COUNTY BUDGET REVIEW AND OUTLOOK PAPER

(CBROP), 2025

SEPTEMBER, 2025

© County Budget Review and Outlook Paper (CBROP) 2025

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FOREWORD

This document is prepared in accordance with section 118 of the Public Finance Management Act, 2012, and its related regulations. It provides an overview of the fiscal performance for the financial year 2024/2025, focusing on how well it aligns with the 2025 County Fiscal Strategy Paper (CFSP) and the Public Finance Management Act's objectives. In addition, it offers macroeconomic projections and sector ceilings for the fiscal year 2026/2027 and the medium-term budget, highlighting deviations from the 2025 CFSP projections. The document also acts as a basis for revising the current FY 2025/2026 budget and offers guidance on the financial policies supporting the medium-term plan.

The 2025 Budget Review and Outlook Paper (CBROP) has been crafted during a period of relative stability both globally and domestically. Globally, growth is projected to be 3.0% in 2025 and 3.1% in 2026, reflecting the positive impact of further casing of monetary policy as inflationary pressures subside, stronger domestic demand in emerging markets and developing economies, and a gradual recovery in global trade. This improvement is expected to counter the effects of a slowdown in advanced economies, where tighter financial conditions and demographic headwinds continue to weigh on growth.

In FY 2024/2025, the county faced revenue mobilization challenges. Total revenue reached KShs. 18.92 billion, which was 80.6% of the target of KShs. 23.48 billion. The actual expenditure was KShs. 16.99 billion, showing an absorption rate of 72.3%, with recurrent and development expenditure at 88% and 41.9%, respectively. Revenue decreased by 0.95% compared to FY 2023/2024, while Own Source Revenue (OSR) increased by 10.2% reaching Kshs.5.05 billion.

As the county prepares for the FY 2026/27 budget, several challenges persist. These include delays in exchequer releases, missed OSR targets, carryovers in expenditures, pending bills, and increased demand for priority interventions. These factors continue to pressure the county's limited resources. In response, the County

Government aims to pursue fiscal consolidation, reduce deficits, and prevent the accumulation of pending bills. This strategy will focus on improving revenue mobilization and reprioritizing expenditures while maintaining essential programs and social spending.

To enhance Own Source Revenue, the County Government plans to operationalize the Kiambu Revenue Authority, harmonize parking fees, reclassify areas into municipalities, and introduce new charges like Airbnb and streetlight advertising fees. Efficiency improvements will be achieved through the implementation of integrated systems, enhancement of tax compliance laws, and better oversight of revenue streams. Additionally, legislation on revenue management will be developed, and hospital collections and rebates will continue to be ring-fenced.

Finally, the National Government has directed a transition from cash to accrual-based accounting to improve cash management and financial reporting. This will enable the county to account for all assets and liabilities. Moreover, the County Government has adopted a Zero-Based Budgeting approach for FY 2026/2027 and future budgets. In the constrained fiscal environment, emphasis will be placed on aggressive revenue mobilization, prioritization of resource allocation, and alignment of budgets with county objectives. Departments must ensure their budgets boost productivity and support economic recovery, with wasteful expenditures eliminated and justified budget items prioritized.

NANCY KIRUMBA
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, ICT & ECONOMIC PLANNING

ACKNOWLEDGEMENT

The 2025 County Budget Review and Outlook Paper (CBROP) was prepared in line with the Public Finance Management (PFM) Act 2012 and its regulations. It provides an analysis of fiscal outcomes for FY 2024/2025, outlines macroeconomic projections, and sets indicative sector budget ceilings for FY 2026/2027 as well as the Medium-Term Budget framework. It also provides an overview of how the actual performance of the FY 2024/2025 affected compliance on the fiscal responsibility principles and the financial objectives outlined in the PFM Act, 2012. The 2025 CBROP will form the basis for the development of the 2026 County Fiscal Strategy Paper, (CFSP) that will detail the various programmes and initiatives that will be undertaken during the CIDP 2023-2027.

The execution of the FY 2024/25 budget faced significant challenges in revenue mobilization and financing, leading to cash flow issues and the buildup of unpaid bills. As the FY 2026/2027 budget is being prepared, there is a strong focus on prioritizing high-impact programs that will benefit residents. Departments and Sector Working Groups (SWGs) are urged to engage the public and stakeholders in shaping sector priorities for the next fiscal period to ensure optimal resource allocation. The County Government remains committed to aligning its spending with development objectives while navigating the fiscal pressures resulting from revenue shortfalls and growing expenditure demands. The CBROP underscores the need for robust fiscal discipline and collaboration across departments to ensure the budget meets its development goals.

The preparation of the CBROP involved close collaboration between various County departments, under the leadership of the County Executive Committee Member for Finance, ICT and Economic Planning. Special appreciation goes to H.E. Governor Dr. Kimani Wamatangi for his leadership and support. Recognition is also given to the County Treasury core team from the Budget and Economic Planning directorates for their dedication in compiling this paper, along with the valuable contributions of other County Treasury staff who played a key role in the process.

CPA ZACHARY GITAU
CHIEF OFFICER, FINANCE & ECONOMIC PLANNING

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

The County Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Financial Management Act, 2012 which states:

(1) A County Treasury shall-

(a) Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and

(b) Submit the paper to the County Executive Committee by the 30th of September of that year.

(2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—

a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year.
b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.
c) information on—
    i. any changes in the forecasts compared with the County Fiscal Strategy Paper; or
    ii. how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

(3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.

(4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—

(a) Arrange for the Paper to be laid before the County Assembly; and

(b) As soon as practicable after having done so, publish and publicize the Paper

Fiscal Responsibility Principles to be enforced by the County Treasury

In line with the Constitution, the Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles that the County Treasury need to enforce. The PFM law (Section 107) states that:

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2) and shall not exceed the limits stated in the regulations.

(2) In managing the County Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles

a. The County Government's recurrent expenditure shall not exceed the County Government's total revenue.
b. Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure.
c. The County Government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.
d. Over the medium term, the County Governments' borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
e. The county debt shall be maintained at a sustainable level as approved by County Assembly.
f. The fiscal risks shall be managed prudently; and
g. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every County Government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the County Assembly.

(5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

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ABBREVIATIONS AND ACRONYMS

CADP	County Annual Development Plan
CARA	County Allocation of Revenue Act
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
OCOB	Office of Controller of Budget
COVID	Coronavirus Disease
FY	Financial Year
GDP	Gross Domestic Product
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Program
KUSP	Kenya Urban Support Program
MDAs	Ministries, Departments and Agencies
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NG	National Government
OSR	Own Source of Revenue
PFMA	Public Financial Management Act
UDG	Urban Development Grant
USSD	Unstructured Supplementary Service Data

I. INTRODUCTION

Objective of the 2025 County Budget Review and Outlook Paper (CBROP)

1. The 2025 County Budget Review and Outlook Paper (CBROP) offer an assessment of fiscal performance for the financial year 2024/2025, with a focus on compliance with the objectives and principles set forth in the 2025 County Fiscal Strategy Paper (CFSP) and the Public Finance Management (PFM) Act of 2012. Additionally, it presents macroeconomic projections and sector ceilings for the fiscal year 2026/2027 and the medium-term budget. It also highlights any deviations from the projections outlined in the 2025 CFSP. Moreover, the CBROP serves as a foundation for revising the current budget for FY 2025/2026 and provides guidance on the financial policies supporting the medium-term plan.
2. The 2025 County Budget Review and Outlook Paper (CBROP) serves as the foundation for developing the 2026 County Fiscal Strategy Paper (CFSP), which will outline the progress made in implementing the County Integrated Development Plan (CIDP 2023-2027) and the County Annual Development Plan. This process also includes the preparation of the fiscal year 2026/2027 and medium-term budget, guided by the Budget Calendar. The FY 2026/2027 Budget Calendar adheres to the timelines set forth in the Public Finance Management (PFM) Act, 2012, and includes the following key milestones from September 2025 to June 2026:
    - **Preparation of the FY 2026/2027 Medium-Term Expenditure Framework (MTEF) Budget Proposals**: This stage involves the development of MTEF Sector Budget proposals, with an emphasis on conducting Public Sector Hearings to ensure stakeholder engagement by November, 2025.
    - **2026 County Fiscal Strategy Paper (CFSP)**: The preparation of the 2026 CFSP will commence after the approval of the 2025 CBROP and will be based on budget proposals submitted by the various departments. Once prepared, the CFSP will be presented to the Executive Committee for

approval, followed by submission to the County Assembly by 28th February, 2026.

- **Preparation of Draft Budget Estimates and Finance Bill, 2026**: The draft Budget Estimates and the Finance Bill for 2026 will be submitted to both the Executive Committee and the County Assembly for consideration by 30th April, 2026.
- **Approval and Assent of the Appropriation Bill, 2026, and the Finance Bill, 2026**: The final approval and assent of both the Appropriation Bill and the Finance Bill are expected by 30th June 2026.

3. In compliance with the Public Finance Management (PFM) Act of 2012, the annual budget process aims to enhance the efficiency and effectiveness of revenue mobilization and County Government spending, ensuring debt sustainability and fostering economic growth. Within this framework, the 2025 County Budget Review and Outlook Paper (CBROP) sets sector ceilings that will guide the budget preparation process for FY 2026/2027 and the medium term. These sector ceilings are aligned with the County Government's priorities, emphasizing high levels of service delivery while maintaining manageable levels of pending bills.
4. With this background, the remainder of this paper is organized as follows: Section II reviews the fiscal performance for FY 2024/2025 and its implications for the financial objectives set out in the County Fiscal Strategy Paper, Section III provides an overview of recent economic developments and updates the macroeconomic outlook, Section IV examines the implementation of the FY 2025/2026 Budget, Section V outlines the resource allocation framework, Section VI presents the budget framework for FY 2026/2027, Section VII concludes the paper.

II. REVIEW OF FISCAL PERFORMANCE ON THE FY 2024/2025 BUDGET

Overview

5. The execution of FY 2024/2025 was hampered by challenges in revenue mobilization. The total revenues were KShs. 18.92 billion, slightly below the revised target of KShs. 23.48 billion. This represented an overall revenue performance of 81 percent against the set target.
6. The actual expenditure for the fiscal year 2024/2025 amounted to KShs. 16.99 billion, compared to the budget estimate of KShs. 23.48 billion, indicating an absorption rate of 72.3 percent. Under recurrent expenditure, the absorption rate was 88 percent of the total recurrent budget, while the development expenditure was 41.9 percent of the total development budget.
7. Total revenue exhibited decline from KShs. 19.10 billion in the 2023/2024 financial year to KShs. 18.92 billion in the 2024/25 financial year, indicating a 0.95 percent decrease in revenue. The decrease was due to non-remittance of Additional Allocations of conditional grants. The County Government was supposed to receive Kshs.2.92 billion but only received Kshs.0.574 billion. Notably, Own Source Revenue (OSR) increased by 10.2 percent from KShs. 4.59 billion in the 2023/2024 fiscal year to KShs. 5.05 billion in the 2024/2025 financial year.
8. Due to the missed targets on both National Government, Development partners and own source revenue in the FY 2024/2025 budget, the budget was under funded by KShs. 4.56 billion translating to 19.4 percent.

