management	Promote sustainable forest-based livelihoods	Forest and woodland conservation, agro-forestry promotion, rehabilitation of hilltops and riverine ecosystems, and domestication of high-value	Rehabilitated ecosystems and enhanced community livelihoods	-

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
		multipurpose tree species, Create awareness to farmers and community on harvesting of non-wood forest products e.g. gums, resins, honey etc, Sensitize farmers to adopt forest farming for wealth creation		
Climate Governance	Strengthen climate planning frameworks	Operationalization of Transition Implementation Plans (TIPs)	Improved climate action coordination and implementation	-
<b>Sub-total Development</b>				<b>285,943,765</b>
<b>ENERGY, NATURAL &amp; MINERAL RESOURCES DEPARTMENT</b>				
Rural Electrification	Promote access to electricity and clean energy	Rural electrification of institutions and households in partnership with REREC	Enhanced access to electricity and rural connectivity	50,000,000
Renewable Energy & Security	Promote utilization of alternative and renewable energy	Installation of solar security lights in emerging markets	Improved security and extended economic activity hours in emerging markets	20,000,000
Renewable Energy Maintenance	Sustain renewable energy investments	Maintenance of solar security lights in emerging markets	Sustained security and functionality of installations	5,000,000
Water & Energy Efficiency	Reduce energy costs and improve water access	Installation of solar-powered water pumping systems	Reduced energy costs and improved water supply	7,000,000
Clean Energy Adoption	Promote energy-efficient and sustainable technologies	Training communities on installation and use of clean cook stoves	Reduced indoor air pollution and improved public health	3,000,000
Artisanal & Small-Scale Mining (ASM)	Enhance skills and value addition in mining	Training and capacity building of artisanal miners on gemstone and mineral value addition	Improved skills, incomes and responsible mining practices	3,134,411
Community Engagement in Mining	Strengthen community participation and oversight	Establishment of community liaison committees	Improved coordination and conflict reduction in mining areas	3,690,000
Mineral Resource Development	Promote mineral investment and revenue generation	Establishment of mineral testing and gemology laboratory- Purchase of mineral testing equipment	Enhanced mineral investment, valuation and county revenue	5,500,000
Mineral Revenue Sharing	Comply with statutory mineral revenue obligations	Allocation for 20% share of mineral royalties	Improved community benefit-sharing	336,118

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<i>Sub-total</i>				<b>97,660,529</b>
<i>Personnel Emoluments (PE)</i>				<b>54,797,555</b>
<i>O&amp;M</i>				<b>77,300,381</b>
<b>TOTAL RECURRENT</b>				<b>132,097,936</b>
<b>TOTAL DEVELOPMENT</b>				<b>373,779,883</b>
<b>TOTAL VOTE</b>				<b>505,877,819</b>

## 5.9 MINISTRY OF CULTURE, GENDER, YOUTH, ICT, SPORTS AND SOCIAL SERVICES

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>GENERAL ADMINISTRATION, PLANNING AND SUPPORT</b>				
General Administration & Support Services	Strengthen planning, coordination and administrative support	Personnel Emoluments (PE)	Adequate staffing and improved service delivery	90,018,005
General Administration & Support Services	Strengthen planning, coordination and administrative support	Operations & Maintenance (O&M)	Improved operational efficiency and service delivery	7,424,817
<b>Sub Total Recurrent</b>				<b>97,442,822</b>
<b>CULTURE, HERITAGE AND CREATIVE INDUSTRIES</b>				
Cultural Heritage Conservation	Promote and preserve Kamba culture and heritage	Cultural festivals, exhibitions and performances; participation in KICOSCA and KMCF	Kamba culture promoted and preserved	1,697,450
Cultural Heritage Conservation	Strengthen stakeholder collaboration	Partnerships with MDAs and cultural stakeholders	Enhanced institutional synergies	588,625
Creative Arts Development	Promote talent development and creative industries	Support for Kamba dress, visual and audio talent showcases	Talents nurtured and cultural products developed	1,877,600
Cultural Promotion	Preserve and showcase culture	Participation in trade fairs, workshops and national festivals	Cultural heritage preserved and showcased	965,360
Cultural Infrastructure	Enhance functionality of cultural facilities	Refurbishment of Resource Centres, Social Halls, Public Parks and Community Libraries	Improved conferencing facilities and revenue generation	2,197,238
Cultural Infrastructure	Improve utility services at heritage sites	Construction of sump well and solarisation at SEHC	Improved facility sustainability	3,200,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Cultural Infrastructure	Improve community facilities	Furnishing of Mutonguni Social Hall	Enhanced conferencing capacity	2,580,962
Cultural Infrastructure	Improve security and access	Chain-link fencing and refurbishment of Mwingi Community Library gate	Improved facility security	2,329,684
<i>Sub-Recurrent</i>				<i>5,129,035</i>
<i>Sub-Development</i>				<i>10,307,884</i>
<b>Total Programme 2</b>				<b>15,436,919</b>
<b>GENDER, SOCIAL INCLUSION AND EMPOWERMENT</b>				
Gender-Based Violence Prevention & Response	Strengthen survivor support systems	Construction of GBV Rescue Centre and Skills Development Hall (including furnishing)	Reduced GBV prevalence and improved survivor support	5,112,016
Women Economic Empowerment	Strengthen women-owned enterprises	Identification, training and grants for women groups	Increased women income and enterprise sustainability	830,841
Gender & Social Inclusion	Promote equality and protection of rights	Commemoration of international gender and social inclusion days	Increased awareness and inclusivity	1,471,420
GBV Response Systems	Improve access to justice for GBV survivors	Training of paralegals and community justice champions	Improved GBV case handling and survivor protection	800,110
Gender Mainstreaming	Institutionalize gender governance	Establishment of Gender Mainstreaming Committees	Improved coordination and compliance	706,200
SGBV Policy Development	Strengthen policy framework	Development, validation and adoption of SGBV Policy	Reduced GBV prevalence	1,580,200
Gender Stakeholder Coordination	Enhance multi-sectoral collaboration	Multi-stakeholder gender coordination workshops	Improved synergy and collective action	754,900
GBV Survivor Support	Improve survivor welfare	Transport and basic support for GBV survivors	Enhanced access to justice and social protection	562,420
<i>Sub-Recurrent</i>				<i>6,706,091</i>
<i>Sub-Development</i>				<i>5,112,016</i>
<b>Total Programme 3</b>				<b>11,818,107</b>
<b>YOUTH EMPOWERMENT AND DEVELOPMENT</b>				
Youth Governance	Strengthen youth administration	Operations & Maintenance	Improved youth programme coordination	2,214,830
Youth Empowerment	Promote youth engagement and leadership	County Youth Engagement Forums and publicity campaigns	Increased youth participation and leadership	18,702,408

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Youth Health & Social Awareness	Promote responsible behaviour	Youth sensitization on SRHR, mental health, HIV/AIDS and legal awareness	Informed and responsible youth	1,313,600
Youth Skills & Innovation	Promote entrepreneurship and innovation	Youth entrepreneurship challenge and expos	Increased youth self-reliance	1,074,223
Youth Employment	Improve employability	Youth Employment Placement and Training Programme (NEA partnership)	Increased youth employment	2,301,808
Youth Civic Engagement	Promote youth rights	International Youth Day celebrations	Increased youth awareness	1,525,000
Institutional Capacity Building	Improve staff competencies	Kenya School of Government trainings	Improved service delivery	127,244
Youth Planning	Strengthen data-driven planning	Youth Skills Mapping and Baseline Survey	Youth database established	486,800
<i>Sub-Recurrent</i>				<i>27,745,913</i>
<i>Sub-Development</i>				<i>-</i>
<b>Total Programme 4</b>				<b>27,745,913</b>
<b>ICT DEVELOPMENT AND DIGITAL INNOVATION</b>				
ICT Infrastructure	Improve system reliability and security	Maintenance of ICT Data Centre	Reliable and secure ICT services	6,500,000
Digital Innovation	Promote ICT skills and entrepreneurship	Establishment and operationalization of Kitui County ICT Innovation Hub	Increased digital skills, innovation and job creation	6,900,384
Digital Service Delivery	Enhance access to e-services	Hosting, maintenance and cybersecurity of county digital platforms	Improved access to government services	2,216,000
<i>Sub-Recurrent</i>				<i>2,216,000</i>
<i>Sub-Development</i>				<i>13,400,384</i>
<b>Total Programme 5</b>				<b>15,616,384</b>
<b>SPORTS DEVELOPMENT AND TALENT MANAGEMENT</b>				
Sports Talent Development	Identify and nurture talent	County football tournaments culminating in Governor's Cup	Talent identification and exposure	36,814,737
Sports Infrastructure	Improve grassroots facilities	Development of ward playgrounds	Increased participation and talent development	27,770,782

