

**REPUBLIC OF KENYA**

**GOVERNMENT OF MAKUENI COUNTY**



**DEPARTMENT OF FINANCE AND SOCIO-ECONOMIC PLANNING**

**MAKUENI COUNTY FISCAL STRATEGY PAPER, 2024**

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**Theme**

***“Sustaining economic gains for inclusive development”***

Makueni County Fiscal Strategy Paper (CFSP) 2024

To obtain copies of the document, please contact:

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**MAKUENI, KENYA**

The document is also available on the internet at: [www.makueni.go.ke/planning](http://www.makueni.go.ke/planning).

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## **FOREWORD**

The 2024 Makueni County Fiscal Strategy Paper (CFSP) is the second to implement the Makueni County Integrated Development Plan (CIDP) 2023-27. The paper presents pivotal policies, strategies, programs, and developmental agenda for the fiscal year 2024/25. Framed within the legal ambit of the Public Finance Management Act, 2012 (PFMA) Section 117, this paper presents the developmental framework for the Medium Term Expenditure Framework (MTEF) Period spanning from FY 2024/25 to FY 2026/27.

Embracing the philosophy of "*Wauni wa Kwika Nesa na Ulungalu*" — the desire to do good with integrity and galvanized by the clarion call "**Our people, our Priority**," the fiscal policy stance for FY 2024/25 and the medium term is geared towards fostering inclusive development. The overarching development theme for the financial year, "**Sustaining Economic Gains for Inclusive Development**," underscores the concerted efforts to achieve the following objectives: Increased access to potable water; Improved agricultural production and food security; Enhanced access to universal healthcare; Developed urban infrastructure; Automated Government services, procedures, and innovation and Mobilized resources through strategic partnerships.

Rigorous analysis of revenue streams, expenditure patterns, and development priorities have been conducted to ensure that fiscal decisions are judicious and forward-looking. Additionally, active engagement with stakeholders, including citizens and development partners, has been instrumental in soliciting feedback and incorporating diverse perspectives into the planning process.

Revenue projections for FY 2024/25 anticipate an increase to Kshs 10,941,112,690 from Kshs 10,568,289,780.00 in FY 2023/24, reflecting a growth of 4 percent. Funding for the budget will be sourced predominantly from equitable share 80 percent, Conditional Allocations, loans, and Grants 8 percent, with Own Source Revenue contributing 12 percent.

Recurrent expenditure for FY 2024/25 is forecasted to reach Kshs 7,658,778,883 marking an increase of 4 percent from Kshs 7,342,391,532.00 in the printed estimates for FY 2023/24. Development Expenditure is estimated at Kshs 3,282,333,807 constituting 30 percent of the total County Budget.

Mindful of the competing demands for finite resources and the imperative to prioritize investments with the highest social and economic dividends, the Government is committed to stringent budgetary planning, performance monitoring, and evaluation to ensure efficient and effective utilization of public funds to realize tangible developmental outcomes.

**DAMARIS MUMO KAVOI**

**COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, PLANNING, BUDGET AND REVENUE**



## **ACKNOWLEDGEMENT**

The 2024 County Fiscal Strategy Paper (CFSP) has been prepared in line with the provisions of the Public Finance Management Act, 2012. As a foundation for the FY 2024/25 budget, the document outlines the current status of the economy, provides a fiscal outlook for the medium term, strategic priorities, policy goals and expenditure plan.

We are indebted to the number of government departments, agencies, and development stakeholders who dedicatedly worked to prepare the 2024 CFSP. Their firsthand experiences and perspectives were invaluable in shaping our understanding of local fiscal challenges and opportunities.

Furthermore, we are deeply grateful for the exceptional support and guidance provided by the leadership of H.E. the Governor, H.E. the Deputy Governor, the County Secretary, the Members of the County Executive Committee, the Chief Officers, the County Directors, and other county technical staff. In addition to the public comments, special thanks are extended to the whole County Budget and Economic Forum (CBEF) and the County Treasury technical staff.

The Executive Committee Member of Finance and Economic Planning led a team from the Department of Finance and Economic Planning and invested a lot of time to ensure the successful completion of this document, as it is the responsibility of the County Treasury to oversee and ensure the timely preparation and submission of the CFSP. Special appreciation goes to the Directors of Budget and Expenditure, Socio-Economic Planning, Monitoring and Evaluation, and Revenue supported by a team of Budget Officers, Economists, Statisticians, Monitoring and Evaluation Officers and Budget Interns. Their immeasurable effort and commitment contributed to the fruitful preparation and submission of the 2024 CFSP.