Table 1: Fiscal Outturn for the FY 2024/2025

Fiscal Outturn FY 2024/2025					
	2023/2024	2024/2025			
	Actual	Target(A)	Actual(B)	Deviation (Target Vs Actual) C=B-A	Absorption % (B/A)
Total Revenue	**19,101,809,706**	**23,480,377,308**	**18,919,433,348**	**(4,560,943,960)**	**80.6**
National Government Transfer	11,249,348,252	15,218,521,580	12,867,962,314	(2,350,559,266)	**84.6**
Own Source Revenue	4,575,500,258	7,250,940,717	5,054,611,248	(2,196,329,469)	**69.7**
Adjustments to Cash basis (CRF Balances)	2,548,373,211	984,598,316	984,598,316	0	**100.0**
Other County Donors/partners	728,587,985	26,316,695	12,261,470	(14,055,225)	**46.6**
Total Expenditure	**17,742,437,766**	**23,480,377,308**	**16,985,728,399**	**(6,494,648,909)**	**72.3**
Recurrent	14,297,911,233	15,518,877,069	13,650,825,792	(1,868,051,277)	**88.0**
Development	3,444,526,533	7,961,500,239	3,334,902,607	(4,626,597,632)	**41.9**

Source: County Treasury

A. FY 2024/2025 FISCAL PERFORMANCE

I. Revenue Performance

9. The total revenue for the year under review was KShs. 18.92 billion, which constituted 80.6 percent of the annual target of KShs. 23.48 billion. This marked a slight decrease of 0.95 percent compared to the previous fiscal year, FY 2023/2024, which amounted to KShs. 19.10 billion.

10. From the revenue budget, the main source of revenue for the County Governments in the FY 2024/2025 was Equitable Share of KShs. 12.3 billion accounting for 52.4 percent of the total County revenue. During the same period, additional allocations to the County Governments from the National Government's share of revenue as well as from proceeds of loans and grants was Kshs.2.92 billion which accounted for 12.5 percent of the budgeted revenue while own source revenue was Kshs7.25 billion translating to 30.9 percent of the budgeted revenue. Other revenues of KShs 1.01 billion accounted for 4.2 percent of the total revenues.

Table 2: Revenue Performance in Financial Year 2024/2025

	Revenue Performance FY 2024/2025 (KShs)					
		FY 2023/2024	FY2024/2025			
	Revenue Source	**Actual**	**Target(A)**	**Actual(B)**	**Deviation(B-A) (KShs)**	**Actual to Target %(B/A)**
A	**Total revenue from National Government**	**11,904,672,602**	**15,218,521,580**	**12,867,962,314**	**(2,350,559,266)**	**84.6**
	Equitable Share Allocation	11,249,348,252	12,293,696,674	12,293,695,472	**(1,202)**	100
	Additional Conditional Allocations	655,324,350	2,924,824,906	574,266,842	**(2,350,558,064)**	19.6
B	**Own Source Revenue (OSR)**	**4,575,500,258**	**7,250,940,717**	**5,054,611,248**	**(2,196,329,469)**	69.7
C	**Other Revenues**	**2,621,636,846**	**1,010,915,011**	**996,859,786**	**(14,055,225)**	98.6
	Totals County Revenue	**19,101,809,706**	**23,480,377,308**	**18,919,433,348**	**(4,560,943,960)**	80.6

Source: County Treasury

a) Equitable Share

11. As provided for under the County Allocation of Revenue Act (CARA), 2024 the County Government projected to receive KShs. 12.29 billion for FY 2024/2025. During the period under review the County received KShs. 12.29 billion representing 100 percent of the targeted revenue. The county received all its Equitable Share.

b) Additional Allocations

12. As provided for under County Government Additional Allocation Act (CGAAA), 2025, the County expected to receive KShs. 2.92 billion. During the period under review, the actual conditional grant received was KShs. 0.57 billion, representing 19.6 percent of the annual target.

13. The underperformance in the transfer of additional allocations to the County Governments was as a result of: the late approval of CGAAA 2025; delays in finalisation of a framework to transfer of revenue from Court fines; omission by the MDAs to reflect some additional allocations in their budget appropriation to support the disbursement for FY 2024/2025, shortfall in collection of ordinary

revenue by the National Government and weak compliance by County Governments to the conditions provided for the grants;. The regulations to support the transfer of 10 percent share of Mineral Royalties due to communities are being finalized by the State Department for Mining.

14. The table below summarizes the revenue from the conditional grants for the period under review.

Table 3: Revenue from the Conditional Grant for the FY 2024/2025

Conditional Grants Performance FY 2024/2025 (KShs)					
	FY 2023/2024	FY 2024/2025			
	Actual	Target (A)	Actual (B)	Deviation (B-A)	Actual to Target %
Conditional allocations	**655,324,350**	**2,924,824,906**	**574,266,842**	(2,350,558,064)	**19.6**
Industrial Park & Aggregation Centers Grant	64,000,000	52,631,579	52,631,579	0	100
Road Maintenance Fuel Levy fund	0	335,429,530	118,951,472	(216,478,058)	36
Community Health Promoters (CHPs)	0	94,680,000	0	(94,680,000)	0
Basic Salary Arrears for county Government health workers	0	119,957,202	0	(119,957,202)	0
Court Fines	0	5,084,684	0	(5,084,684)	0
Mineral Royalties	0	5,697,644	0	(5,697,644)	0
IDA (World bank) credit-Kenya Urban Support project (KUSP)	0	35,000,000	32,309,300	(2,690,700)	92
DANIDA Grant - Universal Healthcare for Devolved System Program	17,209,500	14,527,500	14,527,500	0	100
IDA (World bank) National Agricultural Value Chain development Project (NAVCDP)	195,533,663	151,515,152	91,303,899	(60,211,253)	60
World Bank credit: Kenya Informal Settlement Improvement Project (KISIP II)	200,000,000	464,543,092	264,543,092	(200,000,000)	57
IDA (World bank) FLLoCA-County climate institutional support (CCIS) Grant	24,982,967	11,277,015	0	(11,277,015)	0
IDA (World bank) FLLoCA-County climate Resilience Investment (CCRI) Grant	99,578,726	254,578,726	0	(254,578,726)	0
Kenya Aquaculture business development project KABDP	0	10,918,919	0	(10,918,919)	0

Conditional Grants Performance FY 2024/2025 (KShs)					
	FY 2023/2024	FY 2024/2025			
	Actual	Target (A)	Actual (B)	Deviation (B-A)	Actual to Target %
IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Development Grant	0	1,331,483,863	0	(1,331,483,863)	0
IDA (World Bank) credit Kenya Devolution Support Project (KDSP) - Level 2	0	37,500,000	0	(37,500,000)	0
Sweden- Agricultural Sector Development Support Programme (ASDSP II)	2,583,952	0	0	0	0
World Bank Credit - National Agricultural & Rural Inclusive Growth Project (NARIGP)	51,435,541	0	0	0	0

Source: County Treasury

c) County Own Source Revenue Performance

15. The County Government realized KShs. 5.05 billion on Own Source Revenue (OSR) during the financial year, which was 69.7percent of the annual target of KShs. 7.25 billion. This included Facility Improvement Fund (FIF) and NHIF collection of KShs. 1.54 billion.

16. This signifies a **notable increase of 10 percent** compared to the KShs. 4.59 billion generated during a similar period in FY 2023/2024. The increase in OSR can be attributed to the introduction of a new ERP revenue system, the issuance of waivers on land rates that encouraged the public to pay, the creation of various task forces in tandem with Huduma Mashinani and RRI initiatives that helped in collection, supervising, and public sensitization on revenue matters through the introduction of bulk SMS as a reminder of payments due.

17. Among the various revenue streams, certain categories stood out with impressive collections: **Hospital collections** achieved the highest at KShs. 1.81 billion, followed by **Land, Physical planning and Housing Unit** at KShs. 1.78 billion, and **Trade, Industrialization, Tourism and Investments unit** at KShs 435.3 million.

18. Notably, there was substantial growth across majority of the revenue streams as compared to the previous financial year, 2023/2024. This growth can be attributed to the revenue strategies as indicated above.

Table 4: Own Source Revenue FY 2024/2025

Performance of Own Source Revenue						
Revenue Stream	**FY 2022/2023**	**FY2023/2024**	**FY2024/2025**			
	Actual	**Actual**	**Target**	**Actual**	**Deviation (Target Vs Actual**	**Absorption %**
Department of Trade, Industrialization, Tourism and Investments	367,050,055	145,388,021	491,196,180	435,326,553	(55,869,627)	88.6
Department of Youth and Sports	0	1,444,286	2,000,000	1,544,860	(455,140)	77.2
Department of Education, Culture and Social Services	586,000	1,483,651	2,000,000	1,622,270	(377,730)	81.1
Department of Water, Environment and Natural Resources	156,763,213	167,730,306	309,727,006	242,226,213	(67,500,793)	78.2
Department of Agriculture, Livestock and Fisheries	44,754,778	116,154,236	113,380,463	90,142,007	(23,238,456)	79.5
Department of Health	1,348,949,905	1,415,340,594	1,800,000,000	1,810,096,601	10,096,601	100.6
Department of Lands, Physical Planning and Housing	1,135,623,735	1,895,219,373	3,369,194,711	1,780,175,165	(1,589,019,546)	52.8
Department of Roads, Transport and Public Works	417,163,223	530,307,068	780,442,357	432,547,847	(347,894,510)	55.4
Department of Administration and Public Service	137,876,244	312,683,768	383,000,000	260,929,732	(122,070,268)	68.1
TOTAL COLLECTIONS	**3,608,767,153**	**4,585,751,301**	**7,250,940,717**	**5,054,611,248**	**(2,196,329,469)**	**69.7**

Source: County Treasury

d) Other Revenues

19. The County Government had budgeted for KShs 1.01 billion as revenue from other sources. This amount comprised of closing balances brought forward in the County Revenue Fund (CRF) from the previous financial year of KSh. 984.6 million, KShs. 14.06 million from Nutritional international and KShs 12.26 million from MSF Belgium grant intended to support drug and substance rehabilitation programs at Karuri level 4 hospital.

20. The actual receipts for this revenue category were KShs. 996.9 million representing 98.6 percent of the targeted revenue as shown the table below.

Table 5: Performance of other revenues

Other Revenue Performance FY 2024/2025 (KShs.)					
Revenue Source	**FY 2023/24**	**FY 2024/20245**			
	Actual	**Actual**	**Target**	**Deviation**	**Actual to Target %**
Other Revenue	**2,621,636,846**	**996,859,786**	**1,010,915,011**	**(14,055,225)**	**98.6**
Adjustments to Cash Basis (CRF)	2,548,373,211	984,598,316	984,598,316	**0**	**100.0**
MSF Belgium	40,735,000	12,261,470	12,261,470	**0**	**100.0**
Nutrition International (N.I) Project	32,528,635	0	14,055,225	**(14,055,225)**	**0.0**

Source: County Treasury

II. COUNTY EXPENDITURE PERFORMANCE

Comprehensive Expenditure Review

21. In the fiscal year 2024/2025, the County Government's approved supplementary budget amounted to KShs. 23.48 billion. This budget was divided into KShs. 7.96 billion (34 percent) allocated to development programs and KShs. 15.52 billion (66 percent) designated for recurrent programs.