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Sports Infrastructure	Enhance facility management	Development of Kivou and Kyoani Stadiums	Improved revenue, security and talent growth	11,605,298
Competitive Sports	Promote competitive exposure	Participation in KYISA, KICOSCA and county tournaments	Raw talent exposed	4,440,000
Sports Equipment Support	Strengthen clubs and teams	Procurement of sports equipment	Improved sports performance	3,729,000
Sports Partnerships	Support federated competitions	Support to athletics camps and federation events	Sustained talent development	3,461,506
<i>Sub-Recurrent</i>				<b>48,445,243</b>
<i>Sub-Development</i>				<b>39,376,080</b>
<b>Total Programme 6</b>				<b>87,821,323</b>
<b>SOCIAL SERVICES AND COMMUNITY DEVELOPMENT</b>				
Social Protection	Support vulnerable children	Support to Community Children Charitable Institutions	Improved child welfare	1,521,331
Social Inclusion	Promote national and international observances	Commemoration of international social days	Increased social awareness	2,618,562
Disability Support	Improve mobility and independence	Provision of assistive devices to PWDs	Enhanced mobility and inclusion	8,212,600
Economic Inclusion	Promote access to government opportunities	AGPO sensitization and training	Increased access to public procurement	2,211,030
<i>Sub-Recurrent</i>				<b>14,563,523</b>
<i>Sub-Development</i>				-
<b>Total Programme 7</b>				<b>14,563,523</b>
<i>Personnel Emoluments (PE)</i>				<b>90,018,005</b>
<i>O&amp;M</i>				<b>112,230,622</b>
<b>TOTAL RECURRENT</b>				<b>202,248,627</b>
<b>TOTAL DEVELOPMENT</b>				<b>68,196,364</b>
<b>TOTAL VOTE</b>				<b>270,444,991</b>

## 5.10 MINISTRY OF FINANCE, ECONOMIC PLANNING & REVENUE MANAGEMENT

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>FINANCE &amp; REVENUE MANAGEMENT</b>				
<b>Recurren Expenditure</b>				
Human Resource Management & Compensation	Ensure timely and adequate remuneration for county staff	Personnel Emoluments (P.E)	Motivated workforce, improved service delivery and productivity	246,115,956
Institutional Efficiency & Service Delivery	Sustain operations through proper maintenance and asset management	Operations & Maintenance (O&M)	Improved efficiency, reduced downtime and cost-effective operations	29,669,352
Financial Sustainability & Resource Mobilization	Enhance county own-source revenue performance	Revenue Mobilization Strategies	Increased local revenue and reduced reliance on transfers	59,204,134
Digital Infrastructure & ICT Management	Ensure secure and reliable ICT systems	Maintenance of Computers, Software and Networks	Enhanced digital efficiency and secure information management	15,000,000
Staff Welfare & Retention	Improve working conditions for senior management	Car Loan Facility for County Executive Staff	Improved staff retention, mobility and performance	5,000,000
Sub-Total Recurrent				354,989,442
<b>Development Expenditure</b>				
Emergency Response & Risk Management	Ensure financial preparedness for disasters and emergencies	County Emergency Fund	Timely response to emergencies and minimized disaster impact	25,000,000
<b>Sub-Total Development</b>				<b>25,000,000</b>
<b>TOTAL – FINANCE &amp; REVENUE MANAGEMENT</b>				<b>379,989,442</b>
<b>ECONOMIC PLANNING &amp; BUDGETING</b>				
<b>Recurren Expenditure</b>				
Institutional Efficiency & Service Delivery	Strengthen budget coordination and execution	Budget Formulation, Coordination and Management (O&M)	Improved budget credibility and execution	18,628,721
Data Management & Evidence-Based Planning	Improve access to reliable county data	Preparation of County Statistical Abstract	Enhanced planning and policy formulation	2,670,568
Civic Engagement & Governance	Enhance transparency and accountability	Public Participation (CFSP, Budget Estimates, Annual Budget)	Increased citizen participation and trust	10,460,000
Economic Policy & Stakeholder Engagement	Strengthen consultative budgeting processes	County Budget and Economic Forum (CBEF) Facilitation	Informed and inclusive budget decisions	4,500,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Project Management & Oversight	Improve accountability in project implementation	County Projects Monitoring and Evaluation	Improved project outcomes and resource utilization	4,473,424
<i>Sub-Total Recurrent</i>				40,732,713
Development Expenditure				
Devolution & Public Financial Management	Strengthen county systems and service delivery	Kenya Devolution Support Programme (KDSP) – Level 1 Grant	Improved service delivery systems	37,500,000
Devolution & Public Financial Management	Scale up county institutional capacity	KDSP – Level 2 Grant	Enhanced institutional performance	352,500,000
Devolution & Public Financial Management	Support development project implementation	KDSP – Level 2 Grant Matching Fund	Improved project implementation and absorption	36,000,000
<i>Sub-Total Development</i>				<b>426,000,000</b>
<b>TOTAL – ECONOMIC PLANNING &amp; BUDGETING</b>				<b>466,732,713</b>
<i>Personnel Emoluments (PE)</i>				<i>246,115,956</i>
<i>O&amp;M</i>				<i>149,606,199</i>
<b>TOTAL RECURRENT</b>				<b>395,722,155</b>
<b>TOTAL DEVELOPMENT</b>				<b>451,000,000</b>
<b>TOTAL VOTE</b>				<b>846,722,155</b>

## 5.11 MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT (MAL)

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>Department of Agriculture &amp; Fisheries – Recurrent Expenditure (PE &amp; O&amp;M)</b>				
Institutional Capacity & Service Delivery	Ensure timely and adequate remuneration for staff	Personnel Emoluments – Agriculture & Fisheries	Motivated workforce, sustained service delivery, improved productivity	273,475,469
Institutional Capacity & Service Delivery	Strengthen administrative and operational efficiency	General Administration & Operational Expenses (O&M)	Improved coordination, efficient service delivery	70,425,258
<b>Total Recurrent (PE &amp; O&amp;M)</b>				<b>343,900,727</b>
<b>Department of Agriculture &amp; Fisheries – Development Expenditure</b>				
Agricultural Productivity & Food Security	Increase agricultural output and productivity	Horticulture Production Promotion (Watermelon, Spinach, Coriander Seeds & Pesticides)	Increased crop yields and farmer incomes	2,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Crop Protection & Post-Harvest Management	Reduce crop losses and improve quality	Mango Pests and Diseases Management Programme- Procure Pest side	Reduced losses, improved marketable yield	1,000,000
Nutrition & Household Food Security	Improve household nutrition and incomes	Agri-Nutrition Support (Cone Kitchen Garden Kits)	Improved dietary diversity and nutrition uptake	1,002,186
Market Access & Value Addition	Increase farmer participation in value chains	National Agricultural Value Chain Development Programme (NAVCDP)	Enhanced productivity, competitiveness and profitability	231,250,000
Agri-Entrepreneurship & Market Linkages	Promote agribusiness development	Farmer Linkages to Financial, Business & Insurance Services	Improved agribusiness skills and market access	500,000
Agri-Entrepreneurship & Innovation	Strengthen entrepreneurial capacity	Agri-preneurial Skills Promotion Programme	Increased adoption of agribusiness practices	1,000,000
Agricultural Mechanization	Enhance mechanization adoption	Tractor Ploughing / Ripping Subsidy Programme	Improved land preparation and productivity	5,000,000
Climate-Smart Agriculture	Improve soil and water conservation	Farm Ponds Development Programme	Enhanced water availability and sustainable land use	2,000,000
Conservation Agriculture	Promote sustainable farming practices	Procurement of Rippers for AMS	Improved conservation agriculture adoption	3,000,000
Extension Services & Knowledge Transfer	Strengthen extension service delivery	Agricultural Extension & Advisory Services	Increased technology uptake by farmers	20,000,000
Extension Infrastructure	Improve access to agricultural information	Establishment of Agricultural Information Desks	Improved farmer access to advisory services	2,000,000
Human Capital Development	Enhance staff technical capacity	Capacity Building for Extension Staff	Improved quality of extension services	2,000,000
Institutional Infrastructure	Improve working environment	Construction of Sub-County Agriculture Office – Kitui South	Improved service coordination and efficiency	3,000,000
Technology Dissemination & Innovation	Promote agricultural technologies	Kitui Agricultural Show & Trade Fair	Increased technology adoption and market exposure	25,000,000
Agricultural Training & Research	Strengthen ATC service delivery	Solar-Powered Borehole at Kitui ATC	Reliable water supply for training activities	3,000,000
Agricultural Training & Research	Improve practical training capacity	Pasture/Fodder Establishment, Barn Construction & Chaff Cutter	Enhanced hands-on training and productivity	1,143,000
Agricultural Training & Research	Improve dairy productivity	Acquisition of High-Yielding Dairy Animals	Improved dairy training and production outcomes	1,300,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Agricultural Training & Research	Support nursery development	Procurement of Fruit Tree & Vegetable Seeds Poly Tubes	Increased seedling production	1,000,000
Fisheries Development	Enhance aquaculture skills	Aquaculture Development Programme	Increased fish production and incomes	3,000,000
Fisheries Development	Expand fish stock	Dam Stocking Programme	Improved fish availability	2,000,000
Fisheries Development	Promote cage farming	Installation of Fish Cages	Increased fish productivity	3,000,000
<i>Sub-Recurrent</i>				<i>5,500,000</i>
<i>Sub-Development</i>				<i>307,695,186</i>
<b>Sub- Total Agriculture &amp; Fisheries</b>				<b>313,195,186</b>
<b>Grand Total – Agriculture &amp; Fisheries</b>				<b>657,095,913</b>
Livestock Development & Apiculture Department – Recurrent Expenditure				
Institutional Capacity & Service Delivery	Ensure staff remuneration	Personnel Emoluments – Livestock & Apiculture	Sustained veterinary and extension services	55,151,787
Institutional Capacity & Service Delivery	Strengthen administration and operations	General Administration & O&M	Efficient service delivery	17,235,790
<b>Total Recurrent (PE &amp; O&amp;M)</b>				<b>72,387,577</b>
Livestock Development & Apiculture – Development Expenditure				
Livestock Extension Services	Enhance farmer knowledge and skills	Livestock Extension & Advisory Services Programme	Increased livestock productivity	7,000,000
Livestock Productivity Improvement	Improve livestock breeds	Poultry Breed Improvement Programme	Higher productivity and profitability	2,000,000
Livestock Productivity Improvement	Improve livestock breeds	Goat Breed Improvement Programme	Improved resilience and incomes	3,000,000
Livestock Productivity Improvement	Improve livestock breeds	Dairy Cattle Breed Improvement Programme	Increased milk production	2,000,000
Pasture Development	Improve feed availability	Establishment of 3,000 Acres of Pasture	Increased fodder availability	4,000,000
Apiculture Development	Promote beekeeping	Distribution of 400 Box Hives & Accessories	Increased honey and hive products	3,000,000
Emerging Livestock Enterprises	Promote rabbit production	Procurement of 2,000 Rabbits	Diversified income sources	1,000,000
Animal Health	Control livestock diseases	County-wide Livestock Vaccination Programme	Reduced disease prevalence	5,000,000
Animal Health Infrastructure	Strengthen diagnostics	Equipping of Diagnostic Laboratory	Improved disease detection and response	2,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<i>Sub-Recurrent</i>				7,000,000
<i>Sub-Development</i>				22,000,000
<b>Sub-Total Livestock &amp; Apiculture</b>				<b>58,000,000</b>
<b>Grand Total – Livestock &amp; Apiculture</b>				<b>130,387,577</b>
<i>Personnel Emoluments (PE)</i>				328,627,256
<i>O&amp;M</i>				100,161,048
<b>TOTAL RECURRENT</b>				<b>428,788,304</b>
<b>TOTAL DEVELOPMENT</b>				<b>329,695,186</b>
<b>TOTAL VOTE</b>				<b>758,483,490</b>