Finally, I express my sincere gratitude to Sector Working Groups (SWGs) and technical officers for their invaluable contribution and input to the document. I thank you and assure you that the time spent was not in vain as the 2024 CFSP will be of significant importance to the future planning and budgeting process.

**MUTUA BONIFACE**

**CHIEF OFFICER; SOCIO-ECONOMIC PLANNING, BUDGETING, REVENUE AND  
MONITORING & EVALUATION**

## **EXECUTIVE SUMMARY**

The 2024 Makueni County Fiscal Strategy Paper is the second paper to implement the 3rd generation County Integrated Development Plan 2023–2027. This paper lays out the medium-term developmental strategy in line with the CIDP III theme of building a resilient economy for sustainable development, as well as the FY2024/25 theme of Sustaining Economic Gains for Inclusive Development. The Public Finance Management (PFM) Act of 2012 outlines the key goals of the government, the current state of the economy, Medium-Term budget estimates, and ceilings that will guide the creation of the FY 2024/25 budget.

The development theme for FY 2024/25, ‘Sustaining economic gains for inclusive development’ will be guided by the following objectives: to increase access to potable water; to improve production, productivity, and food security; to enhance access to universal healthcare; to develop urban infrastructure; to automate government services, procedures, and innovation; and to mobilize resources through strategic partnerships. This will be implemented through seven sectors: Water, Sanitation, Environment and Natural Resources; Agriculture and Rural Development; Transport, Infrastructure, Energy and ICT; Health Services; Social Protection, Education and Recreation; General Economic and Commercial Affairs; Lands and Urban Development; and Devolution.

The paper consists of six chapters with the following key highlights;

**Chapter One:** Introduction: The paper is prepared in adherence to the PFM Act 2012, Section 117, with guidelines for the key fiscal strategies and the components of the CFSP. The CFSP for the FY 2024/25 budget will provide a comprehensive overview of the county's fiscal strategy (including revenue projections, expenditure priorities, and the overall economic and financial outlook), the government's plans for resource mobilization, debt management, and fiscal sustainability.

**Chapter Two:** County Government fiscal performance in in FY 2022/23 and FY 2023/24; The overall revenue performance for FY 2022/23 was 98 percent (Kshs. 10,568,462,399) out of the total budgeted revenue of Kshs. 10,764,741,885. The performance increased by 4 percent compared to the 94 percent recorded in FY 2021/22. Recurrent expenditure for FY 2022/23 amounted to Kshs. 7,309,934,083 representing an absorption rate of 98 percent an increase from the 83 percent recorded in FY 2021/22. The development expenditure amounted to Kshs. 2,579,595,215 representing 79 percent absorption rate. This was a 19 percent increase from the 60 percent recorded in FY 2021/22.

The total revenue receipts for the period ending on December 31, 2023, stood at Kshs. 3,158,689,331, reflecting a performance rate of 28 percent. County-generated revenue accounted for 30 percent of this performance, while equitable share contributed to a 33 percent performance. Additionally, receipts from conditional allocations, loans, and grants totaled Kshs 500,000, constituting 0.1 percent of the total revenue. As at December 2023, the County cumulative absorption stands at 25 percent.

**Chapter Three:** Development Priorities and Economic performance and Outlook; Economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021 whereas the nominal GDP increased from

Kshs 12,027.7 billion in 2021 to Kshs 13,368.3 billion in 2022. Most of the sectors of the economy posted decelerated growths mainly due to the significantly high growths attained in 2021 that signified recovery from the economic downturn in 2020. The Gross County Product (GCP) for 2022 is Kshs 120.54 Billion, representing a notable decrease of 2.48 percent from Kshs 123.61 Billion in 2021. The county's economy continues to heavily rely on the agriculture sector, contributing an average of 27.7 percent to the GCP, a decline from the 29 percent recorded in 2020.

The FY 2024/25 Medium-Term Expenditure Framework will be guided by following objectives; increasing access to potable water; improving agricultural production and food security; enhancing access to universal healthcare; developing urban infrastructure; automating government services, procedures, and innovation; mobilizing resources through strategic partnerships.