22. During the period under review, KShs. 16.99 billion was requisitioned and approved by the Office of the Controller of Budget (OCoB) for use. KShs. 3.33 billion was requisitioned under development expenditure and KShs. 13.65 billion was requisitioned under recurrent expenditure. The Facility Improvement Fund (FIF) and NHIF collection were KShs. 1.5 billion.

a) Recurrent Expenditure

23. The County Government's recurrent expenditure was KShs. 13.65 billion, equivalent to 88 percent of the revised recurrent budget of KShs. 15.52 billion. This resulted in a deviation of KShs. 1.87 billion from the approved recurrent budget. The decline was primarily due to unrealized projected revenues, particularly shortfalls in OSR, and unremitted conditional grants by the National Government.

24. Under recurrent expenditure, the Departments of Youth Affairs, Sports and Communication; Health Services, and Administration and Public Service achieved

the highest absorption rates, recording 94.1 percent, 92.2 percent and 90.7 percent respectively.

Expenditure on Personnel Emoluments

25. The total expenditure on Personnel emolument was KShs. 7.88 billion which accounted for 42 percent of the County total revenue. Under County Executive, Personnel emoluments (PE) amounting to KShs. 7.27 billion was paid while KShs. 617.53 million expended by the County Assembly for the period under review.

b) Development Expenditure

26. The total development expenditure for FY 2024/2025 was KShs. 3.33 billion, which was 41.9 percent of the development budgetary allocation of KShs. 7.96 billion.
27. The departments of Health services recorded the highest absorption at 87.7 percent; followed by department of Education, Gender, Culture and Social Services recorded absorption of 79.4 percent and departments of Youth Affairs, Sports and Communication recorded 73.7 percent.
28. The table below summarizes Budget Absorption per Department FY 2024/2025 during the reporting period.

Table 6: Budget Absorption per Department FY 2024/2025

Budget Absorption Per Department FY 2024/2025					
Vote	Department	Approved Budget Estimates (AB)	Actual Expenditure	Deviation (AB-AE)	Absorption Rate (AE/AB)
	Recurrent	Amount	Amount	Amount	%
4061	County Assembly	1,258,932,748	1,083,381,683	175,551,065	86%
4062	County Executive	447,106,865	309,705,841	137,401,024	69%
4063	County Public Service Board	83,478,091	62,449,668	21,028,423	75%
4064	Finance ICT & Economic Planning	1,497,659,684	1,290,641,257	207,018,427	86%
4067	Water Environment Energy & Natural Resources	595,338,412	526,049,928	69,288,484	88%
4068	Health Services	7,011,028,360	6,465,448,828	545,579,532	92%
4073	Roads, Transport & Public Works	862,473,639	685,136,705	177,336,934	79%
4075	Administration & Public Service	1,003,998,165	911,098,816	92,899,349	91%
4077	Agriculture, Livestock and Cooperatives	492,931,419	429,775,436	63,155,983	87%
4078	Education, Gender, Culture & Social Services	1,580,086,405	1,380,237,118	199,849,287	87%
4079	Youth Affairs, Sports & Communication	126,659,400	119,240,284	7,419,116	94%
4080	Lands,Housing,Physical Planning &Municipal Administration and Urban Development	384,213,364	248,727,861	135,485,503	65%
4081	Trade, Tourism, Industrialization and Investments	174,970,517	138,932,366	36,038,151	79%
	Total Recurrent	**15,518,877,069**	**13,650,825,792**	**1,868,051,277**	**88%**
	Development				
4061	County Assembly	110,000,000	0	110,000,000	0.0%
4062	County Executive	-	0	0	0.0%
4063	County Public Service Board	-	0	0	0.0%
4064	Finance ICT & Economic Planning	80,780,000	10,697,000	70,083,000	13.2%
4067	Water Environment Energy & Natural Resources	594,559,494	123,067,186	471,492,308	20.7%
4068	Health Services	819,744,990	719,264,424	100,480,566	87.7%
4073	Roads, Transport & Public Works	1,945,196,723	680,819,609	1,264,377,115	35.0%
4075	Administration & Public Service	29,549,484	1,352,180	28,197,304	4.6%
4077	Agriculture, Livestock and Cooperatives	546,521,614	311,686,287	234,835,327	57.0%
4078	Education, Gender, Culture & Social Services	1,082,353,955	858,957,099	223,396,856	79.4%
4079	Youth Affairs, Sports & Communication	203,000,000	149,571,764	53,428,236	73.7%
4080	Lands,Housing,Physical Planning &Municipal Administration and Urban Development	1,916,473,330	18,674,556	1,897,798,774	1.0%
4081	Trade, Tourism, Industrialization and Investments	633,320,649	460,812,503	172,508,146	72.8%
	Total Development	**7,961,500,239**	**3,334,902,607**	**4,626,597,632**	**41.9%**
	Total Recurrent + Development	**23,480,377,308**	**16,985,728,399**	**6,494,648,909**	**72.3%**

Source: County Treasury

c) County Established Funds

29. Section 116 of the PFM Act, 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated KShs. 1.99 billion to county established funds in FY 2024/2025, constituting 8.5 percent of the County's overall budget for the year. Actual expenditure during the financial year under review was KShs. 1.87 billion. The table below summarizes each established Fund's budget allocation and performance during the reporting period.

Table 7: Performance of County Established Funds

County Established Fund Performance as at 30th June 2025 (KShs.)				
Vote	**Name of the Fund**	**Approved Budget**	**Actual Transfer**	**Absorption**
		Amount	**Amount**	**%**
4061	Kiambu County Assembly Car Loan & Mortgage Scheme Fund	25,000,000	-	0
4061	Kiambu County Assembly Staff Mortgage Scheme Fund	50,000,000	-	0
4062	Kiambu County Executive Car loan and mortgage scheme fund	-	-	0
4064	Kiambu County Emergency Fund	50,000,000	35,000,000	70
4068	Kiambu County Health Services Improvement Fund	1,500,000,000	1,536,363,616	102
4075	Kiambu County Alcoholic Drinks Control Fund	70,000,000	15,000,000	21
4078	Kiambu County Education Bursary Fund	300,000,000	300,000,000	100
4079	Kiambu County Jiinue Fund		-	0
	Total	**1,995,000,000**	**1,886,363,616**	95

Source: County Treasury

d) Pending Bills

30. In the fiscal year 2024/2025, the County Government allocated KShs. 945 million in the approved budget estimates to address pending bills, covering both recurrent and development expenditures. Specifically, KShs. 288 million was allocated from the recurrent budget, with an additional KShs. 657 million from the development budget.

31. During the period under review, the County Government committed, through a letter to the Office of the Controller of Budget, to pay KShs. 1.20 billion towards the settlement of pending bills. The County Government adhered to the payment plan and paid KShs. 1.28 billion.

32. To prudently manage fiscal risk, the County Government, under the new administration, has implemented stringent spending measures, contingent on the availability of funds and alignment with the approved budget estimates.

33. . The County Government is committed to maintaining pending bills at a sustainable level, recognizing that an excessively large outstanding bill negatively impacts service delivery to the residents of Kiambu County, especially when a significant portion of development funds is diverted to settling bills rather than funding development projects. This goal will be achieved by reducing county expenditures and exploring strategies to augment available resources, thereby preventing budgetary deficits.

34. Table below provides a summary of the pending bills owed by the county government as of June 30, 2025.

Table 8: Summary of pending bills as at 30th June 2025

Vote	Departments	Recurrent	Development	Totals
4075	Administration & Public Service	149,959,645	7,963,023	157,922,668
4077	Agriculture, Livestock and Cooperatives	25,607,517	37,027,334	62,634,851
4063	County Public Service	9,623,490		9,623,490
4078	Education, Gender, Culture & Social Services	52,222,516	240,205,913	292,428,429
4062	Executive	264,957,081		264,957,081
4064	Finance and Economic Planning	664,974,113		664,974,113
4068	Health Services	195,764,059	1,890,490,276	2,086,254,335
4080	Land and MAUD	40,417,512	52,399,291	92,816,803
4073	Roads, Transport & Public Works	64,934,849	2,066,897,931	2,131,832,780
4081	Trade, Tourism, Industrialization and Investments	22,403,229	66,091,726	88,494,955
4067	Water Environment Energy & Natural Resources	45,915,273	71,745,243	117,660,516
4079	Youth Affairs, Sports & Communication	9,756,618	68,140,847	77,897,465
	TOTAL	**1,546,535,902**	**4,500,961,584**	**6,047,497,486**

Source: County Treasury

Fiscal Performance for the Financial Year 2024/2025 with Regard to Fiscal Responsibilities Principles

35. In line with the Constitution, the PFM Act Cap. 412, the PFM Regulations, and in keeping in line with prudent and transparent management of public resources, the County Government has largely adhered to the fiscal responsibility principles as set out in the statute as follows:

(a) Recurrent Expenditure as a Percentage of Total Revenue

36. On the principle that the County Government's recurrent expenditure shall not exceed the county government's total revenue, the County Government's actual recurrent expenditure of KShs. 13.65 billion did not exceed the County Government's total revenue of KShs. 18.92 billion hence the County has complied with the fiscal responsibility principle.

(b) Development Budget as a Percentage of the Total Budget

37. Section 107(2) (b) of the Public Finance Management (PFM) Act, 2012, requires that, over the medium term, a minimum of thirty percent of the county government's budget be allocated to development expenditure.

38. In the financial year 2024/2025, the budget allocation for development expenditure was KShs. 7.96 billion, representing 34 percent of the revised total county budget. The County adhered to the legal requirement of allocating at least 30 percent of the total budget to development expenditure.

39. During the same period under review, the actual development spending for the County Government amounted to KShs. 3.33 billion, translating to 41.9percent of the development budget and 14.2 percent of the total budget for FY 2024/2025.

40. To improve the absorption of development expenditure, the County Government plans to reduce recurrent expenditure and enhance revenue collection, thereby creating more fiscal space for investment in development projects. It is important to note that missing revenue targets can hinder the absorption of development

expenditure, as most recurrent expenses are non-discretionary and cannot be deferred.

41. Additionally, the low absorption of capital expenditure can be attributed to several factors, including delayed disbursements from the National Treasury, underperformance in Own Source Revenue (OSR) collection, failure to receive some conditional grants for development projects, and lengthy procurement processes. The County also faced challenges related to pending bills, which made it difficult to attract reliable vendors and suppliers for the timely delivery of goods and services, leading to delays in project implementation.

(c) Expenditure on Wage Bill as a Percentage of Total Revenue

42. Regulation 25 (1) (a) and (b) of the PFM (County Governments) Regulations 2015 provides that the County Governments' expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) percent of the County Government's total revenue. During FY 2024/2025, expenditure on the wage bill amounted to KShs. 7.88 billion, accounting for 42% of the total revenue of KShs. 18.92 billion, against a PFMA, 2012 required threshold of 35 percent. This was an improvement from 44.3 percent incurred in the previous 2023/2024 financial year.

43. Since the inception of devolution, the county government have faced significant challenges in adhering to this wage bill ceiling requirement, primarily due to external factors. These factors include nationwide Collective Bargaining Agreements (CBAs) that counties are obligated to implement without additional financial provisions, such as the CBAs for nurses and doctors, which have strained the County Government's financial resources. Additionally, counties inherited large workforces from devolved units, particularly in the health sector. Further, inadequate resource allocations from the national government to counties and periodic salary reviews by the Salaries and Remuneration Commission (SRC) have contributed to the ongoing rise in the wage bill.