## 5.12 MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>General Administration – Recurrent Expenditure (PE &amp; O&amp;M)</b>				
Institutional Capacity & Governance	Strengthen general administration, planning and support services	Personnel Emoluments (PE)	Motivated workforce, efficient coordination, improved service delivery	66,945,284
Institutional Capacity & Governance	Ensure smooth operations and service continuity	Operations & Maintenance (O&M)	Improved operational efficiency and responsiveness	50,592,194
<b>Total Recurrent (PE &amp; O&amp;M)</b>				<b>117,537,478</b>
<b>Urban Development</b>				
Urban Planning & Accessibility	Improve street identification and navigation	Street Addressing System & Installation of Road Signages	Clearly identified streets, improved accessibility and emergency response	1,000,000
Urban Infrastructure & Mobility	Enhance urban mobility and environmental quality	Dustless Urban Programme (Tarmacking, Cabro Paving & Grading)	Improved mobility, reduced dust pollution, enhanced walkability	20,000,000
Environmental Management & Public Health	Improve solid waste management	Construction of Solid Waste Disposal Sites	Improved waste disposal and urban sanitation	3,000,000
Urban Safety & Economic Activity	Enhance urban security and support a 24-hour economy	Installation & Repair of Street and Security Lighting in urban centres	Improved public safety, increased night-time economic activity in urban centres	40,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Urban Infrastructure Development	Improve drainage and accessibility in emerging urban areas	Construction of Storm Water Drainage Channels	Reduced flooding, improved road access	6,000,000
Urban Institutional Support	Strengthen urban governance and infrastructure	Kenya Urban Support Programme (UIG)	Improved urban service delivery and infrastructure financing	14,200,000
Urban Environmental Health	Improve waste collection capacity	Acquisition of Solid Waste Disposal Vehicles	Efficient waste collection and cleaner towns	6,426,532
Urban Greening & Aesthetics	Enhance urban aesthetics and environmental sustainability	Town Greening and Beautification Programme	Improved vegetation cover and urban livability	1,500,000
Urban Revenue Enhancement	Update property records for improved revenue	Preparation of Supplementary Valuation Roll (FY 2026/2027)	Increased property rates revenue	5,000,000
Affordable Housing & Urban Development	Support affordable housing initiatives	0.5% Housing Levy Contribution to County Housing Committees	Strengthened affordable housing governance and implementation	1,987,622
<i>Sub-Recurrent</i>				-
<i>Sub-Development</i>				<b>99,114,154</b>
<b>Sub-Total – Urban Development</b>				<b>99,114,154</b>
<b>Lands and Housing</b>				
Land Asset Management	Secure public land ownership	Land Banking (Acquisition of Registration Documents for Public Land)	Secured land tenure and documented public assets	2,000,000
Spatial Planning & Resource Allocation	Improve land use planning and coordination	Preparation of County Spatial Plan (CSP)	Approved spatial plan guiding sustainable development	25,000,000
Physical Planning & GIS	Strengthen local land use planning	Preparation of Local Physical and Land Use Development Plans (LPLUDPs)	Approved LPLUDPs supporting orderly development	8,000,000
Land Adjudication & Tenure Security	Increase issuance of land titles	Support to Land Adjudication and Title Deed Issuance	Increased number of registered land titles	4,247,933
Land Policy & Governance	Strengthen land policy framework	Formulation and Implementation of Land Policies	Approved and operational land policy documents	1,000,000
Market Infrastructure Planning	Improve market layout planning	Preparation and Geo-referencing of Market Layouts	Approved and mapped market layouts	4,500,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Public Awareness & Engagement	Improve public understanding of land matters	Land Clinics and Public Barazas	Informed citizens and reduced land disputes	2,500,000
Land Dispute Resolution	Strengthen land dispute management	Land Dispute Resolution Mechanisms & Tribunal Support	Improved dispute resolution and reduced court cases	912,127
<i>Sub-Recurrent</i>				<i>912,127</i>
<i>Sub-Development</i>				<i>47,247,933</i>
<b>Sub-Total – Lands &amp; Housing</b>				<b>48,160,060</b>
<i>Personnel Emoluments (PE)</i>				<i>66,945,284</i>
<i>O&amp;M</i>				<i>51,504,321</i>
<b>TOTAL RECURRENT</b>				<b>118,449,605</b>
<b>TOTAL DEVELOPMENT</b>				<b>146,362,087</b>
<b>TOTAL VOTE</b>				<b>264,811,692</b>