**Chapter Four:** Resource Envelop for the FY2024/25–2026/27 medium-term expenditure framework; The FY 2024/25 revenues are projected to increase to Kshs 10,941,112,690 from Kshs 10,568,289,780 FY 2023/24 representing a growth of 4 percent. The growth is contributed by the increase of Equitable share as outlined in the 2022 National Budget policy Statement Paper and County generated revenues. The budget will be funded from three main sources namely equitable share – 80 percent, Conditional Allocations including Road Maintenance Levy Fund, loans and Grants – 8 percent, Own Source revenue at 12 percent.

**Chapter Five:** Horizontal allocation of resources across the various departments and entities; Using this method, each departments budget allocation was determined based on their needs, priorities, and strategic objectives, as well as considering factors such as performance, mandate, and service delivery requirements. The allocation for the Development Budget has been guided by Projects phased in FY 2023/24, Underfunded ongoing projects, Strategic policy interventions, Appropriation in Aid and Conditional allocations, loans and Grants.

The Personnel emoluments ceilings has been set based on actual departmental wage bill in FY 2023/24 projected to FY 2024/25 taking into consideration the mandatory annual wage increment of staff and confirmation of cohort two ECDE teachers into permanent and pensionable employment terms. The ceilings under the operation and Maintenance budget have been tabulated taking into consideration departmental mandates, non-discretionary items; Appropriation in Aid; and other operating costs which are based on past O&M allocations and absorption capacity.

**Chapter Six;** Fiscal Risks and Key Uncertainties for FY 2024/25–FY 2026/27 Medium-Term; The County has identified fiscal risks, potential policy issues, and key uncertainty areas that could significantly impact the fiscal outlook for the FY 2024/25. These include a potential decrease in revenue collection, unplanned government spending due to unforeseen occurrences, the implementation of capital decisions necessitating significant expenditure, external factors influencing expenditures such as outcomes of negotiations and international obligations, and expenditures related to contingent liabilities.

**ABBREVIATIONS AND ACRONYMS**

|        |  |
|--------|--|
| ANC    | Antenatal Care                                   |
| BPS    | Budget Policy Statement                          |
| CFSP   | County Fiscal Strategy Paper                     |
| CHUs   | Community Health Units                           |
| CICs   | Community Information Centres                    |
| CIDP   | County Integrated Development Plan               |
| C-LIMS | County Land Information Management System        |
| CTTIs  | County Technical training Institutes             |
| ECDE   | Early childhood education                        |
| EIA    | Environmental Impact Assessment                  |
| GCP    | Gross County Product                             |
| GDP    | Gross Domestic Product                           |
| IFAS   | Iron Folic Acid                                  |
| KNBS   | Kenya National Bureau of Statistics              |
| KTB    | Kenya Tourist Board                              |
| MSME   | Micro, Small and Medium Enterprise               |
| MTEF   | Medium Term Expenditure Framework                |
| ODF    | Open Defecation Free                             |
| OSR    | Own Source Revenue                               |
| OVC    | Orphans and Vulnerable Children                  |
| PFMA   | Public Finance Management Act, 2012              |
| PVCAs  | Participatory Vulnerability Capacity Assessments |
| PWD    | Persons with Disability                          |
| SDGS   | Sustainable Development Goals                    |

## **1. INTRODUCTION**

The 2024 County Fiscal Strategy Paper (CFSP) is prepared pursuant to Public Finance Management Act, 2012 (PFMA) Section 117. The PFM mandates the County Executive Committee Member to prepare and submit the paper by 28th February each year to the County Assembly. The CFSP serves as a foundational document that outlines the financial roadmap for the upcoming financial year 2024/25.

The CFSP is a critical instrument for promoting fiscal responsibility, enhancing public financial management, and guiding the allocation of resources to support the county's development agenda. By setting clear priorities and aligning fiscal policies with the county's development agenda, the CFSP aims to foster transparency, accountability, and efficiency in the management of public funds.

The CFSP for the FY 2024/25 budget provides a comprehensive overview of the county's fiscal strategy, including revenue projections, expenditure priorities, and the overall economic and financial outlook which aligns with Section 117(4) of the PFM. It also outlines the county government's plans for resource mobilization, debt management, and fiscal sustainability. It is a reflection of the county's commitment to sound financial governance and the well-being of its residents.