44. Moving forward, the County Government is committed to reducing the proportion of expenditure on wages to free up more resources for development activities, in compliance with legal requirements. Strategies to achieve this goal include streamlining the public service, negotiating with the National Government through the Council of Governors and the Intergovernmental Budget and Economic Forum (IBEC) to secure additional resources for counties, and enhancing efforts to improve Own Source Revenue (OSR) mobilization. The County will also focus on implementing and strengthening performance management systems, restructuring and reorganizing the County's organizational structure, staff rationalization, and fully automating the County payroll.

(d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;

45. The County Government did not borrow any funds during the period under review.

(e) The County debt shall be maintained at a sustainable level;

46. The County Government did not have any public debts during the period under review.

(f) Prudent Management of Fiscal Risk

47. Section 107 (2) (f) of the PFM Act, 2012 requires the County Treasury to manage their fiscal risks prudently. During the review period, a number of fiscal risks were identified in revenue and expenditure performance. These are:

i. **High expenditure on wage bill** that lowers the ability of county government to meet financial obligations on operations & maintenance and development requirements; and,
ii. **Missed revenue targets,** which results in an unfunded budget resulting in accumulation of pending bills.
iii. **Pending bills** that negatively affects effective delivery of public services.

48. The County Government is committed to mitigate on all risks identified above as demonstrated in this document.

(g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

49. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and the tax base, the County Government continues to carry out revenue reforms and amendments by revising its fees and charges through the proposed 2024 Finance Act.

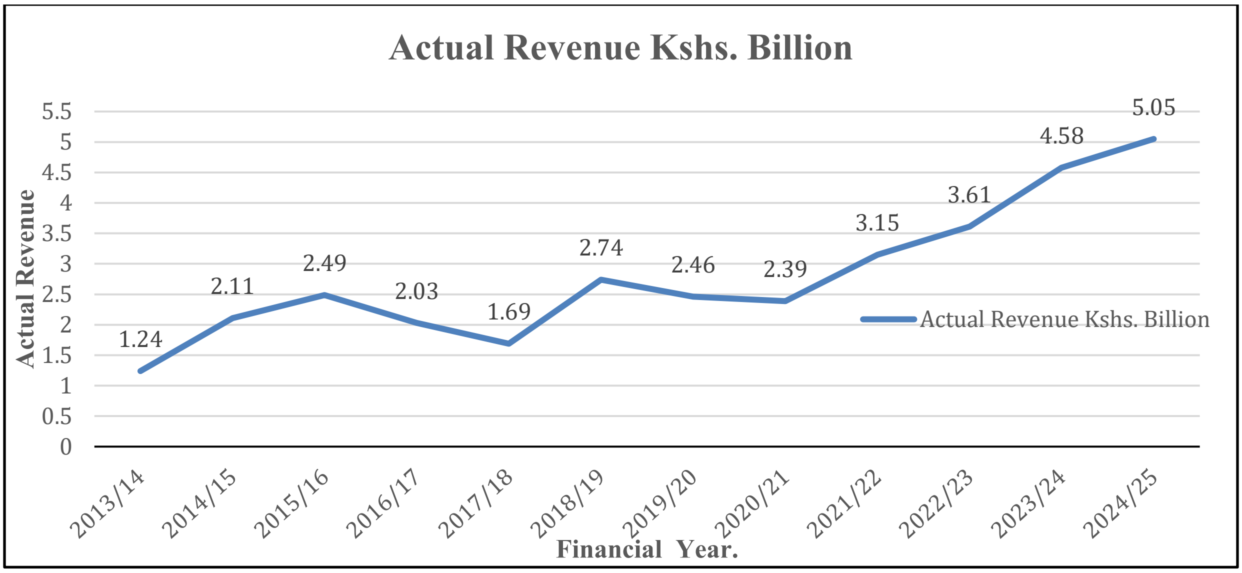
Fiscal Performance for FY 2024/2025 in Relation to Financial Objectives

50. In FY 2024/2025, the County Government set several key financial objectives aimed at strengthening financial management and improving fiscal performance:

a. Enhancing Own Source Revenue (OSR) Collection

51. During FY 2024/2025, the focus was on achieving an annual target of KShs. 7.25 billion on own source revenue (OSR), without raising fees and charges during the period. A comprehensive study on OSR and the tax gap, conducted by the Commission on Revenue Allocation (CRA) with support from the World Bank in June 2022, indicated the county's potential to collect up to KShs. 13.9 billion.

52. In FY 2024/2025, the County generated a total of KShs. 5.05 billion from its various revenue streams, including Facility Improvement Fund (FIF). This represented a 10.47 percent increase compared to the KShs. 4.58 billion collected in FY 2023/2024 and accounted for 69.7 percent of the annual revenue target. This was the highest OSR collection in recent years, indicating the county's potential to further increase OSR with intensified efforts.



Source: County Treasury

b. Ensuring Effective, Efficient, and Economic Use of Public Resources

53. During the period under review, the County Government aimed to maintain strict control over public expenditure, prioritizing essential services and investments in growth-enhancing sectors. This objective was to be achieved through the enforcement of budgetary discipline, the elimination of wasteful spending, and the streamlining of government operations to achieve cost savings.

54. However, under-spending was observed in both the recurrent and development budgets for FY 2024/2025, due to several factors including delayed disbursements from the National Treasury, underperformance in OSR collection, non-receipt of certain conditional grants for development projects, lengthy procurement processes, and challenges related to pending bills.

55. In response, the County Government plans to implement measures to improve resource absorption and has embarked on an aggressive campaign to mobilize OSR during FY 2025/2026, ensuring full funding of the budget.

III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Global Economic Performance

56. The global economic growth declined to 3.3 percent in 2024 from 3.5 percent in 2023. This growth is projected to pick up slightly to 3.1 percent in 2026 compared to 3.0 percent in 2025 reflecting the positive impact of further casing of monetary policy as inflationary pressures subside, stronger domestic demand in emerging markets and developing economies, and a gradual recovery in global trade. This improvement is expected to counter the effects of a slowdown in advanced economies, where tighter financial conditions and demographic headwinds continue to weigh on growth.
57. Advanced Economies growth remained stable at 1.8 per cent in 2023 and 2024. Growth in the USA is projected to expand by 1.9 percent in 2025 and 2.0 percent in 2026, supported by resilient consumption and an expected easing of financial conditions, while the Euro Area is forecast to grow by 1.0 percent in 2025 and 1.2 percent in 2026, reflecting gains from lower inflation and improving real incomes but constrained by structural and geopolitical challenges.
58. Emerging Market and Developing Economies are projected to grow moderately at 4.1 percent in 2025 and 4.0 percent in 2026. This growth is supported by stronger performance in South Asia and Sub-Saharan Africa, steady growth in Middle East and Central Asia, but slower momentum in China and Latin America.
59. The real GDP in Sub-Saharan Africa (SSA) grew by 4.0 percent in 2024 and remained the same in 2025. It growth is projected to improve to 4.3 percent in 2026, reflecting gradual recovery across the region. The growth is supported by robust growth in non-resource-rich countries, increased private consumption, improving investments, and a decline in inflation. However, the outlook remains constrained by high debt levels, climate vulnerabilities, external risks from global trade tensions, commodity price fluctuations, and structural constraints.

Domestic Economic Performance

60. Kenya's economy remained strong and resilient to economic shocks both global and domestic and performed above the global and Sub-Saharan Africa. The real

Gross Domestic Product (GDP) grew by 4.7 per cent in 2024 supported by positive growths in all sub-sectors except construction, and mining and quarrying. The economy remained strong with a growth of 4.9 percent in the first quarter of 2025 which 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 quarter of 2025, with varied magnitudes across activities.

61. The growth in the primary sector declined from 5.7 percent in 2023 to 3.9 percent in 2024. However, there was a notable increase in growth during the first quarter of 2025 where the sector grew by 6.2 percent compared to a growth of 4.5 percent in the first quarter of 2024. 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.
62. The agriculture, forestry, and fishing sub-sector grew by 6.0 percent in the first quarter of 2025, up from a 5.6 percent increase during the same period in 2024. This improvement was largely attributed to favorable weather conditions experienced in most parts of the country, which supported both crop and animal production. The mining and quarrying sub-sector recorded a 10.0 percent growth in the first quarter of 2025, marking a significant rebound from the 16.1 percent decline observed during the same period in 2024. This growth was driven by heightened activity and renewed investment after years of subdued performance.
63. The industry sector recorded a growth of 2.6 percent in the first quarter of 2025 improving from 1.5 percent in the same quarter of 2024. This growth was driven by improved performance across manufacturing, electricity and water supply, and construction.
64. The services sector recorded slowed growth of 6.1 percent in 2024 from 6.8 percent in 2023. The growth also slowed down to 4.8 percent in the first quarter of 2025 from 6.8 percent recorded in the corresponding quarter of 2024. The transportation and storage sub-sector expanded by 3.8 percent in the first quarter of 2025 which was slightly lower than the 4.1 percent growth recorded in the first quarter of 2024,

supported by increased land transport and port activities. Accommodation and food service sub-sectors grew by 4.1 percent in the first quarter of 2025, a slowdown, compared to a growth of 38.1 percent in the first quarter of 2024. The information and communication sub-sector grew by 5.8 percent in the first quarter of 2025, compared to 9.2 percent growth in the corresponding quarter of 2024. This performance was supported by an increase in the volume of outgoing domestic voice traffic, use of domestic short messaging services and mobile money transactions.

65. Leading indicators of economic activity in the second and third quarters of 2025 point to improved performance. This performance will be driven by strong performance in agriculture. supported by favorable weather and increased access to subsidized inputs, alongside easing monetary policy aimed at boosting private sector credit.

66. Overall year-on-year inflation declined and has remained below the mid-point of the policy target range of 5.0 + 2.5 percent since June 2024. The year-on-year inflation was stable at 4.5 percent in August 2025 compared to 4.4 percent in August 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; lower international oil prices; and the decline in non-core inflation reflecting impact of previous monetary policy tightening.

67. Core inflation increased from 2.2 percent in August 2024 to 3.0 percent in August 2025, largely driven by higher prices of processed food items. Core inflation is compiled from nonvolatile commodities such as manufactured food items, health services, education services and ICT. Non-core inflation decreased to 9.2 percent in August 2025 from 10.3 percent in August 2024, mainly on account of relatively lower energy prices. Non-core Consumer Price Index (CPI) component is largely comprised of fresh vegetable farm produce, energy items and select transport components, which are predominantly driven by volatility in global energy prices and domestic weather conditions.