#### 4.13 KITUI MUNICIPALITY

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>Administration (PE &amp; O&amp;M)</b>				
Institutional Administration & Governance	Strengthen general administration, planning and support services	Personnel Emoluments (Permanent & Temporary Staff)	Adequately staffed municipality with improved service delivery	55,508,829
Institutional Administration & Governance	Sustain day-to-day municipal operations	Operations and Maintenance (O&M)	Efficient municipal operations and service continuity	30,271,525
<b>Sub-Total Recurrent Expenditure</b>				<b>85,780,354</b>
<b>Development Expenditure</b>				
Urban Safety & Public Lighting	Enhance security and a conducive working environment	Integrated Solar Street & Security Lighting Installation, Repair and Maintenance (All 8 Wards)	Improved public safety, extended economic activity hours	15,000,000
Municipal Revenue Enhancement	Increase own source revenue through improved parking infrastructure	Cabro Parking (120 Hardware to C-House)	Increased parking revenue and orderly traffic management	4,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Non-Motorized Transport	Promote safe pedestrian mobility	Cabro Walkway (Lake Oil to Opposite Univision Sacco)	Improved pedestrian safety and mobility	3,000,000
Municipal Revenue Enhancement	Expand parking capacity	Cabro Parking (County Assembly to Kunda Kindu)	Increased own source revenue	4,000,000
Urban Accessibility & Connectivity	Improve access within residential estates	Culvert and Drainage Works – Site Estate	Improved access and reduced flooding	3,000,000
Urban Accessibility & Market Infrastructure	Improve access to commercial hubs	Re-carpeting of Kalundu Market Access Road	Improved market access and economic activity	15,000,000
Storm Water Management	Strengthen urban drainage systems	Drainage Works within Kitui CBD	Reduced flooding and infrastructure damage	2,000,000
Municipal Revenue Enhancement	Improve efficiency of parking facilities	Improvement of Kitui Town Parking Spaces	Increased parking revenue and better space utilization	1,700,000
Urban Roads Maintenance	Improve mobility within the municipality	Road Repair and Maintenance – Kitui Town	Improved road condition and connectivity	2,800,000
Public Health & Utilities	Ensure reliable water supply to public facilities	Solarization of Slaughterhouse Borehole	Sustainable and reliable water supply	1,600,000
Sustainable Urban Governance	Improve land management and utilization	Municipality Land Subdivision Policy	Improved land governance and sustainable urban growth	2,000,000
Market & Transport Governance	Enhance transparency in public facilities	Stall Allocation Policy for Markets & Bus Parks	Transparent allocation and reduced disputes	2,000,000
Urban Planning & Development	Strengthen municipal planning framework	Review of Kitui Municipality Integrated Development Plan (IDeP) 2026–2030	Updated planning framework guiding development	800,000
Solid Waste Management	Improve waste collection and disposal capacity	Purchase of One Custom-Made Dump Truck (10m <sup>3</sup> Capacity)	Improved waste collection efficiency	16,500,000
Occupational Health & Safety	Protect sanitation workers	Purchase of PPEs for Cleaners	Improved worker safety and productivity	1,800,000
Fire & Disaster Response	Strengthen emergency response and urban greening	Purchase of 16,000-Litre Water Bowser	Improved fire response and urban greening support	15,000,000
Solid Waste Operations	Improve waste handling efficiency	Purchase of Assorted Cleaning Tools & Equipment	Enhanced waste collection and environmental cleanliness	1,900,000
Urban Trade Infrastructure	Expand trading space for small businesses	Construction of Modern Kiosks within Municipality	Increased trading space and municipal revenue	2,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Revenue Assurance & Compliance	Improve business registration and revenue capture	GIS Business Mapping & Business Register Update	Enhanced own source revenue collection	1,000,000
Revenue Leakages Control	Strengthen revenue enforcement	Installation of CCTV Cameras at Bus Parks & Syongila Barrier	Reduced revenue leakages and improved compliance	1,650,000
Digital Service Delivery	Improve service access and revenue collection	Municipality Services & Payment Information Portal	Efficient service delivery and improved revenue collection	3,000,000
KUSP II – Urban Infrastructure	Improve connectivity and working environment	Tarmacking, Grading & Graveling of Municipal Roads (KUSP II)	Improved road network and urban functionality	-
KUSP II – Urban Infrastructure	Improve connectivity and working environment	Kenya Urban Support Programme Phase Two – Urban Development Grant (UDG) Conditional Allocations to County Government's ( Kitui Municipality)	Improved road network and urban functionality	28,464,416
<b>Total Development Expenditure</b>				<b>128,214,416</b>
<i>Personnel Emoluments (PE)</i>				<i>55,508,829</i>
<i>O&amp;M</i>				<i>30,271,525</i>
<b>TOTAL RECURRENT</b>				<b>85,780,354</b>
<b>TOTAL DEVELOPMENT</b>				<b>128,214,416</b>
<b>TOTAL VOTE</b>				<b>213,994,770</b>

#### 4.14 MWINGI MUNICIPALITY

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Administration (PE & O&M)				
Institutional Administration & Governance	Strengthen general administration, planning and support services	Personnel Emoluments (Permanent & Temporary Staff)	Adequately staffed municipality with improved service delivery	49,853,847
Institutional Administration & Governance	Sustain day-to-day municipal operations	Operations and Maintenance (O&M)	Efficient municipal operations and service continuity	19,232,890
Sub-Total Recurrent Expenditure				69,086,737
Development Expenditure				

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Urban Safety & Public Lighting	Improve security, extend business hours, and enhance town aesthetics	Street Light Repairs, Rehabilitation and Maintenance	Improved public safety, reduced crime, enhanced night-time economic activity	2,000,000
Urban Safety & Disaster Prevention	Strengthen security in high-risk zones	Installation of “Mulika Mwizi” High-Mast Floodlight at Ivia Giu (Near Stock Yard)	Enhanced security and deterrence of criminal activity	4,000,000
Municipal Revenue Enhancement	Increase own source revenue while promoting a dustless urban environment	Cabro Paving Works along Nzeluni Road	Designated parking, increased revenue collection, improved public health	3,000,000
Municipal Revenue Enhancement	Expand organized parking capacity	Extension of Kanini Kaseo Car Park (Karuini Area)	Increased parking capacity and municipal revenue	2,500,000
Institutional Infrastructure	Improve functionality and image of municipal offices	Repairs and Maintenance of Municipality Offices and Other Non-Residential Buildings	Improved working conditions and enhanced public confidence in government	1,000,000
Public Health & Sanitation	Improve sanitation standards in public spaces	Construction of Open-Air Market Ablution Block	Improved public health, hygiene, and market attractiveness	2,000,000
Public Facility Security & Environmental Management	Secure critical public infrastructure	Construction of Perimeter Wall at Slaughterhouse – Phase II	Secured facility, improved environmental management and public image	2,000,000
Energy Efficiency & Sustainability	Reduce energy costs and promote green infrastructure	Conversion of Kyuso Road Street Lights from Grid-Powered to Solar-Powered System	Reduced electricity costs, sustainable and reliable lighting	4,000,000
Urban Safety & Public Lighting	Enhance security across wards	Installation and Repair of Integrated Solar Lights (Migwani, Waita, Kyome/Kyethani and Kyome/Thaana Wards)	Improved night-time security, extended economic activity, improved town aesthetics	4,000,000
Urban Drainage & Flood Control	Improve accessibility and protect road infrastructure	Construction of Open Storm Water Drains (Paradise Grill – Baptist Church Road)	Reduced flooding, improved connectivity and mobility	1,500,000
Urban Drainage & Flood Control	Improve access to residential areas	Construction of Open Storm Water Drains (Kwa Mbuvi – Kwa Mukeni Drift)	Enhanced road durability, improved access and economic activity	2,000,000

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
Urban Accessibility & Connectivity	Improve pedestrian and vehicular movement	Construction of Slab between Mt. Sinai and Kathonzweni Secondary School Gate	Improved connectivity and safe access to institutions	3,000,000
Urban Roads Improvement	Enhance mobility within Mwingi Town	Grading (5km), Gravelling and Murraming (5km) of Town Roads	Improved road condition, reduced transport costs, enhanced mobility	2,500,000
KUSP II – Urban Infrastructure	Improve connectivity and working environment	Kenya Urban Support Programme Phase Two – Urban Development Grant (UDG) Conditional Allocations to County Government's ( Mwingi Municipality)	Improved road network and urban functionality	21,765,280
<b>Total Development Expenditure</b>				<b>55,265,280</b>
<i>Personnel Emoluments (PE)</i>				<i>49,853,847</i>
<i>O&amp;M</i>				<i>19,232,890</i>
<b>TOTAL RECURRENT</b>				<b>69,086,737</b>
<b>TOTAL DEVELOPMENT</b>				<b>55,265,280</b>
<b>TOTAL VOTE</b>				<b>124,352,017</b>

#### 4.15 COUNTY PUBLIC SERVICE BOARD

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
<b>Recurrent Expenditure</b>				
Human Resource Compensation & Motivation	Ensure fair and competitive compensation to enhance employee motivation and productivity	Personnel Emoluments (PE)	Motivated workforce, improved productivity, and efficient service delivery across the County Public Service	43,598,222
Public Service Values & Ethics	Promote adherence to constitutional values and principles in the County Public Service	Ethics, Integrity, and Values Promotion Programme (Ethics training workshops and team-building activities)	Enhanced compliance with Articles 10 and 232 of the Constitution; ethical and accountable public service	39,701,506