### **Key Objectives and Guiding Principles of the Fiscal Strategy**

1. **Economic Development and Growth:** The fiscal strategy aims to support economic development and growth within the county, promoting initiatives that stimulate job creation, entrepreneurship, and investment in key sectors. The paper contains economic assessment of the current state of the county economic environment, outlook and the underlying assumptions.
2. **Service Delivery and Infrastructure Development:** The CFSP prioritizes the allocation of resources to improve service delivery in critical areas such as healthcare, education, water, and sanitation. Additionally, it emphasizes infrastructure development to enhance connectivity and support economic activities.
3. **Fiscal Responsibility and Prudence:** The fiscal strategy is underpinned by the principles of fiscal responsibility, ensuring that public funds are managed prudently and in a manner that safeguards the county's financial stability.
4. **Stakeholder Engagement and Transparency:** The CFSP emphasizes the importance of engaging stakeholders and soliciting public input to ensure that the budgetary decisions align with the needs and aspirations of the county's diverse communities. This is in accordance to section 117 (5), the County Treasury shall seek and take into account the views of: The Commission on Revenue Allocation, the Public, any interested persons or groups and any other forum that is established by legislation.
5. **Inclusive and Sustainable Development:** The fiscal strategy is designed to promote inclusive and sustainable development, addressing the needs of vulnerable populations and supporting initiatives that contribute to the county's long-term prosperity. This is in harmony with the County's development agenda, Makueni Vision 2025, which emphasizes the goal for sustaining economic gains for inclusive development.

## 2. FY 2022/23 FISCAL PERFORMANCE

In FY 2022/23, the County Government had a revised budget of Kshs 10,764,741,885.50 comprised of recurrent budget Kshs 7,485,986,556 (70%) and development Kshs 3,278,755,329.29 (30%). The budget was funded from four main sources namely; Equitable share – Kshs 8,132,783,562.00 (76%), FY 2021/22 reallocation funds – Kshs 1,103,067,678 .00(10%), Own Source Revenue – 1,085,000,000.00 (10%) and conditional allocations loans and grants – Kshs 443,890,645.50 (4%).

### 2.1. Revenue Performance

The overall revenue performance for FY 2022/23 was 98 percent (Kshs. 10,568,462,399) out of the total budgeted revenue of Kshs. 10,764,741,885. The performance increased by 4 percent compared to the 94 percent recorded in FY 2021/22. Table 1 and 2, presents the fiscal performance for FY 2022/23 and a comparison on actual revenues for FY 2019/20-FY 2022/23.

Table 1: Fiscal Performance for the FY 2022/23 (Kshs. Millions)

| No. | Revenue Source                                  | FY 2022/23 Revised Budget (2) Estimates | Performance as at Jun 30, 2023 | Variance           | Performance Rate (%) |
|-----|---|---|--------------------------------|--------------------|----------------------|
| 1   | Equitable Share                                 | 8,132,783,562                           | 8,132,783,562                  | -                  | 100%                 |
| 2   | Conditional Allocations                         | 110,638,298                             | 110,638,298                    | -                  | 100%                 |
|     | Loans and Grants                                | 333,252,347                             | 330,376,873                    | 2,875,474          | 99%                  |
|     | Total Conditional allocations, Loans and grants | 443,890,645                             | 441,015,171                    | 2,875,474          | 99%                  |
| 3   | Other Revenues Sub Total                        | 8,576,674,207                           | 8,573,798,733                  | 2,875,474          | 100%                 |
| 4   | County Own Generated Revenue- Other streams     | 670,000,000                             | 423,545,087                    | 246,454,913        | 63%                  |
|     | County Own Generated Revenue- AIA               | 415,000,000                             | 468,050,901                    | (53,050,901)       | 113%                 |
|     | Total OSR                                       | 1,085,000,000                           | 891,595,988                    | 193,404,012        | 82%                  |
|     | Total OSR & Other Revenues FY 2022/23           | 9,661,674,207                           | 9,465,394,721                  | 196,279,486        | 98%                  |
| 5   | FY 2021/22 Reallocation Funds                   | 1,103,067,678                           | 1,103,067,678                  | 0                  | 100%                 |
|     | <b>Total Revenues</b>                           | <b>10,764,741,885</b>                   | <b>10,568,462,399</b>          | <b>196,279,486</b> | <b>98%</b>           |