68. The short-term interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 9.5 percent in August 2025 compared to 13.0 percent in August 2024 and has remained within the prescribed corridor around the CBR (set at CBR ±75 basis points).
69. Commercial banks average lending and deposit rates decreased in the year to July 2025 in tandem with the easing of the monetary policy. The average lending rate decreased from 16.8 percent in July 2024 to 15.2 percent in July 2025 while the average deposit rate also decreased from 11.3 percent to 8.1 percent over the same period. Consequently, the average interest rate spread increased from 5.6 percent in July 2024 to 7.2 percent in July 2025.
70. The 91-day Treasury Bills rate declined to 8.0 percent in August 2025 from 15.9 percent in August 2024. The 182-day Treasury Bills rate declined to 8.1 percent in August 2025 from 16.7 percent in August 2024 while the 364-day Treasury Bills also declined to 9.6 percent from 16.9 percent over the same period. The decrease in government domestic borrowing rates has led to lower debt servicing costs.
71. The current account deficit was USD 2,098.2 million (1.5 percent of GDP) in June 2025 compared to USD 1,925.6 million (1.5 percent of GDP) in June 2024. The current account balance was supported by resilient goods exports, an improvement in net receipts on the services account, net primary income and net secondary income balance. The current account deficit in the 12 months to June 2025 was more than fully financed by financial account inflows, resulting in an overall balance of payments surplus of USD 2,832.1 million.
72. The capital account balance increased by USD 102.5 million to register a surplus of USD 257.8 million in June 2025 compared to a surplus of USD 155.3 million in the same period in 2024. Net financial inflows improved to USD 4,160.9 million in June 2025 compared to USD 364.2 million in June 2024. The net financial inflows were mainly in the form of direct investments, financial derivatives and other investments. However, portfolio investments registered a net outflow during the period, partly due to global risk aversion.

73. 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. The Kenya Shilling remained relatively stable against major international currencies. It stabilized against the US Dollar in August 2025, exchanging at an average of KSh 129.2 compared to KSh 129.3 in August 2024. However, the Shilling depreciated against the Sterling Pound and the Euro by 3.8 percent and 5.6 percent, respectively. The Sterling Pound exchanged at an average of KSh 173.7 in August 2025, up from KSh 167.3 in August 2024, while the Euro averaged KSh 150.4 compared to KSh 142.4 over the same period.

74. The stability of the Kenyan Shilling against major global currencies, along with better overall macroeconomic conditions, has boosted investor confidence. This has contributed to increased foreign direct investment inflows and attracted investors to the Nairobi Securities Exchange (NSE). The NSE 20 Share Index improved by 69.6 percent to 2,846 points in August 2025, up from 1,678 points in August 2024. Similarly, market capitalization expanded by 67.9 percent to KSh 2,719 billion from KSh 1,620 billion over the same period, underscoring improved market sentiment and stronger equity valuations.

Implication of Macroeconomic Indicators on County Performance

75. The County's performance is closely linked to trends in both the global and domestic macroeconomic environment. While external and internal factors may influence outcomes, a stable and improving global and domestic outlook presents opportunities for growth.

76. The domestic economic outlook indicates a stable macroeconomic environment over the medium term. Lower food and fuel prices, along with a stronger Kenya Shilling, are boosting investor and supplier purchasing power thus positively influencing the County's performance. This favorable environment supports the successful implementation of key programmes and projects for overall economic growth. The County remains committed to developing and executing sound, prudent policies to advance its development goals.

77. Kiambu County is predominantly an agricultural County with majority deriving their livelihood from the primary sector. Growth will be driven by resilient agriculture, steady services, and gradual improvement in industry. The agriculture sector will be driven by favourable weather conditions and productivity-enhancing government interventions. Linkages with other sub-sectors will boost the agro-processing industries, merchandise exports, as well as households' incomes.
78. Going forward, the County aims to strengthen stable macroeconomic conditions, which are essential for encouraging investment and savings, ultimately driving economic growth. This will be accomplished through ongoing coordination between monetary and fiscal policies as well as enhanced implementation of economic empowerment programmes in the County.

IV. IMPLEMENTATION OF THE FY 2025/2026 BUDGET

79. The implementation of FY 2025/2026 budget has been impeded by delayed disbursement of exchequer releases from the National Treasury. The County has not received the exchequer releases for the months of August and September, 2025. The County has also experienced missed targets on its own source re5venue collection (OSR). This has greatly affected the operations of the County.

80. The County's approved budget for FY 2025/2026 stands at KShs. 23.81 billion, comprising KShs. 15.91 billion (67 percent) allocated for recurrent expenses and KShs. 7.90 billion (33 percent) earmarked for development projects. To fund this budget, the County anticipates receiving KShs. 13.07 billion (54.91 percent) as an equitable share of nationally raised revenue, KShs. 2.75 billion (11.57 percent) in conditional grants from development partners and raising KShs. 7.98 billion (33.52 percent) from its own revenue sources.

81. Total Revenue available to the County as at 31st August, 2025 was KShs. 2.1 billion which comprised; the July 2025 exchequer issue from the National Government of KShs1.04 billion, unspent balances brought forward from FY 2024/2025 of KShs. 0.521 billion and Own Source of revenue of KShs. 0.626 billion.

82. To ensure that the own source revenue target for the period is met, the County has put in measures among which includes; completion and full implementation of the ERP Revenue system, the issuance of wavers on land rates that encouraged the public to pay, the creation of various task forces in tandem with Huduma Mashinani and RRI initiatives that will help in collection, supervising, and public sensitization on revenue matters through the introduction of bulk SMS as a reminder of payments. Further, through the Council of Governors, there are follow up on the delayed exchequer releases to be expedited.

83. As of August 31, 2025, the total expenditure amounted to KShs. 801.8 million, a significant drop from the KShs. 1.13 billion spent during the same period last fiscal year. This expenditure is divided into KShs. 801.8 million for recurrent expenses

and none for development projects. Any delays in fund disbursement or revenue flows adversely affects development expenditures.

84. The County is committed to further improving public finance management systems across all levels. This effort aims to enhance efficiency, elevate service delivery standards, prevent financial leakages, and boost overall productivity.

Adjustments to the FY 2025/2026 Budget

85. The unmet revenue collection in the FY 2024/2025 and delay of release of conditional grants from development partners as provided in the approved disbursement schedule had implications on the financial objectives outlined in the 2025 CFSP and the 2025/2026 Budget. In particular, the baseline for projecting revenue and expenditures for the FY 2025/2026 and the medium term has changed given the outcome of FY 2024/2025 and the first two months of FY 2025/2026.

86. In light of the above, a supplementary budget estimate has been necessitated to appropriate unspent balances from the previous financial year 2024/2025 and closing balances brought forward in the CRF account. The County will also align revenues from the National Government with CARA 2025 and the County Government Additional Allocation Act 2025, respectively

87. The County Treasury has proposed measures in the Finance Bill, 2025 to help expand the revenue base and curb possible revenue leakages. To achieve OSR target, the County will implement revenue enhancement strategies which include; -

    a) Operationalization of the Kiambu Revenue Authority.
    b) Proposed harmonization of parking fees across the county.
    c) Proposed reclassification of urban, rural and other areas to municipalities and reclassifying the county from three to two zones creating a legal ground for harmonization of charges across the county
    d) Proposed introduction of Air BnB charges to enhance the revenue base.
    e) Propose introduction of a charge for use of county street lights for advertisement.

f) Put in place policies, regulations and induct all integrated systems (Enterprise Resource Planning -ERP system) to curb loopholes and improve revenue collection efficiency leading to enhanced revenue collection during the FY 2025/2026.
g) Entrench in law measures that require twinning of tax compliance with certain County Government services.
h) Improvement in service delivery where the County Government will demonstrate linkage between revenue collected and public services delivered to the lowest level of administration.
i) Develop a legislation on the Revenue Management that will contain enforcement clauses empowering the County to charge and collect fines and penalties,
j) Committing all accounting officers to be in charge of coordinating revenue streams under their departments by ensuring they meet the set targets,
k) Implementation of a Physical planning system for approval of plans that will be linked with the existing Revenue Collections systems. This will assist in sealing loopholes and avoid loss of revenue
l) Continuous ring-fencing of hospital collections and SHA/SHIF rebates as per the Kiambu County Health Services Act. Health services Facility Improvement Fund and SHA/SHIF rebates collection has been on an upward trend in the last few years. With the ongoing reforms and improvement of the health facilities the department is expected to collect KShs.2.4 billion in the FY 2025/2026.

88. These reforms are expected to make collection more convenient and increase Own Source Revenue which will help in financing current and future Budgets.

RISKS TO THE 2025/2026 BUDGET IMPLEMENTATION

89. Section 107 (2) (f) of the PFM Act, 2012 requires County Treasuries to manage their fiscal risks prudently. During the review period, a number of fiscal risks were identified in revenue and expenditure performance. These risks include:

I. **Unmet Own Source Revenue Targets:** Falling short of our targets for Own Source Revenue (OSR) collection is another fiscal risk we anticipate. Addressing this risk necessitates progressive mitigation measures to align with our county's development objectives.

II. **National Government Fund Transfers:** The unpredictability and timeliness of fund transfers from the National Government pose a challenge to our budget's proper execution. The County Government through the Council of Governors and the Intergovernmental Budget and Economic Council will continuously engage the National Treasury to release funds as per the approved disbursement schedule.

III. **Pending Bills Challenge:** The issue of unpaid pending bills remains a significant fiscal hurdle for our County Government. The impact of these outstanding bills on our ability to deliver efficient services cannot be overstated. In compliance with the above, the County Government has accorded top priority to settling all eligible bills within our departmental budgets. Further, the County has come up with a monthly payment plan for the outstanding pending bills which aim at settling the pending bills. Additionally, The County Government has taken measures to mitigate the problem of pending bills which include strict adherence to approved budget spending limits and the establishment of realistic revenue targets.

IV. **Wage Bill Overrun**: The County Government continues to grapple with a wage bill that surpasses the recommended threshold of 35 percent, constituting an ongoing risk to our budget framework. The review of salaries by the Salaries and Remuneration Commission (SRC), staff promotions, and the growing demand for technical and critical staff have necessitated the hiring of additional personnel, which is a key contributor to the burgeoning wage bill. To address this issue, the County Government will focus on increasing its revenue while implementing measures to limit new recruitments to essential positions only. This approach aims to balance the need for efficient public service delivery with prudent management of personnel costs, ensuring that resources are allocated effectively without compromising the quality of services provided.

V. **Financing of Urban Areas and Cities**: The County Government has established boards for its twelve municipalities and is in the process of creating Thika Smart City in accordance with the Urban Areas and Cities Act, 2011. Historically, funding for these municipalities has primarily come from the Kenya Urban Support Programme (KUSP), which is supported by development partners. A key challenge facing the municipality boards is underfunding, as there is no established criteria for revenue sharing between the County and the boards, as required by the Urban Areas and Cities Act, 2011. To resolve this issue, the County Government must develop a clear and equitable framework for revenue allocation between the County, the municipalities, and the smart city as provided for by section 173 of the PFMA of 2012.

V. RESOURCE ALLOCATION FRAMEWORK

90. The Medium-Term Fiscal Framework (MTEF) for FY 2026/2027 places a strong emphasis on enhancing efficiency and effectiveness in expenditure, as well as improving revenue collection.

91. The County Government will continue to pursue a fiscal consolidation policy aimed at reducing the overall fiscal deficit and debt accumulation. This strategy focuses on enhancing revenue mobilization, reprioritizing, and rationalizing expenditures while safeguarding priority County government programs and social spending. Sector Working Groups (SWGs) are therefore required to prepare medium-term budgets by optimally allocating available resources to projects and programs with high impact on growth.

92. This strategic approach is designed to facilitate economic recovery and achieve the County's transformative development goals. The County Government will continue to prioritize initiatives that protect livelihoods, generate employment opportunities, revive businesses, and stimulate economic activities. This includes providing essential services, promoting equity, reducing costs by eliminating duplication and inefficiencies, and implementing measures for environmental protection and addressing climate change.