Human Resource Systems Strengthening	Strengthen human resource systems, policies, and procedures	Human Resource Systems Review and Management Programme (Review of departmental structures, job indents, schemes of service, casual audit, legislative engagements, succession planning, strategic plan and service charter development)	Optimal staffing levels, clear career progression, harmonized HR policies, and improved workforce planning	-
Capacity Development & Productivity	Improve productivity and performance within the County Public Service	Employee Capacity Development Programme (Induction, pre-retirement training, pension sensitization)	Improved employee competence, smooth retirement transitions, and sustained institutional memory	-
Discipline & Accountability	Strengthen discipline management within the County Public Service	Discipline Management and Compliance Programme (Review of discipline manuals, sensitization of HR Advisory Committees, processing of discipline cases)	Timely resolution of discipline cases and a disciplined, professional public service	-
Institutional Operations	Ensure effective functioning of the Board	Office Operations and Maintenance (Utilities, communication, travel, stationery, ICT equipment, fuel, vehicle maintenance, hospitality and office services)	Efficient Board operations and uninterrupted service delivery	-
Sub-Total Recurrent Expenditure				83,299,728
Development Expenditure				
Institutional Infrastructure & Operational Efficiency	Improve operational efficiency and working environment of the County Public Service Board	CPSB Infrastructure Improvement Project (Supply & installation of 40ft container office, generator room, pit latrine, retaining wall, perimeter wall and back gate)	Improved operational efficiency, secure premises, and enhanced effectiveness in executing the CPSB mandate	13,750,000
<b>Total Development Expenditure</b>				<b>13,750,000</b>
<i>Personnel Emoluments (PE)</i>				<i>43,598,222</i>
<i>O&amp;M</i>				<i>39,701,506</i>
<b>TOTAL RECURRENT</b>				<b>83,299,728</b>
<b>TOTAL DEVELOPMENT</b>				<b>13,750,000</b>
<b>TOTAL VOTE</b>				<b>97,049,728</b>

## 4.16 COUNTY ASSEMBLY BOARD

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
General Administration and Support Services	Ensure fair and competitive compensation to enhance employee motivation and productivity	Personnel Emoluments (PE)	Motivated workforce, improved productivity, and efficient service delivery across the County Public Service	488,264,486.04
	Organize for workshops and seminars to enhance staff capacity	Training and Development	Improved service delivery by members of staff in supporting the legislature	10,900,000.00
	Purchase of office furniture, computers, and other office equipment	Purchase of office equipment	Ease in duty performance by staff to effectively support the legislature.	28,026,701.00
	Metallic containers for storage of documents and broken items	To procure metallic containers for storage of documents and broken items	Safe custody of assembly documents and items safe from destruction.	3,000,000.00
	Upgrade Assembly to a Virtual and digital Assembly	To upgrade Assembly to a Virtual and digital Assembly	Effective service delivery by the MCAs and Staff of Assembly due to enabling and conducive working environment	55,000,000.00
	Purchase of motor vehicles and motor cycles for the County Assembly headquarters	To procure a Nissan X-trail, Isuzu mux (7seater). One (1) Assembly bus, Three (3) Toyota Land cruisers (13) seaters, Two (2) Assembly vans – 16-seaters, Two (2) double cabin pickups, One (1) Toyota Fortuner vehicles, and Five (5) motorbikes for the Assembly Head Office	Effective service delivery by the MCAs and Staff of Assembly due to enabling and conducive working environment due efficiency of transport necessary for service delivery to the Kitui Residents.	28,000,000.00
	To ensure effective and efficient coordination of County Assembly services	Recurrent Expenditure	Improved oversight and legislation	288,027,663.03
	Renovation of Assembly Chamber roof	To remove the old and dilapidated roof and fix a new chamber roof	To alleviate the leakage in the chamber by changing the entire roof	20,000,000.00
Legislation, Representation and Oversight	Imparting Members with necessary legislative skills to enable them effectively perform their roles	Training and Development	Improved legislation and oversight	18,000,000.00

Broad Priority	Strategic Objective	Project / Programme (FY 2026/2027)	Expected Outcome	Budget (KES)
	Formulation of Bills	To provide members and staff of county assembly with legislative skills for formulation of bills	10 Bills	46,000,000.00
	To purchase 40 Motorbikes for use by the ward offices assistants across all the wards in Kitui County	Purchase Motorbikes for Ward Offices	Ease in duty performance by ward staff and members of assembly to effectively support the legislation, representation and oversight.	12,000,000.00
	To hold Bunge Mashinani activities	Bunge Mashinani activities	Effective legislation for the benefit of Kitui County residents	28,000,000.00
Sub Total Operations & Maintenance				536,954,364.03
<b>Development Expenditure</b>				
	Constructing a Perimeter Walling with Electric Fencing and a modern gate	To Construct a perimeter walling around the County Assembly Headquarters precincts with electric fencing and a modern gate	Provision of sufficient security to the county assembly properties, staff and members of county assembly	16,500,000.00
	Provide members and staff with conducive working environment	Construction of modern office block	Ease in duty performance by staff to effectively support the legislature.	50,000,000.00
	Reduce Amounts paid in monthly rents in the rented offices	Construction of Ward Offices	Improved representation and ease of accessibility of the members of the County Assembly as they serve the electorates	33,500,000.00
<b>Sub Total Development</b>				<b>100,000,000</b>
<b>PERSONNEL EMOLUMENTS (PE)</b>				<b>488,264,486</b>
<b>OPERATIONS &amp; MANTAINANCE (O&amp;M)</b>				<b>536,954,364</b>
<b>TOTAL RECURRENT</b>				<b>1,025,218,850</b>
<b>TOTAL DEVELOPMENT</b>				<b>100,000,000</b>
<b>TOTAL VOTE</b>				<b>1,125,218,850</b>

## **ANNEXURES:**

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### **ANNEXTURE I: LIST OF WARD LEVEL PROJECTS PROPOSED DURING THE CIDP 2023-2027 PUBLIC FORUMS ON 3<sup>RD</sup> NOVEMBER, 2022**