Source; County Treasury

Table 2: Comparison of Actual Revenues - FY 2020/21 – FY 2022/23 (Kshs. Millions)

| Sources                                    | FY 2020/21 Actuals | FY 2021/22 Actuals | FY 2022/23 Budget | FY 2022/23 Actuals | Change 2021/22 Vs 22/23 | % age change |
|--|--------------------|--------------------|-------------------|--------------------|-------------------------|--------------|
| Equitable share                            | 7,464.93           | 8,132.78           | 8,132.78          | 8,132.78           | 0.00                    | 0%           |
| Conditional allocations (loans and grants) | 1,184              | 498.86             | 443.89            | 441.02             | -57.84                  | -12%         |
| Own Source Revenue                         | 527.5              | 749.41             | 1,085.00          | 891.6              | 142.19                  | 19%          |
| <b>Total</b>                               | <b>9,176.43</b>    | <b>9,381.05</b>    | <b>9,661.67</b>   | <b>9,465.40</b>    | <b>84.35</b>            | <b>1%</b>    |

Source: County Treasury

There was a 1 percent decrease in the absolute revenues realized in FY 2022/23 as compared to FY 2021/22 actual receipts. During FY 2022/23, the County received fund balances for FY 2021/22 amounting to Kshs 1,103.07 million.

## 2.2. Own Source revenue collections

There is an upward trajectory in Own Source Revenue (OSR) over the years, with an increase from Kshs 527,527,341 in 2020/21 to Kshs 891,595,986 in 2022/23. This substantial growth of more than fourfold indicates the county's efforts in enhancing revenue collection.

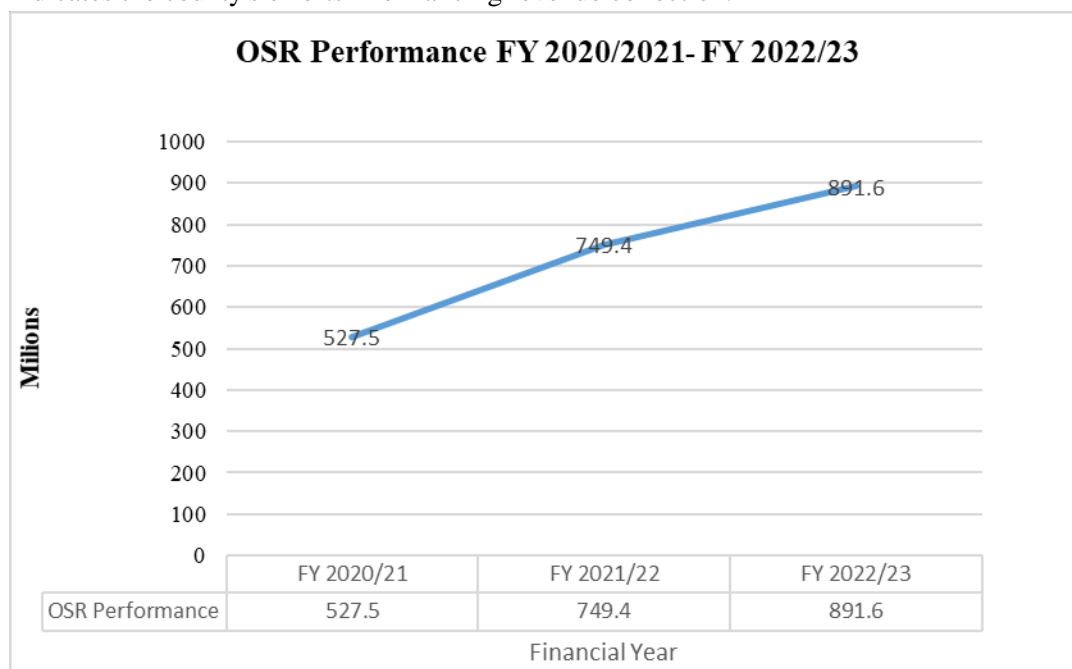


Figure 1: Own Source Revenue Performance FY 2020/2 – 2022/23

Source: County Treasury

The Own Source revenue performance registered a growth of 19 percent from Kshs. 749,406,507 recorded in FY 2021/22 to Kshs. 891,595,986.24 in FY 2022/23. The increment was attributed to one government approach to enhance Own Source Revenue collection, enhanced absorption of universal health coverage under national scheme, upgrade of health centers to offer services that qualify for medical cover, entrenching cashless mode of payment through sensitization of customers and enhancing reporting of all revenues collected by County Government entities. The revenues posted a marginal increase in all the quarters as highlighted in figure 1. Table 3 presents the revenue performance per department from FY 2020/21-2022/23.