93. The FY 2026/2027 and Medium-Term Budget will be based on the County Integrated Development Plan (CIDP) 2023-2027 and will build on progress made in previous financial years. The County Government will continue to address policy, legal, regulatory, and governance issues as a priority to ensure optimal resource utilization.

94. While operating within a constrained fiscal environment, the County Government will adopt a Zero-Based Budgeting (ZBB) approach, which requires justifying and prioritizing resource allocation based on current needs rather than previous spending patterns. This rigorous process aims to ensure the most efficient use of limited resources, demanding thorough justification for all programs and expenditures proposed for the FY 2026/2027 Budget, with consideration for their

medium-term impact. Departments must re-evaluate existing programs, emphasizing efficiency, effectiveness, and the elimination of wasteful expenditures to prioritize essential services, job creation, and economic recovery.

95. To create fiscal space and appropriately phase out expenditure programs, departments are required to conduct a thorough review of their proposed budgets for FY 2026/2027 and the Medium Term, ensuring that budgets are directed towards improving productivity and achieving CIDP objectives. This exercise should involve:
    - Prioritizing County Government programs and projects in the sector budget proposals;
    - Establishing the resources required for individual programs and projects and the level of provision within the provided ceilings; and
    - Justifying each proposed program's funding with supporting documentation.

96. To align with these objectives, the following criteria will guide the prioritization and final allocation of resources in FY 2026/2027:
    a) Programs that enhance value chains and link to BETA priorities;
    b) Alignment of programs with CIDP (2023-2027) priorities;
    c) Governor's directives and County Executive Committee decisions;
    d) Completion of ongoing and stalled projects, as well as payment of verified pending bills;
    e) The degree to which a program addresses job creation and poverty reduction;
    f) The degree to which a program addresses the core mandate of the Department;
    g) Programs that support climate change mitigation and adaptation;
    h) Cost-effectiveness, efficiency, and sustainability of the program; and
    i) Requirements for furtherance and implementation of the Constitution.

j) Programmes that promote gender equality and promote children's rights.

97. These criteria will play a pivotal role in shaping budgetary decisions and resource allocation to effectively achieve the County's developmental goals and fiscal objectives for the specified period.

VI. FY 2026/2027 AND MEDIUM-TERM BUDGET FRAMEWORK

98. The FY 2026/2027 budget is being prepared amid a stabilizing global economy, following the gradual recovery recorded in 2025. Global growth is projected to strengthen in 2026 as supply-chain pressures ease and inflation moderates. Advanced economies are expected to experience modest growth, while emerging markets and Sub-Saharan Africa are projected to maintain stable growth rates. Domestically, economic growth remains strong, driven by robust agricultural and manufacturing activities, a stable macroeconomic environment, and continued investments in infrastructure and digital technologies. These trends provide a sound macroeconomic and fiscal foundation for the FY 2026/2027 budget and the medium-term expenditure framework, ensuring that county priorities remain aligned with the national development agenda, including the Fourth Medium-Term Plan (MTP IV) of Vision 2030.

99. This budget will support the Government's economic transformation agenda while emphasizing fiscal consolidation to manage debt. The FY 2026/2027 and the Medium-Term Budget will be anchored on the Fourth Plan (MTP IV) of the Vision 2030 and the identified Bottom-up Economic Transformation Agenda (BETA) priorities. This has been aligned into the County Integrated Development plan 2023-2027.

100. Resources will focus on five high-impact sectors: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) development; Housing and Settlement; Healthcare; and the Digital Superhighway and Creative Economy. These sectors have the greatest potential to raise household welfare and spur

broad-based growth. Given anticipated resource constraints, departments are advised to prioritize programs within the available budget.

101. The Medium-Term Budget (FY 2026/27–2028/29) is built upon the County government's commitment to stimulating and sustaining economic activities while positioning the county on a sustainable and inclusive growth path. This objective will be realized through the diligent implementation of programs detailed in the County Integrated Development Plan (2023–2027).

102. Further, the medium-term budget aligns with the Governor's manifesto, which is structured around five (5) core pillars: Governance, People, Resources, Competitiveness, and Harmony. These pillars will also guide the development plans and the Medium-Term Expenditure Framework (MTEF) budget for the period from 2025/2026 to 2027/2028, as the administration works toward implementing its ambitious agenda.

103. Fiscal policy during the 2026/2027–2028/2029 period aims to expand the county's revenue base and improve service delivery while containing growth of liabilities. Key actions include modernizing revenue collection systems, enhancing compliance, and rationalizing tax expenditures to strengthen own-source revenue. Expenditure reforms will emphasize value for money through strict control of non-essential spending, end-to-end e-procurement and prioritization of ongoing projects before initiating new ones. The County also plans to upgrade its performance-management systems to improve data management and overall efficiency.

104. The budget process involves preparing key policy documents for approval by the County Executive Committee and County Assembly. The following policy documents must be prepared and approved within the timelines outlined in the Public Finance Management Act, 2012, and Regulations, 2015:

- Annual Development Plan
- County Budget Review and Outlook Paper (CBROP)
- Departmental Sector Proposals

- County Fiscal Strategy Paper (CFSP)
- County Debt Management Strategy Paper
- Programme-Based Budget and supporting details
- Estimates of Revenue
- The Appropriations Bill
- The Finance Bill

105. To ensure the timely finalization and approval of these policy documents and bills, Accounting Officers are required to adhere strictly to the activities outlined in the **Budget Calendar** within the specified timeframes **(Annex IV).**

MEDIUM TERM FISCAL PROJECTIONS

a) Revenue Projections

106. The FY 2026/2027 resource envelope is projected at KShs. 24.38 billion constituting: KShs.13.72 billion as equitable share from National Government, KShs. 2.68 billion as additional allocations from National Government and loans and grants from Development partners, KShs. 7.98 billion as Own Source Revenue. *(**Annex I**).* This revenue performance will be underpinned by the on-going reforms in policy and revenue administration.

b) Expenditure Projections

107. The overall projected budgetary expenditure for FY 2026/2027 is KShs. 24.38 billion. This is projected to increase to KShs. 25.07 billion in the FY 2027/2028 and further to KShs. 25.79 billion in the FY 2028/2029. *(**Annex II**)*

108. The recurrent expenditure has been projected at KShs. 16.15 billion in the FY 2026/2027. This is expected to increase to KShs. 16.63 billion in the FY 2027/2028 and KShs. 17.14 billion in FY 2028/2029.

109. The development expenditure has been projected at KShs. 8.23 billion FY 2026/2027. This expected to increase to KShs. 8.43 billion in the FY 2027/2028 and KShs. 8.65 billion in FY 2028/2029. More resources will be directed towards

development to support key priority areas as the County realigns itself to meet the fiscal responsibility requirements.

110. There is no fiscal deficit and the projections are fully financed.

VII. CONCLUSION AND NEXT STEPS

111. The global economic growth declined to 3.3 percent in 2024 from 3.5 percent in 2023. This growth is projected to pick up slightly to 3.1 percent in 2026 compared to 3.0 percent in 2025 reflecting the positive impact of further casing of monetary policy as inflationary pressures subside, stronger domestic demand in emerging markets and developing economies, and a gradual recovery in global trade. This improvement is expected to counter the effects of a slowdown in advanced economies, where tighter financial conditions and demographic headwinds continue to weigh on growth.

112. Taking into account the constrained fiscal environment, the County Government will adopt a Zero-Based Budgeting (ZBB) approach to guide the prioritization and allocation of scarce resources to projects and programmes in the FY 2026/2027. Departments will therefore be required to re-evaluate all the existing/planned activities, projects, and programmes to be funded in the FY 2026/2027 and medium term budget. Departments should therefore eliminate wasteful expenditures and pursue priorities which are aimed at creating jobs, reviving businesses and economic recovery. The hard sector ceilings provided for the FY 2026/2027 budget and the Medium Term will form inputs into the 2026 County Fiscal Strategy Paper.

113. The strong revenue performance in FY 2024/2025 provides a solid foundation for supporting estimates in FY 2026/27 and the medium-term budget. The focus for FY 2026/27 will be on increasing revenue collection and reducing non-core expenditures to address the fiscal deficit and ensure responsible resource management. This strategy will be reinforced by implementing the priorities outlined in the County Integrated Development Plan (2023-2027), with resources directed towards key sectors such as road infrastructure, agriculture, health, trade, education, water, and housing. To finance these priority areas, the County will enhance Own Source Revenue collection through a strengthened enforcement strategy, despite resource constraints and revenue shortfalls due to emerging risks.

114. The indicative departmental ceilings annexed here will serve as a reference for County Departments as they prepare their sector reports and budget estimates for the Fiscal Year 2026/2027. These ceilings will be further solidified during the 2026 County Fiscal Strategy Paper (CFSP) process. It is imperative that the departments ensure that their budgets for FY 2026/27 and the medium-term period not only aim to enhance productivity but also align with the achievement of their objectives. Consequently, departments are expected to formulate policies, programs, and projects for implementation throughout the medium-term period. The 2025 County Budget Review and Outlook Paper (CBROP) will serve as input for the 2026 CFSP, summarizing the various projects and initiatives slated for implementation during the Medium Term (FY 2026/2027 – 2028/2029).

Annex 1: Revenue Projections for the FY 2026/27-2028/29 MTEF Period

Revenue Projections for the FY 2026/27-2028/29 MTEF Period (KShs)					
	Revenue Projections FY 2026/2027-2028/2029	**2025-2026**	**FY 2026/2027**	**FY 2027/2028**	**FY 2028/2029**
		Approved Estimates	**CBROP**	**Projections**	
	TOTAL REVENUE FROM NATIONAL GOVERNMENT	**15,826,770,169**	**16,409,235,927**	**17,095,506,371**	**17,816,090,337**
A	**Equitable Share Allocation**	**13,071,817,986**	**13,725,408,885**	**14,411,679,329**	**15,132,263,295**
B	**TOTAL COUNTY GOVERNMENT ADDITIONAL ALLOCATIONS**	**2,754,952,183**	**2,683,827,042**	**2,683,827,042**	**2,683,827,042**
	I. Additional Allocations Financed from National Governments Share of Revenue	**10,782,328**	**14,244,964**	**14,244,964**	**14,244,964**
	Unconditional Additional allocations from Court Fines	5,084,684	4,105,101	4,105,101	4,105,101
	Unconditional Additional allocations fromMineral Royalties	5,697,644	10,139,863	10,139,863	10,139,863
	II. Additional Allocation Financed from National Government's Share of Revenue	**655,329,890**	**512,781,234**	**512,781,234**	**512,781,234**
	Conditional Grant for Road Maintenance Fuel Levy Fund	335,429,530	418,101,234	418,101,234	418,101,234
	Conditional Grant for Industrial Park & Aggregation Centers Grant	105,263,158	-	-	-
	Conditional Grant for Community Health Promoters (CHPs)	94,680,000	94,680,000	94,680,000	94,680,000
	Basic Salary Arrears for County Government Health workers	119,957,202	-	-	-
	III. Additional Conditional Allocations Financed from Proceeds of Loans and Grants from Development partners	**2,088,839,965**	**2,156,800,844**	**2,156,800,844**	**2,156,800,844**
	IFAD- Aquaculture business development project ABDP	19,395,531	-	-	-
	IDA(World bank) Financing Locally-Led Climate Action Program- County climate institutional support (FLLoCA-CCIS) Grant	11,000,000	11,000,000	11,000,000	11,000,000
	IDA(World bank) Financing Locally-Led Climate Action Program- County climate Resilient Investment (FLLoCA-CCRI) Grant	125,000,000	125,000,000	125,000,000	125,000,000
	IDA (World Bank) Second Kenya Devolution Support Program- Institutional Grant (Level 1 Grant)(KDSP)	37,500,000	37,500,000	37,500,000	37,500,000
	IDA (World Bank) Second Kenya Devolution Support Program- Service Delivery & Investment grant (Level 2 Grant) (KDSP)	352,500,000	352,500,000	352,500,000	352,500,000
	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)- Urban institutional Grant (UIG)	35,000,000	35,000,000	35,000,000	35,000,000
	IDA (World Bank) Second Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	1,331,482,863	1,331,482,863	1,331,482,863	1,331,482,863
	IDA(World bank) National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	231,250,000	231,250,000	231,250,000
	DANIDA - Primary Health Care in Devolved Context (PHDC)	14,527,500	15,198,000	15,198,000	15,198,000
	World Bank credit: Kenya Informal Settlement Improvement Project (KISIP II)	-	-	-	-