**LINK: [CLICK HERE](#)**

## ANNEX II: FY 2026/27 CFSP PUBLIC PARTICIPATION FORUM REPORT EXTRACT

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
Fredrick Mutuvi (Ward Development Committee Member)	Township Ward	Given recurring vandalism cases in Katyethoka, Kaveta, and Manyenyoni immediately after contractor demobilization, is it feasible to mandate welding of solar light fixtures to poles as a standard installation requirement in BQs?	<b>Evans Mutemi- Chief Officer, Ministry of Lands, Housing and Urban Development</b> - The County Government has formally received and documented all incident reports and has duly escalated the matter to law enforcement authorities, including securing an Occurrence Book (OB) reference for each case. As we proceed to incorporate enhanced security and resilience specifications into the Bills of Quantities (BQs), it is imperative to emphasize that safeguarding public investments is a shared responsibility. Accordingly, we strongly urge community members to take proactive ownership of these projects by supporting surveillance, reporting suspicious activities promptly, and protecting project assets from vandalism.	<b>Ministry of Lands, Housing and Urban Development</b>
		Metallic project data posts are being stolen. Can contractors be directed to use non-metallic alternatives?		
Andrew Wambua	Voo/Kyamatu Ward	Two recently completed sump-wells under the Ministry of Water and Irrigation-Thue-Muthuengue Water Project and Thue-Kawanguli Water Project—were officially handed over but are non-operational. Why were substandard works certified?	<b>Bretta Mwangangi- Chief Officer Irrigation</b> - Further to this, the County Government will deploy technical officers to all affected project sites tomorrow to undertake physical inspections and establish the current implementation status, quality of works, and any emerging risks. The findings will inform appropriate administrative and contractual actions where necessary. In addition, members of the public are strongly encouraged to promptly report any suspected substandard workmanship, project delays, or contractor non-compliance to the relevant County ministry offices.	<b>Ministry of Water &amp; Irrigation</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		We need Clarification on the KES 7 million allocation under the Office of the Governor of Kitui County, specifically earmarked for refurbishment of the Governor's office.	<b>Stephen Salee- Chief Officer, Devolution &amp; Decentralized Services-</b> The refurbishment of the Office of the Governor is continuous phased process aimed at maintaining structural integrity, functionality, and a professional working environment. Outstanding works include installation of new floor tiles, repainting of interior and exterior surfaces, replacement of leaking iron roofing sheets, and related remedial interventions. These upgrades are necessary to address wear and tear, prevent further deterioration of public assets, and ensure compliance with basic occupational and safety standards, while optimizing the lifespan and value of government infrastructure.	<b>Office of the Governor</b>
Kyalo Muinde	Sauti Ya Mwanainchi	In this CFSP, is there allocation for community awareness on Gender-Based Violence (GBV), rape prevention, legal penalties, survivor rescue mechanisms, and referral pathways, despite persistent vulnerability and recurring GBV cases across the county.	<b>Esther Mutemi- Ag., Chief Officer, Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services-</b> The CFSP has allocated resources for GBV prevention, survivor support, and legal enforcement, building on historical county efforts to protect vulnerable populations. Funding supports community awareness, rape prevention, legal penalties, and referral mechanisms, ensuring coordinated interventions with law enforcement, health, and social services to reduce recurring GBV incidents and strengthen county-wide resilience.	<b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b>
Stephen Wambua Kyalya	Voo/Kyamatu Ward	Why has no budget been allocated for implementation of the Kitui Youth Policy	<b>Esther Mutemi- Ag., Chief Officer, Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services-</b> The County Youth Policy draft is currently under consideration in the County	<b>Ministry of Culture, Gender, Youth, ICT,</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		Programme despite it being adopted?	Assembly. Once enacted into law, All Ministries will be mandated to allocate two percent of their total annual budget toward youth-focused programs, ensuring dedicated funding for youth development initiatives.	<b>Sports &amp; Social Services</b>
		Why are maternity and general medical ward patients being forced to share beds, with more than two patients occupying a single bed?	<b>Benson Musyoka- Ministry of Health &amp; Sanitation-</b> Although there remains scope for continuous improvement, the consistently high patient turnout at Kitui County Referral Hospital is a strong indicator of growing public confidence and improving service quality across our health facilities. To further strengthen maternal and child health outcomes, construction of a new mother–child maternity ward is currently underway. Once completed, the facility will significantly expand capacity, decongest existing wards, and enhance access to safe delivery services for a larger number of expectant mothers,	<b>Ministry of Health &amp; Sanitation</b>
		Why is Kitui County Referral Hospital persistently operating without essential services — including laboratory diagnostics, radiology, and other core medical functions?	<b>Benson Musyoka- Ministry of Health &amp; Sanitation-</b> One of the primary reasons for recurrent shortages of laboratory reagents, radiology consumables, and other essential medical supplies at Kitui County Referral Hospital is the increased daily patient load, which has intensified consumption beyond initial projections. These operational pressures are compounded by delayed exchequer releases and limited budget allocations to the Health Ministry, constraining timely procurement and stock replenishment. Addressing these challenges	<b>Ministry of Health &amp; Sanitation</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
			requires both enhanced financial planning, including timely release of funds, and supply chain optimization to ensure uninterrupted delivery of critical health services.	
		Sand harvesting is poorly regulated and revenue collection is inadequate. What measures are in place to ensure maximum revenue capture and strict enforcement?	<b>Peter Mwikya Kilonzo- CECM Finance, Economic Planning &amp; Revenue Management-</b> The County will strengthen sand revenue and conservation through mandatory registration and licensing, a multi-agency enforcement task force, POS-based cess collection, regulated operating hours, and community sensitization.	<b>Finance, Economic Planning &amp; Revenue Management</b>
Mulandi Kyute	Kyangwithya West Ward	Why is there delay in operationalizing Village Councils across all 247 villages in Kitui County despite clear legal provision, raising concerns about grassroots representation and local accountability.	<b>Stephen Salee- Chief Officer, Devolution &amp; Decentralized Services-</b> The County recognizes the statutory requirement to establish Village Councils; however, operationalizing this framework presents significant fiscal challenges. Each council would require a minimum of five village elders, and with 247 villages, the aggregate remuneration would place a substantial strain on the County's Personal Emoluments (P&E) and wage bill. Given the current budgetary constraints and ongoing efforts to maintain fiscal discipline, the County is unable to implement Village Councils at this time. This initiative remains a strategic priority, and its feasibility will be revisited in future financial planning cycles when resources permit.	<b>Office of the Governor</b>
		Is it possible to translate the County Fiscal Strategy Paper (CFSP) into local languages, which will significantly increase	<b>Peter Mwikya Kilonzo- CECM Finance, Economic Planning &amp; Revenue Management-</b> Translating the County Fiscal Strategy Paper (CFSP) into local languages is technically	<b>Finance, Economic Planning &amp;</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		public understanding, participation, and ownership of county fiscal priorities.	feasible and would enhance public accessibility and participation. However, such an initiative is constrained by the County's current fiscal envelope, as available resources are already prioritized for core service delivery and ongoing development programmes. Given these budgetary limitations, allocating funds for translation at this stage is challenging, although the option may be considered in future financial planning cycles as resources allow.	<b>Revenue Management</b>
		There is Persistent capping of development expenditure at approximately 30%, alongside continued recruitment of staff, instead of redirecting wage-related savings toward development projects and service delivery.	<b>Peter Mwikya Kilonzo- CECM Finance, Economic Planning &amp; Revenue Management-</b> The 30 percent development allocation cap applies strictly within the medium-term expenditure framework where allocations may rise to 40 percent subject to fiscal space and priorities. On employment, the County cannot impose an artificial hiring freeze, as employment constitutes a long-term development investment through household income stabilization, skills accumulation, and local economic stimulation. By expanding employment opportunities-particularly for youth-Kitui County Government is directly supporting household-level transformation, strengthening livelihoods, and building human capital, which collectively underpin sustainable socio-economic development across the County.	<b>Finance, Economic Planning &amp; Revenue Management</b>
		Stalled borehole project in Kwangindu despite completed geological survey and assurances from the Chief Officer for Water;	<b>Bretta Mwangangi- Chief Officer Irrigation -</b> Please ensure that you visit my office again, after which I will personally accompany you to the Office of the CEO, Water, for a formal	<b>Ministry of Water &amp; Irrigation</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		no site visits undertaken and no observable progress within the current financial year.	discussion. For your information, in the 2026–2027 financial year, the County Government plans to drill eight boreholes, and your proposed site hopefully will be considered for borehole drilling. We are committed to resolving your request, and a constructive way forward will be determined following the scheduled engagement with the CEO of Water.	
		Why does we have Continued budgetary allocations to KITWASCO and KIMWASCO despite both operating as profit-making entities, raising questions on fiscal justification and value for money.	<b>Bretta Mwangangi- Chief Officer Irrigation</b> - Revenue from KITWASCO & KIMWASCO alone is insufficient to cover their operational costs. Frequently, His Excellency the Governor has intervened to settle electricity bills, which are critical for operating generators and sustaining essential support services, including workforce administration. Without these interventions, the companies cannot sustain themselves. Accordingly, the County Government provides targeted subsidies to ensure uninterrupted water supply, protect public health, and maintain the operational viability of these strategic utilities. Without such support, water service delivery would be severely compromised.	<b>Ministry of Health &amp; Sanitation</b>
		There is Widespread complaints regarding poor attitude and dismissive conduct by Chief Officers toward citizens, undermining access to services and violating basic public service standards.		<b>Office of the Governor</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
Mutiso Frendrick	Kauwi Ward	<p>In 2019, a significant number of cows subjected to Artificial Insemination failed to conceive. Despite an allocation for similar programs in the current CFSP, there are concerns about whether this initiative will produce meaningful results or repeat past failures.</p>	<p><b>Agustine Kanani- Deputy Governor-</b> On behalf of the Chief Officer for Livestock Development and Management, I wish to highlight that the artificial insemination programme in Kitui County is achieving notable success. Recent interventions have resulted in successful conception, thanks to the expertise of our specialized veterinary officers. Farmers interested in accessing these services are encouraged to form groups of at least 20, after which arrangements can be made to ensure timely service delivery and support from the County livestock office.</p>	<p><b>Ministry of Agriculture &amp; Livestock</b></p>
		<p>Public participation forums appear consultative in form only; citizen inputs are not reflected in actual budgetary allocations, raising questions about the effectiveness and sincerity of participatory budgeting processes in Kitui County.</p>	<p><b>Patrick Munuve- Chief Officer, Economic Planning &amp; Budgeting</b></p> <p>Public participation in the preparation of the County Fiscal Strategy Paper (CFSP) FY 2025/26 is conducted in strict compliance with Kenya’s public finance governance architecture, which mandates citizen engagement as a core pillar of fiscal decision-making, transparency, and accountability. It is in line with statutory public finance requirements and principles of inclusive governance.</p> <p>The objective of the engagement is to obtain citizen input on fiscal priorities, validate sector policy directions, and strengthen transparency and accountability in the County’s budget formulation process.</p>	<p><b>Finance, Economic Planning &amp; Revenue Management</b></p>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
			<p>The County Government affirms that public participation is treated as a substantive fiscal planning tool rather than a procedural formality. Citizen feedback directly influenced expenditure prioritization and policy focus areas, ensuring that the CFSP reflects both community needs and prevailing fiscal realities.</p>	
		<p>Borehole in Mutini, Kauwi Ward operates for only a few hours per day, with frequent closures, suggesting possible mismanagement or capture by private interests (“cartel”), severely limiting community access to safe water.</p>	<p><b>Stephen Salee- Chief Officer, Devolution &amp; Decentralized Services-</b> To address this, my office will engage directly with the Village Administrator in Kauwi Ward to investigate the underlying causes and implement corrective measures, ensuring equitable community access to safe water.</p>	<p><b>Office of the Governor</b></p>
Richard Ndambuki	PWDs-Kitui County (National Council)	<p>Proposal for establishment of mobile therapy services for Persons with Disabilities (PWDs), operating across sub-counties in Kitui County, with priority on physiotherapy for children with disabilities, to address limited access to specialized care.</p> <p>There is absence of structured inclusion of PWDs in county sports programmes, including lack of dedicated disability sports such as Paralympic Games,</p>	<p><b>Esther Mutemi- Ag., Chief Officer, Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services-</b> These proposals are all good and will be carefully considered prior to finalizing the County budget</p>	<p><b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b></p> <p><b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b></p>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		goalball, and para-volleyball, contrary to inclusive development principles.		
		There is Need for county-wide data collection and mapping of Persons with Disabilities to support evidence-based planning, targeted service delivery, and equitable resource allocation.	<b>Esther Mutemi- Ag., Chief Officer, Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services-</b> The Kitui County Government is currently undertaking a countywide data-mapping exercise for Persons with Disabilities (PWDs) to establish an accurate beneficiary register, inform evidence-based planning, and strengthen targeting of social protection and inclusive development interventions. The exercise is intended to close existing data gaps, enhance service delivery efficiency, and ensure that future resource allocations are responsive to the actual needs and geographic distribution of PWDs.	<b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b>
		What is the progress update on the previously promised procurement of a BERA diagnostic machine since there was an allocation for it in FY2025/26 Budget.	<b>Benson Musyoka- Ministry of Health &amp; Sanitation-</b> The procurement process for the Bera machine has been successfully concluded, and delivery is scheduled within one week from 17th February. Upon receipt, commissioning and operational deployment will commence immediately to avoid idle assets, accelerate service delivery, and ensure timely realization of the intended project outputs.	<b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b>
Sammy Kithusi	Kyangwithya West Ward	What is the status clarification required on the legal case associated with the Kwingindu–KEFRI Road following its opening, including whether the	<b>Evans Mutemi- Chief Officer, Ministry of Lands, Housing and Urban Development -</b> The matter was conclusively determined by the court in favour of the landowner. However, parallel negotiations are currently underway between the landowner and Kitui County Government with a	<b>Ministry of Lands, Housing and Urban Development</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		matter was formally concluded prior to project implementation.	view to achieving an amicable out-of-court settlement and minimizing further legal and fiscal exposure. In parallel, processes to finalize the remaining project section are ongoing, subject to resolution of the outstanding land issues, to ensure continuity of implementation, safeguard public investment, and avoid prolonged project delays.	
Esther Nyamu	Kiomo/ Kyethani	There is continued inaction on Enziu Bridge following the fatal 2019 accident, despite joint commitments by the County Government and the National Government of Kenya to resolve the matter. No remedial works, safety upgrades, or construction interventions have been undertaken to date, raising serious concerns about institutional follow-through and public safety prioritization.		<b>Ministry of Roads, Public Works &amp; Transport</b>
		Proposal for construction of a bridge at Kiromboko River to link Embu County and Kitui County, aimed at improving public transport access, facilitating cross-county trade, and strengthening regional economic integration.		<b>Ministry of Roads, Public Works &amp; Transport</b>
Florence Paul		There is Extremely limited representation from sub-counties	<b>Peter Mwikya Kilonzo- CECM Finance, Economic Planning &amp; Revenue Management-</b>	<b>Finance, Economic</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
	Grassroot Organization-Kitui	during the public participation forum in Kitui County; future engagements should be decentralized to sub-county or ward level to ensure equitable citizen inclusion.	While decentralizing future engagements to sub-county or ward levels would significantly enhance equitable citizen inclusion, the current budget allocation does not allow for such expanded coverage. This initiative remains a strategic priority and will be considered in future financial cycles as resources permit.	<b>Planning &amp; Revenue Management</b>
		A KES 74 million grant from National Government has been provided for Community Health Promoters (CHPs); clarity is required on how this grant is administered given that CHPs already receive stipends.	<b>Benson Musyoka- Ministry of Health &amp; Sanitation</b> -The KSh 74 million grant represents a stipend provided by the National Government to support CHPS operations, supplementing the KSh 84 million allocation funded by the County Government. Together, these combined resources strengthen the operational capacity of CHPS facilities, enhance service delivery, and ensure continuity of essential community health interventions.	<b>Ministry of Health &amp; Sanitation</b>
		There is always allocation for GBV Rescue center in every Financial Year. What is the status of it interms of its completion.	<b>Ag., Chief Officer, Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services- Esther Mutemi</b> -To date, key infrastructure interventions at the center include the construction of an administration block, installation of chain-link fencing, and provision of a pit latrine. The current allocation of Ksh. 5 million is designated for completing the remaining construction and finishing works, while subsequent budgetary provisions will support the operationalization and full functionality of the center.	<b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b>
		Public participation forums should be adequately publicized;	<b>Patrick Munuve- Chief Officer, Economic Planning &amp; Budgeting</b>	<b>Finance, Economic</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		failure to advertise through local radio stations significantly reduces outreach and undermines meaningful community involvement.	<p>This CFSP public participation forum was publicised through an advert dated Tuesday, 3 February 2026. This was carried out in a newspaper with national circulation. Further, use of social media platforms was employed to publicise the event.</p> <p>This forum has brought together residents from across the County, alongside representatives of special interest groups including traders, boda-boda operators, persons living with disabilities, civil society organizations, professionals, faith-based institutions, and community advocacy groups.</p> <p>Participation has further been expanded through digital platforms, with the session livestreamed and real-time feedback documented from Facebook and YouTube, as well as written memoranda submitted via the County Planning Department.</p>	<b>Planning &amp; Revenue Management</b>
Francis Ndambuki	Township Ward	The County Fiscal Strategy Paper (CFSP) contains no visible allocation for Youth Development, raising concerns about policy-practice disconnect and neglect of youth economic empowerment.	<b>Ag., Chief Officer, Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services- Esther Mutemi-</b> The allocation is captured under the Youth Development Programme and has been classified within the Recurrent expenditure framework as a consolidated provision based on CFSP Standard requirements	<b>Ministry of Culture, Gender, Youth, ICT, Sports &amp; Social Services</b>
Dennis Kyalo	Kyangwithya West Ward	There is Lack of clarity on budget provision for agricultural seed distribution, coupled with	<b>Jonathan, Chief Officer, Livestock Management:</b> The County has allocated resources for seed distribution as part of its	<b>Ministry of Agriculture &amp; Livestock</b>