Table 3: Revenue Performance per department for FY 2020/21-2022/23 (Kshs Millions)

| Department  | FY 2020/2021 |        | FY 2021/2022 |        | FY 2022/2023 |        |
|---|--------------|--------|--------------|--------|--------------|--------|
|   | Estimates    | Actual | Estimates    | Actual | Estimates    | Actual |
| Agriculture, Irrigation, Livestock, Fisheries and Cooperative Development | 168          | 37.77  | 172          | 46.17  | 82           | 60.3   |
| Finance, Planning, Budget and Revenue                                     | 337          | 249.77 | 354.8        | 273.49 | 370.3        | 285.96 |
| ICT, Education and Internship   | 0.7          | 0.1    | 0.65         | 0.2    | 0.5          | 0.7    |
| Trade, Marketing, Industry, Culture and Tourism                           | 1.8          | 1.6    | 1.8          | 1.54   | 1.8          | 1.36   |



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| Lands, Urban Planning & Development, Environment and Climate Change | 298.7        | 67.66         | 203.86          | 58.1          | 195.2        | 70.34        |
| Gender, Children, Youth, Sports and Social Services                 | 1.8          | 0.21          | 0.2             | 0.47          | 0.2          | 0.52         |
| Health Services   | 285          | 170.43        | 350             | 369.42        | 435          | 472.84       |
| <b>Total</b>  | <b>1,093</b> | <b>527.53</b> | <b>1,083.31</b> | <b>749.41</b> | <b>1,085</b> | <b>891.6</b> |

### 2.3. Expenditure Performance for FY 2022/23

The total County Executive budget for the FY 2022/23 was Kshs. 9,808,966,757 while the County Assembly budget amounted to Kshs. 955,775,127. The overall County Executive expenditure for the period amounted to Kshs. 8,845,036,406 representing an underspending of Kshs. 963,930,352. The County Assembly overall absorption was 98 percent of the total allocated budget of Kshs. 955,775,127. Overall Recurrent expenditure for FY 2022/23 amounted to Kshs. 7,309,934,083 representing an absorption rate of 98 percent an increase from the 83 percent recorded in FY 2021/22. The development expenditure amounted to Kshs. 2,579,595,215 representing 79 percent absorption rate. This was a 19 percent increase from the 60 percent recorded in FY 2021/22. Table 4 presents expenditure in FY 2022/23 by economic classification.

**Table 4: Expenditure by Economic Classification FY 2022/23 amount in Kshs**

| <b>Economic Classification</b> | <b>FY 2022/23 Revised Budget</b> | <b>Expenditures as at 30<sup>th</sup> June 2023</b> | <b>Vote balance</b> | <b>Absorption</b> |
|--------------------------------|----------------------------------|---|---------------------|-------------------|
| <b>County Executive</b>        |                                  |   |                     |                   |
| Salaries                       | 4,067,217,931                    | 4,053,389,618                                       | 13,828,313          | 100%              |
| O&M                            | 2,503,227,310                    | 2,341,975,195                                       | 161,252,115         | 94%               |
| Recurrent                      | 6,570,445,241                    | 6,395,364,813                                       | 175,080,428         | 97%               |
| Development                    | 3,238,521,517                    | 2,560,309,891                                       | 678,211,626         | 79%               |
| <b>Sub Total</b>               | <b>9,808,966,758</b>             | <b>8,955,674,704</b>                                | <b>853,292,054</b>  | <b>91%</b>        |
| <b>County Assembly</b>         |                                  |   |                     |                   |
| Salaries                       | 364,390,782                      | 363,648,801   | 741,981             | 100%              |
| O&M                            | 551,150,534                      | 550,920,469   | 230,065             | 100%              |
| Recurrent                      | 915,541,316                      | 914,569,270   | 972,046             | 100%              |
| Development                    | 40,233,812                       | 19,285,324  | 20,948,488          | 48%               |
| <b>Sub Total</b>               | <b>955,775,128</b>               | <b>933,854,594</b>                                  | <b>21,920,534</b>   | <b>98%</b>        |
| <b>Total Budget</b>            |                                  |   |                     |                   |
| Salaries                       | 4,431,608,713                    | 4,417,038,419                                       | 14,570,294          | 100%              |
| O&M                            | 3,054,377,844                    | 2,892,895,664                                       | 161,482,180         | 95%               |
| Recurrent                      | 7,485,986,557                    | 7,309,934,083                                       | 176,052,474         | 98%               |
| Development                    | 3,278,755,329                    | 2,579,595,215                                       | 699,160,114         | 79%               |
| <b>Total Budget</b>            | <b>10,764,741,886</b>            | <b>9,889,529,298</b>                                | <b>875,212,588</b>  | <b>92%</b>        |