Revenue Projections for the FY 2026/27-2028/29 MTEF Period (KShs)					
	Revenue Projections FY 2026/2027-2028/2029	**2025-2026**	**FY 2026/2027**	**FY 2027/2028**	**FY 2028/2029**
		Approved Estimates	**CBROP**	**Projections**	
	Sweden- Kenya Agricultural Business Development Project (KABDP)	10,918,919	15,882,359	15,882,359	15,882,359
	0.5% Housing Levy Fund to County Rural & Urban Affordable Housing committees	-	1,987,622	1,987,622	1,987,622
	World Bank Credit - National Agricultural & Rural Inclusive Growth Porject (NAGRIP)	-	-	-	-
	Sweden- Agricultural Sector Development Support Programme (ASDSP II)	-	-	-	-
C	**Other County Revenue**	**-**	**-**	**-**	**-**
	Adjustment to cash Basis(CRF Closing balances)	-	-	-	-
	MSF Belgium		-	-	-
	Nutrition International	-	-	-	-
D	**Own Source Revenue**	**7,980,000,000**	**7,980,000,000**	**7,980,000,000**	**7,980,000,000**
	Physical Planning Management Unit	1,630,504,740	1,630,504,740	1,630,504,740	1,630,504,740
	Business Permit Management Unit	450,650,500	450,650,500	450,650,500	450,650,500
	Cess Management Unit	156,921,249	156,921,249	156,921,249	156,921,249
	Education Culture ICT & Social Services Unit	9,350,000	9,350,000	9,350,000	9,350,000
	Housing Management Unit	35,450,000	35,450,000	35,450,000	35,450,000
	Land Rates Management Unit	1,703,246,200	1,703,246,200	1,703,246,200	1,703,246,200
	Administration	60,000,000	60,000,000	60,000,000	60,000,000
	Roads Transport Public Works Management Unit	180,310,302	180,310,302	180,310,302	180,310,302
	Slaughterhouse Management Unit	131,287,304	131,287,304	131,287,304	131,287,304
	Agriculture Livestock & Fisheries Management Unit	11,796,213	11,796,213	11,796,213	11,796,213
	Trade Tourism Industry	20,020,454	20,020,454	20,020,454	20,020,454
	Cooperatives Unit	10,000,000	10,000,000	10,000,000	10,000,000
	Market Management Unit	15,525,226	15,525,226	15,525,226	15,525,226
	Youth and Sports	10,000,000	10,000,000	10,000,000	10,000,000
	Vehicle Parking Management Unit	602,132,055	602,132,055	602,132,055	602,132,055
	Water Environment & Natural Resources Mgt Unit	202,805,757	202,805,757	202,805,757	202,805,757
	Liquor management unit	350,000,000	350,000,000	350,000,000	350,000,000
	Miscelleneous Receipts	-	-	-	-
	Health Services Management Unit	**2,400,000,000**	**2,400,000,000**	**2,400,000,000**	**2,400,000,000**
	Hospital Collections(FIF)	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
	NHIF/SHA Rebates	800,000,000	800,000,000	800,000,000	800,000,000
	Public Health	300,000,000	300,000,000	300,000,000	300,000,000
	TOTAL REVENUE	**23,806,770,169**	**24,389,235,927**	**25,075,506,371**	**25,796,090,337**

Annex II: Expenditure Projections for the FY 2026/27-2028/29 MTEF Period

Department Expenditure Ceilings for the FY 2026/27-2028/29 MTEF Period (KShs)						
Vote No.	**Department**	**APPROVED SUPPLEMENTARY 2**	**APPROVED BUDGET**	**CBROP CEILING**	**PROJECTIONS**	
	Recurrent	**2024/2025**	**2025/2026**	**2026/2027**	**2026/2027**	**2027/2028**
4,061	County Assembly	1,258,932,748	1,282,416,186	1,207,680,576	1,243,910,993	1,281,228,323
4,062	County Executive	447,106,865	509,104,850	524,377,995	540,109,335	556,312,615
4,063	County Public Service Board	83,478,091	90,740,688	93,462,908	96,266,795	99,154,799
4,064	Finance, Economic Planning & ICT	1,497,659,684	1,626,602,281	1,675,400,349	1,725,662,359	1,777,432,230
4,067	Water, Environment, Energy & Natural Resources	595,338,412	564,543,764	581,480,076	598,924,478	616,892,213
4,068	Health Services	7,011,028,360	7,334,633,768	7,431,116,862	7,654,050,368	7,883,671,879
4,073	Roads, Transport & Public Works	862,473,639	754,316,024	776,945,504	800,253,869	824,261,485
4,075	Administration & Public Service	1,003,998,165	1,017,794,290	1,048,328,118	1,079,777,962	1,112,171,300
4,077	Agriculture, Livestock & Cooperative Development	492,931,419	491,977,832	506,737,166	521,939,281	537,597,459
4,078	Education, Gender & Social Services	1,580,086,405	1,459,789,029	1,503,582,699	1,548,690,180	1,605,655,105
4,079	Youth Affairs, Sports & Communication	126,659,400	195,395,034	201,256,885	207,294,592	213,513,429
4,080	Lands, Housing, Physical Planning-MAUD	384,213,364	411,743,478	424,095,782	436,818,655	449,923,215
4,081	Trade, , Tourism, Industry & Investment	174,970,517	172,064,646	177,226,585	182,543,383	188,019,684
	Total Recurrent	**15,518,877,069**	**15,911,121,870**	**16,151,691,505**	**16,636,242,250**	**17,145,833,738**
		-				
	Development					
4,061	County Assembly	**110,000,000**	**100,000,000**	100,000,000	103,000,000	103,000,000
4,062	County Executive	-	-			
4,063	County Public Service Board	-	-			
4,064	Finance, Economic Planning & ICT	80,780,000	240,000,000	263,647,728	271,557,160	282,419,446
4,067	Water, Environment, Energy & Natural Resources	594,559,494	500,000,000	515,000,000	530,450,000	551,668,000
4,068	Health Services	819,744,990	735,000,000	757,050,000	779,761,500	810,951,960
4,073	Roads, Transport & Public Works	1,945,196,723	1,885,699,120	2,142,270,093	2,206,538,196	2,197,442,409
4,075	Administration & Public Service	29,549,484	412,500,000	424,875,000	437,621,250	455,126,100
4,077	Agriculture, Livestock & Cooperative Development	546,521,614	710,918,919	732,246,486	754,213,881	784,382,436
4,078	Education, Gender & Social Services	1,082,353,955	871,300,000	897,439,000	924,362,170	961,336,657
4,079	Youth Affairs, Sports & Communication	203,000,000	226,000,000	232,780,000	239,763,400	249,353,936
4,080	Lands, Housing, Physical Planning-MAUD	1,916,473,330	1,546,967,102	1,593,376,115	1,595,770,764	1,634,500,824
4,081	Trade, , Tourism, Industry & Investment	633,320,649	667,263,158	578,860,000	596,225,800	620,074,832
	Total Development	**7,961,500,239**	**7,895,648,299**	**8,237,544,422**	**8,439,264,121**	**8,650,256,599**
	Totals	**23,480,377,308**	**23,806,770,169**	**24,389,235,927**	**25,075,506,371**	**25,796,090,337**

Annex III: Medium Term Expenditure Framework by Programme 2026/2027-2028/2029

VOTE NO.	DEPARTMENT/PROGRAMME CODE/ NAME	APPROVED ESTIMATES	CBROP	Projected	Projected
	Recurrent Expenditure	**FY 2025/2026**	**FY 2026-2027**	**FY 2027/2028**	**FY 2028/2029**
R4061	**County Assembly**	**Kshs.**		**Kshs.**	**Kshs.**
	0701024060 P1 Legislation and Oversight services of county Government	589,184,245	589,184,245	606,859,772	625,065,566
	0706014060 P6 General Administration, Planning and Support Services	551,560,941	476,825,331	491,130,091	505,863,994
	0707014060 P7 Representation Services	141,671,000	141,671,000	145,921,130	150,298,764
	Total	**1,282,416,186**	**1,207,680,576**	**1,243,910,993**	**1,281,228,323**
R4062	**County Executive**				
	0706004060 P6 General Administration, Planning and Support Services	458,104,850	471,847,995	486,003,435	500,583,538
	0711004060 P11 Government Advisory Services	51,000,000	52,530,000	54,105,900	55,729,077
	Total	**509,104,850**	**524,377,995**	**540,109,335**	**556,312,615**
R4063	**County Public Service Board**				
	0715004060 P15 Human Resource Management and Development Services	90,740,688	93,462,908	96,266,795	99,154,799
	Total	**90,740,688**	**93,462,908**	**96,266,795**	**99,154,799**
R4064	**Finance, Economic Planning & ICT**				
	0706004060 P6 General Administration, Planning and Support Services	1,076,602,281	1,108,900,349	1,142,167,359	1,176,432,380
	0712004060 P12 Public Finance Management Services	490,000,000	504,700,000	519,841,000	535,436,230
	0713004060 P13 ICT Services	60,000,000	61,800,000	63,654,000	65,563,620
	Total	**1,626,602,281**	**1,675,400,349**	**1,725,662,359**	**1,777,432,230**
R4067	**Water, Environment, Energy & Natural Resources**				
	0109004060 P Water Resources Management and Sanitation services			0	
	011204060 P12 Climate Change Mitigation and Adaptation	16,000,000	16,480,000	16,974,400	17,483,632
	0110004060 P10 Natural Resources, Forest Conservation and Management	1,200,000	1,236,000	1,273,080	1,311,272
	1002004060 P2 Administration planning and support service	547,343,764	563,764,076	580,676,998	598,097,308
	Total	**564,543,764**	**581,480,076**	**598,924,478**	**616,892,213**
R4068	**Health Services**				
	0401004060 P4 Curative and preventive health care services	500,000,000	515,000,000	530,450,000	546,363,500
	0402004060 P2 Administration, Planning and Support Services	4,634,633,768	4,650,116,862	4,789,620,368	4,933,308,979
	0404004060 P4 Curative and Rehabilitative Health Services	2,100,000,000	2,163,000,000	2,227,890,000	2,294,726,700
	0405004060 P5 County Pharmaceutical Services	100,000,000	103,000,000	106,090,000	109,272,700
	Total	**7,334,633,768**	**7,431,116,862**	**7,654,050,368**	**7,883,671,879**
R4073	**Roads, Transport & Public Works**				
	0202004060 P2 Administration, planning & support	754,316,024	776,945,504	800,253,869	824,261,485
	Total	**754,316,024**	**776,945,504**	**800,253,869**	**824,261,485**