NAME	WARD	PROPOSAL/ COMMENT	WAY FORWARD/ ACTION TO BE TAKEN/RESPONSE	SECTOR/ POLICY AREA
		persistent delays in seed delivery to farmers, compromising planting cycles and food security outcomes.	commitment to ensuring food security. Timely provision of seeds to farmers is a priority, and the County will ensure distribution occurs ahead of the planting season to maximize agricultural productivity and support sustainable livelihoods.	

## ANNEX III: MEMORANDA

### MEMO I: PROPOSALS BY NATURE KENYA

NO.	PROPOSAL	OBJECTIVE / DESCRIPTION
<b>ENVIRONMENT, CLIMATE CHANGE AND FORESTRY</b>		
1	Climate Change Adaptation and Mitigation	Allocate sufficient resources to manage and maintain a clean and healthy environment, including earmarking 1% of the budget, separate from existing climate allocations, to support and promote climate action.
2	Forest Conservation and Restoration	Prioritize restoration of degraded areas, river valleys, and riparian zones to achieve 40% forest cover, sourcing tree seedlings from community-based conservation groups.
3	Forest and Woodland Management	Finance protection and conservation of ecologically sensitive areas, guided by site-specific biodiversity strategies, promoting conservation and empowering local communities. Areas include protected sites, wetlands, forests, culturally significant sites, important bird and biodiversity areas, urban green spaces, and wildlife corridors.
4	Climate Resilience Financing	Support capacity building of community conservation groups by providing incentives such as training and necessary materials to strengthen climate resilience initiatives.
5	Climate Governance	Formulate and implement policies that conserve natural resources and enhance climate resilience, including operationalizing spatial plans, climate change regulations, adaptation guidelines, restoration plans, participatory forest management agreements (e.g., Motito and Momoni Hills), as well as waste management and food security policies.
<b>WATER AND IRRIGATION</b>		
1	Water Conservation and Climate Resilience	Support and promote sustainable land-use management practices to advance the County's contribution to the UN Convention on Land Degradation Neutrality, enhance biodiversity, and restore forested landscapes. This aims to reduce forest degradation, lower emissions, increase carbon sequestration, and strengthen climate adaptation, contributing to Kenya's implementation of the Paris Agreement.
<b>AGRICULTURE AND LIVESTOCK DEVELOPMENT</b>		
1	Climate-Smart Agriculture and Nature-Based Livelihoods	Promote nature-based solutions, strengthen community enterprises and livelihood options, and finance sustainable investments supported by county stakeholders. Interventions include agroforestry, ecotourism, fish farming, beekeeping, climate-smart and conservation agriculture, agroecology, tree nurseries, charcoal brickworks from agricultural waste, on-farm tree planting, bioenergy, and affordable clean energy initiatives such as community cookstoves to reduce forest pressure.