### 2.3.1. Summary of Departmental Expenditures

For the FY 2022/23, the department of Health services recorded the highest absolute expenditures of Kshs 3,798,577,119 followed by department of Agriculture recording Kshs. 963,947,463. The County Public Service Board recorded the least absolute expenditure at Kshs. 71,568,575.

Table 5: Summary of Departmental Expenditures

| No.                                      | Department  | FY 2022/23<br>Revised Budget<br>(2) Estimates | Expenditures as<br>at Jun 30, 2023 | Balance            | Absorption Rate<br>(%) |
|--|---|---|------------------------------------|--------------------|------------------------|
| 1.                                       | Agriculture, Irrigation,<br>Livestock, Fisheries and<br>Cooperative Development                                       | 1,046,317,668                                 | 963,947,463.30                     | 82,370,205         | 92%                    |
| 2.                                       | County Public Service Board   | 74,013,066                                    | 71,568,575.45                      | 2,444,490          | 97%                    |
| 3.                                       | County Secretary  | 487,485,416                                   | 482,994,375.75                     | 4,491,040          | 99%                    |
| 4.                                       | Devolution, Public Service,<br>Public Participation and Special<br>Programmes   | 306,166,198                                   | 301,863,396.35                     | 4,302,802          | 99%                    |
| 5.                                       | ICT, Education and Internship   | 675,184,957                                   | 606,403,046.30                     | 68,781,911         | 90%                    |
| 6.                                       | Finance, Planning, Budget and<br>Revenue  | 860,579,263                                   | 777,899,952.00                     | 82,679,311         | 90%                    |
| 7.                                       | Gender, Children, Youth, Sports<br>and Social Services  | 175,823,347                                   | 163,763,664.65                     | 12,059,682         | 93%                    |
| 8.                                       | Office of Governor, Deputy<br>Governor, County<br>Administration,<br>Intergovernmental Relations &<br>County Attorney | 265,561,480                                   | 248,355,938.25                     | 17,205,541         | 94%                    |
| 9.                                       | Health Services   | 3,986,717,810                                 | 3,681,391,164.00                   | 188,140,691        | 92%                    |
| 10.                                      | Lands, Urban Planning and<br>Development, Environment and<br>Climate change and<br>Municipalities                     | 339,802,583                                   | 296,217,281.60                     | 43,585,301         | 87%                    |
| 11.                                      | Trade, Marketing, Industry,<br>Culture and Tourism  | 107,479,091                                   | 95,296,286.60                      | 12,182,805         | 89%                    |
| 12.                                      | Infrastructure, Transport, Public<br>Works and Energy   | 708,551,638                                   | 617,963,615.75                     | 90,588,022         | 87%                    |
| 13.                                      | Water and Sanitation  | 775,284,240                                   | 539,263,118.35                     | 236,021,121        | 70%                    |
| <b>Total (County Executive Entities)</b> |   | <b>9,808,966,758</b>                          | <b>8,964,113,834</b>               | <b>844,852,924</b> | <b>91%</b>             |
| 14.                                      | County Assembly   | 955,775,128                                   | 935,101,972                        | 20,673,156         | 98%                    |
| <b>Total Budget</b>                      |   | <b>10,764,741,885</b>                         | <b>9,899,215,806</b>               | <b>865,526,080</b> | <b>92%</b>             |

### 2.4. FY 2023/24 Half Year Revenue Performance

The total County budget in FY 2023/2024 was Kshs. 11,170,315,259 consisting of Kshs. 3,554,481,901 development allocation and Kshs 7,615,833,358 recurrent allocation. The County Budget is funded from four main sources namely; Kshs 8,455,460,962 as equitable share, Kshs. 833,842,598 as conditional grants, Kshs. 1,240,000,000 as own-source of revenue and Kshs 641,011,699.2 as FY 2022/23 balances.