VOTE NO.	DEPARTMENT/PROGRAMME CODE/ NAME	APPROVED ESTIMATES	CBROP	Projected	Projected
	Recurrent Expenditure	**FY 2025/2026**	**FY 2026-2027**	**FY 2027/2028**	**FY 2028/2029**
R4075	**Administration & Public Service**				
	0706004060 P6 General Administration, Planning and Support Services	957,794,290	986,528,118	1,016,123,962	1,046,607,680
	0714004060 P14 Alcoholic Drinks Control and Rehabilitation	30,000,000	30,900,000	31,827,000	32,781,810
	0715004060 P15 Human Resource Management and Development Services	30,000,000	30,900,000	31,827,000	32,781,810
	Total	**1,017,794,290**	**1,048,328,118**	**1,079,777,962**	**1,112,171,300**
R4077	**Agriculture, Livestock & Cooperatives**				
	0113004060 P2 Administration planning and support service	421,177,832	433,813,166	446,827,561	460,232,388
	0106004060 P6 Crop Development, Irrigation and Marketing services	800,000	824,000	848,720	874,182
	0107004060 P7 Livestock and Fisheries Development and Management	30,000,000	30,900,000	31,827,000	32,781,810
	0108004060 P8 Co-operative Development and Management	40,000,000	41,200,000	42,436,000	43,709,080
	Total	**491,977,832**	**506,737,166**	**521,939,281**	**537,597,459**
R4078	Education, Gender, Culture & Social Services				
	0502004060 P General Administration and support Services	1,019,789,029	1,050,382,699	1,081,894,180	1,124,855,225
	0503004060 P3 Pre-primary education, Vocational Education and Training	200,000,000	206,000,000	212,180,000	218,545,400
	0504004060 P4 Culture Gender and Social Service Development	240,000,000	247,200,000	254,616,000	262,254,480
	Total	**1,459,789,029**	**1,503,582,699**	**1,548,690,180**	**1,605,655,105**
R4079	**Youth Affairs, Sports & Communication**				
	0903004060 P3 General Administration and Support Services	90,395,034	93,106,885	95,900,092	98,777,094
	0904004060 P4 Youth Empowerment	25,000,000	25,750,000	26,522,500	27,318,175
	0905004060 P5 Sports	55,000,000	56,650,000	58,349,500	60,099,985
	0906004060 P6 Communication	25,000,000	25,750,000	26,522,500	27,318,175
	Total	**195,395,034**	**201,256,885**	**207,294,592**	**213,513,429**
R4080	**Lands, Housing, Physical Planning- Municipal Administration and Urban Development**				
	0104004060 P4 General Administration, Planning and Support Services	241,743,478	248,995,782	256,465,655	264,159,625
	0115004060 P 15 Urban Areas Development and Administration	140,000,000	144,200,000	148,526,000	152,981,780
	0116004060 P13 Land Use Management, Valuation & Rating and Physical Planning	30,000,000	30,900,000	31,827,000	32,781,810
	Total	**411,743,478**	**424,095,782**	**436,818,655**	**449,923,215**
R4081	**Trade, Tourism, Industry & Investment**				
	0306004060 P6 Administration, Planning and Support Services	172,064,646	177,226,585	182,543,383	188,019,684
	Total	**172,064,646**	**177,226,585**	182,543,383	188,019,684
	Sub Total (Recurrent Expenditure) …….	**15,911,121,870**	**16,151,691,505**	**16,636,242,250**	**17,145,833,738**
	Development Expenditure				

VOTE NO.	DEPARTMENT/PROGRAMME CODE/ NAME	APPROVED ESTIMATES	CBROP	Projected	Projected
	Recurrent Expenditure	**FY 2025/2026**	**FY 2026-2027**	**FY 2027/2028**	**FY 2028/2029**
D4061	**County Assembly**				
	0706004060 P6 General Administration, Planning and Support Services	100,000,000	100,000,000	103,000,000	103,000,000
	Total	**100,000,000**	**100,000,000**	**103,000,000**	**103,000,000**
D4064	**Finance, Economic Planning & ICT**				
	0706004060 P6 General Administration, Planning and Support Service	-		0	-
	0712004060 P12 Public Finance Management Services	40,000,000	41,200,000	42,436,000	44,133,440
	0713004060 P13 ICT Services	200,000,000	222,447,728	229,121,160	238,286,006
	Total	**240,000,000**	**263,647,728**	**271,557,160**	**282,419,446**
D4067	**Water, Environment, Energy & Natural Resources**				
	0109004060 P Water Resources Management and Sanitation services	221,000,000	227,630,000	234,458,900	243,837,256
	0110004060 P10 Natural Resources, Forest Conservation and Management	10,000,000	10,300,000	10,609,000	11,033,360
	0111004060 P11 Environmental Management and Compliance	50,000,000	51,500,000	53,045,000	55,166,800
	011204060 P12 Climate Change Mitigation and Adaptation	219,000,000	225,570,000	232,337,100	241,630,584
	Total	**500,000,000**	**515,000,000**	**530,450,000**	**551,668,000**
D4068	**Health Services**				
	0404004060 P4 Curative and Rehabilitative Health Services	735,000,000	757,050,000	779,761,500	810,951,960
	Total	**735,000,000**	**757,050,000**	**779,761,500**	**810,951,960**
D4073	**Roads, Transport & Public Works**				
	0202004060 P2 Administration, planning & support	300,000,000	309,000,000	318,270,000	331,000,800
	0203004060 P3 Infrastructure Development and Maintenance	1,561,699,120	1,808,550,093	1,862,806,596	1,839,961,545
	Energy, Disaster Management, Fire, Safety and Rescue	24,000,000	24,720,000	25,461,600	26,480,064
	Total	**1,885,699,120**	**2,142,270,093**	**2,206,538,196**	**2,197,442,409**
D4075	**Administration & Public Service**				
	0706004060 P6 General Administration, Planning and Support Services	382,500,000	393,975,000	405,794,250	422,026,020
	0714004060 P14 Alcoholic Drinks Control and Rehabilitation	30,000,000	30,900,000	31,827,000	33,100,080
	Total	**412,500,000**	**424,875,000**	**437,621,250**	**455,126,100**
D4077	**Agriculture, Livestock & Cooperatives**				
	0106004060 P6 Crop Development, Irrigation and Marketing services	440,918,919	454,146,486	467,770,881	486,481,716
	0107004060 P7 Livestock and Fisheries Development and Management	240,000,000	247,200,000	254,616,000	264,800,640
	0108004060 P8 Co-operative Development and Management	30,000,000	30,900,000	31,827,000	33,100,080
	Total	**710,918,919**	**732,246,486**	**754,213,881**	**784,382,436**
D4078	**Education, Gender, Culture & Social Services**				
	0503004060 P3 Pre-primary education, Vocational Education and Training	836,300,000	861,389,000	887,230,670	922,719,897
	0504004060 P4 Culture Gender and Social Service Development	35,000,000	36,050,000	37,131,500	38,616,760

VOTE NO.	DEPARTMENT/PROGRAMME CODE/ NAME	APPROVED ESTIMATES	CBROP	Projected	Projected
	Recurrent Expenditure	**FY 2025/2026**	**FY 2026-2027**	**FY 2027/2028**	**FY 2028/2029**
	Total	**871,300,000**	**897,439,000**	**924,362,170**	**961,336,657**
D4079	**Youth Affairs, Sports & Communication**				
	0904004060 P4 Youth Empowerment	0	-	0	
	0905004060 P5 Sports	226,000,000	232,780,000	239,763,400	249,353,936
	Total	**226,000,000**	**232,780,000**	**239,763,400**	**249,353,936**
D4080	**Lands, Housing, Physical Planning- Municipal Administration and Urban Development**				
	0114004060 P14 Housing and Community Development	50,000,000	51,500,000	53,045,000	55,166,800
	0116004060 P13 Land Use Management, Valuation & Rating and Physical Planning	15,000,000	15,450,000	15,913,500	16,550,040
	0115004060 P 15 Urban Areas Development and Administration	1,481,967,102	1,526,426,115	1,526,812,264	1,562,783,984
	Total	**1,546,967,102**	**1,593,376,115**	**1,595,770,764**	**1,634,500,824**
D4081	**Trade, Tourism, Industry & Investment**				
	0302004060 P2 Trade Development and Promotion	395,000,000	406,850,000	419,055,500	435,817,720
	0303004060 P3 Industrial and Entrepreneurship Development	242,263,158	141,110,000	145,343,300	151,157,032
	0304004060 P4 Tourism Development and Promotion	20,000,000	20,600,000	21,218,000	22,066,720
	0305004060 P5 Investment Development and Promotion	10,000,000	10,300,000	10,609,000	11,033,360
	Total	**667,263,158**	**578,860,000**	**596,225,800**	**620,074,832**
	Sub Total (Development Expenditure)	**7,895,648,299**	**8,237,544,422**	**8,439,264,121**	**8,650,256,599**
	GRAND TOTAL..............	**23,806,770,169.00**	**24,389,235,927**	**25,075,506,371**	**25,796,090,337**

Annex IV: Kiambu County Budget Calendar FY 2025-2026

Activity	Responsibility	Timeframe/ Deadline
Develop and issue MTEF Guidelines	County Treasury	30th August, 2025
Undertaking of Departmental Expenditure Reviews	All Departments	5th September, 2025
Development of County Budget Review and Outlook Paper (CBROP)	County Treasury	8th September, 2025
Submission of County Budget Review and Outlook Paper the County Executive Committee	C.E.C Finance	30th September, 2025
Approval of County Budget Review and Outlook Paper the County Executive Committee	C.E.C Finance	14th October, 2025
Start of Sector Consultations	All Departments	15th October, 2025
Submission of County Budget Review and Outlook Paper (CBROP) to the County Assembly	County Treasury	21st October, 2025
Submission of final sector reports to County Treasury	All CECMs for their respective Departments	14th November, 2025
Draft 2026 County Fiscal Strategy Paper (CFSP)	County Treasury	24th November, 2025
Consultative meeting with County Executive committee on sector proposals & Draft CFSP	County Treasury	12th January 2026
Public participation on 2026 CFSP & FY 2026/27 and MTEF budget	County Treasury	2rd February 2026
Presentation of County Fiscal Strategy Paper to County Budget and Economic Forum (CBEF)	C.E.C Finance & Economic Planning in consultation with the Governor	6th February 2026
Submission of 2026 County Fiscal Strategy Paper (CFSP) to County Executive Committee for approval	County Treasury	13th February 2026
Submission of County Fiscal Strategy Paper (CFSP) to County Assembly	County Treasury	27th February, 2026
Develop and issue of circular for finalization of 2026/27 MTEF Budget	County Treasury	5st March, 2026
Submission of Budget proposals to County Treasury	All Departments	13th March, 2026
Deadline for Consolidation of Final budget	County Treasury	30th March, 2026
Submission of Budget Estimates to County Executive for approval	County Treasury	10th April, 2026
Presentation of Budget to County Assembly	C.E.C Finance & Economic Planning	30th April, 2026