**MEMO: PROPOSALS BY KITUI COUNTY UNIVERSITIES AND COLLEGES STUDENTS' ASSOCIATION (KUCSA)**

<b>NO.</b>	<b>PROPOSAL</b>	<b>OBJECTIVE / DESCRIPTION</b>
1	Student Leadership, Mentorship, and Innovation Support	Strengthen youth leadership, civic engagement, career preparedness, and innovation development across Kitui County.
2	Student Special Cases and Education Retention Support	Provide emergency support to vulnerable students facing medical crises, accommodation challenges, exam clearance issues, or sudden family hardships.
3	County Internship and Attachment Programme	Enhance youth employability through structured and supervised internship placements within County Government departments.
4	Institutional Coordination and Administrative Support	Strengthen governance, monitoring, reporting, compliance, and coordination mechanisms to ensure transparent and accountable programme implementation.

**MEMO: PROPOSALS BY THE GENDER SECTOR WORKING GROUP**

<b>No.</b>	<b>Request / Proposal</b>	<b>Key Details</b>	<b>Possible Responsible Sector / Ministry</b>
1	Establish Fully-Fledged GBV Recovery Centers (GBVRC)	Upgrade existing GBV units at Mwingi Level IV Hospital and Kitui Referral Hospital to fully operational GBVRCs meeting global standards.	Ministry of Health
2	Budget Allocation for GBVRC Infrastructure	Allocate funds within health infrastructure development budget to upgrade facilities into stand-alone GBV recovery centres.	Ministry of Health / County Treasury
3	Establish GBV Call Centre and Response System	Create operational call centre and provide dedicated response vehicles for survivor referral and emergency response.	Ministry of Health / Disaster & Emergency Services
4	Provide Adequate Counselling Facilities	Construct or equip private counselling rooms to ensure confidentiality and proper psychosocial support.	Ministry of Health
5	Operationalize the Safe House	Increase budget allocation to make the safe house fully functional, staffed, and sustainably managed for survivors and vulnerable persons.	Ministry of Gender, Social Services & Protection
6	Budget Allocation for	Create specific budget lines for gender and social justice observance days.	Ministry of Gender / County Treasury

No.	Request / Proposal	Key Details	Possible Responsible Sector / Ministry
	Commemorative Days		
7	International Women's Day Funding	Dedicated budget for activities on 8 March across wards.	Ministry of Gender
8	International Day of Rural Women Funding	Allocate funds for programs on 15 October.	Ministry of Gender / Agriculture & Rural Development
9	International Day of Persons with Disabilities Funding	Support disability inclusion events on 3 December.	Ministry of Social Services / Disability Affairs
10	16 Days of Activism Against GBV	Fund countywide GBV prevention campaigns (25 Nov – 10 Dec).	Ministry of Gender / Health / Security
11	International Day of Peace	Budget for peacebuilding activities on 21 September.	Ministry of Peacebuilding / Social Cohesion / Administration
12	International Day of Older Persons	Allocate funding for programs targeting older persons (1 October).	Ministry of Social Protection / Gender
13	International Widows' Day	Budget for support and empowerment programs for widows (23 June).	Ministry of Gender / Social Protection
14	International Men's Day	Budget activities addressing men's role in society and GBV prevention (19 November).	Ministry of Gender / Youth Affairs
15	Programs for Older Persons	Create dedicated funding for social protection, inclusion programs, and community engagement for older persons.	Ministry of Social Protection / Gender / Health

## ANNEX IV: LINKAGE BETWEEN PUBLIC PARTICIPATION INPUTS AND FINAL CFSP

Broad Public Participation Inputs	Action taken
Budgeting of youth empowerment programs	<p>In the FY 2026/27 CFSP, the county government through the relevant ministry has planned for the following programs:-</p> <ol style="list-style-type: none"> <li>i. County Youth Engagement Forums and publicity campaigns</li> <li>ii. Youth sensitization on SRHR, mental health, HIV/AIDS and legal awareness</li> </ol>

	<ul style="list-style-type: none"> <li>iii. Youth entrepreneurship challenge and expos</li> <li>iv. Youth Employment Placement and Training Programme (NEA partnership)</li> <li>v. International Youth Day celebrations</li> <li>vi. Youth Skills Mapping and Baseline Survey</li> </ul> <p><b>Allocated budget: Kshs. 25,403,839</b></p>
Climate Resilience Financing	<p>The County Ministry of Energy, Environment, Forestry, Natural &amp; Mineral Resources has planned the following programmes in FY 2026/27:-</p> <ul style="list-style-type: none"> <li>i. Operations &amp; Maintenance – Environment, Climate Change &amp; Forestry Department</li> <li>ii. Operationalization of Kitui County Climate Change Fund (KCCCF) through allocation of 3% of County Development Budget</li> <li>iii) World Bank Credit – Financing Locally Led Climate Action Programme (FLLoCA), County Climate Resilience Investment Grant (CCRIG III)</li> </ul> <p><b>Allocated budget: Kshs. 288,825,868</b></p>
Awareness creation on GBV	<p>The county Government of Kitui will implement the following programmes in FY 2026/27:</p> <ul style="list-style-type: none"> <li>i. Construction of GBV Rescue Centre and Skills Development Hall (including furnishing)</li> <li>ii. Development, validation and adoption of SGBV Policy</li> <li>iii. Transport and basic support for GBV survivors</li> </ul> <p><b>Allocated budget: Kshs. 7,254,636</b></p>
Why are maternity and general medical ward patients being forced to share beds, with more than two patients occupying a single bed?	<p>To strengthen maternal and child health outcomes, construction of a new mother–child maternity ward is currently underway. Once completed, the facility will significantly expand capacity, decongest existing wards, and enhance access to safe delivery services for a larger number of expectant mothers.</p> <p>Allocated budget:</p> <p>Facility Improvement Fund (FIF) – Hospitals (AIA)- Continuation of stalled construction of Maternity/Pediatric and Amenity/Surgical Wards at KCRH and at <b>Kshs. 100,000,000</b></p>

<p>Why is Kitui County Referral Hospital persistently operating without essential services — including laboratory diagnostics, radiology, and other core medical functions?</p>	<p>One of the primary reasons for recurrent shortages of laboratory reagents, radiology consumables, and other essential medical supplies at Kitui County Referral Hospital is the increased daily patient load, which has intensified consumption beyond initial projections. These operational pressures are compounded by delayed exchequer releases and limited budget allocations to the Health Ministry, constraining timely procurement and stock replenishment. Addressing these challenges requires both enhanced financial planning, including timely release of funds, and supply chain optimization to ensure uninterrupted delivery of critical health services.</p> <p>Allocated budget:</p> <ul style="list-style-type: none"> <li>i. Pharmaceuticals and Non-Pharmaceuticals</li> <li>ii. Facility Improvement Fund (FIF) – Hospitals (AIA)-Pharmaceuticals and Non-Pharmaceuticals</li> </ul> <p><b>Total allocated amount Kshs. 293,660,092</b></p>
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## ANNEX V: ADVERT FOR THE FY 2026/2027 CFSP PUBLIC PARTICIPATION FORUM

### COUNTY GOVERNMENT OF KITUI

TEL: 044-4422041, 4422304

Email: [finance@kitui.go.ke](mailto:finance@kitui.go.ke)



P.O BOX 33-90200

KITUI

### MINISTRY OF FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT

#### INVITATION TO PUBLIC PARTICIPATION FORUM ON THE FY 2026/2027 KITUI COUNTY FISCAL STRATEGY PAPER (CFSP)

Section 117(1) of the PFM Act 2012, states "The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year".

In this regard, the Ministry of Finance, Economic Planning and Revenue Management hereby invites members of the public, civil society groups, private sector, state agencies and all other interested stakeholders to public consultative forum for the **FY 2026/27 Kitui County Fiscal Strategy Paper**.

The Public Participation Forum will be held on **Tuesday, 17th February 2026 at Kefri Centre – Kitui Town** from **10.00am**.

The draft FY 2026/2027 County Fiscal Strategy Paper is available on Kitui County Government's website via link [www.kitui.go.ke](http://www.kitui.go.ke). The members of the public, civil society groups, private sector, state agencies and all interested persons or groups are also invited to submit their comments, memoranda and proposals for inclusion in the FY 2026/2027 County Fiscal Strategy Paper at the following offices:

1. Office of the Chief Officer, Economic Planning and Budgeting at the County Treasury.
2. Any of our Sub County or Ward offices.

The public may also submit their views online via the email [planning@kitui.go.ke](mailto:planning@kitui.go.ke) so as to be received on or before **Tuesday, 17th February, 2026**. The members of the public can also follow the proceedings through a link to be posted on Kitui County Government's website i.e., [www.kitui.go.ke](http://www.kitui.go.ke) and the county's official social media platforms.

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

## **ANNEX VI: FY 2026/27 CFSP PUBLIC PARTICIPATION PROCEEDINGS & REPORT**



**FACEBOOK**

<https://web.facebook.com/reel/882500584625589>



**YOUTUBE**

<https://www.youtube.com/watch?v=rptLDpH0Ohc>



**PUBLIC PARTICIPATION REPORT**

[CLICK HERE](#)