The overall revenue receipts during the period ended 31<sup>st</sup> December 2023 amounted to Kshs. 3,158,689,331 representing 28 percent performance. County own generated revenue receipts represented performance of 30 percent while equitable share registered a 33 percent performance. Receipts from conditional allocations, loans and grants amounted to Kshs 500,000 representing 0.1 percent. This was in respect to ASDSP grants.

Table 6; Analysis of FY 2023/24 Half Year Revenue Performance

| Revenue Source                               | FY 2023/24<br>Revised Budget<br>(1) Estimates | Performance as<br>at Dec 31, 2023 | Balance              | Performance Rate<br>(%) |
|--|---|-----------------------------------|----------------------|-------------------------|
| Equitable Share                              | 8,455,460,962                                 | 2,790,302,118                     | 5,665,158,844        | 33%                     |
| Conditional Allocations, Loans<br>and Grants | 833,842,598                                   | 500,000                           | 833,342,598          | 0.1%                    |
| County Own Generated Revenue                 | 1,240,000,000                                 | 367,887,213                       | 872,112,787          | 30%                     |
| FY 2022/23 Balances                          | 641,011,699.20                                | 641,011,699.20                    | 0                    | 100%                    |
| <b>Total</b>                                 | <b>11,170,315,259</b>                         | <b>3,799,701,030</b>              | <b>7,370,614,229</b> | <b>34%</b>              |

Source; County Treasury

## 2.5. Expenditure Performance

The total County Executive budget for FY 2023/24 is Kshs. 10,221,313,811 while the County Assembly amounts to Kshs. 949,001,448. The overall County Executive expenditure for the first six months of FY 2023/24 amounts to Kshs. 2,296,192,425 representing an absorption rate of 22%. The County Assembly absorption is 48 percent of the total allocated budget of Kshs. 949,001,448.

Overall Executive Recurrent expenditure for the first six months of the FY 2023/24 amounts to Kshs. 2,045,043,508.23 representing an absorption rate of 30 percent. The development expenditure amounts to Kshs 251,148,916.40 representing 7 percent absorption rate. Table 7 presents expenditure in FY 2023/24 as at 31<sup>st</sup> December 2023 by economic classification.

Table 7: Expenditure by Economic Classification as at 31<sup>th</sup> December, 2023

| No | Economic Item            | FY 2023/24<br>Revised Budget<br>(1) Estimates | Expenditures<br>as at Dec 31,<br>2023 | Balance              | Absorption<br>Rate (%) |
|----|--------------------------|---|---------------------------------------|----------------------|------------------------|
| 1. | Personnel Emoluments     | 4,263,420,536                                 | 1,444,936,651                         | 2,818,483,885        | 34%                    |
| 2. | Operations & Maintenance | 2,470,359,862                                 | 600,106,858                           | 1,870,253,004        | 24%                    |
|    | <b>Recurrent</b>         | <b>6,733,780,398</b>                          | <b>2,045,043,508</b>                  | <b>4,688,736,890</b> | <b>30%</b>             |
| 3. | Development              | 3,487,533,414                                 | 251,148,916                           | 3,236,384,498        | 7%                     |
|    | <b>Total Executive</b>   | <b>10,221,313,811</b>                         | <b>2,296,192,425</b>                  | <b>7,925,121,386</b> | <b>22%</b>             |
| 4. | County Assembly          | 949,001,448                                   | 455,197,051                           | 493,804,397          | 48%                    |
|    | <b>Total Budget</b>      | <b>11,170,315,259</b>                         | <b>2,751,389,476</b>                  | <b>8,418,925,783</b> | <b>25%</b>             |

## 2.6. Sectoral Performance, FY 2020/21-2022/23

### 2.6.1. Water, Sanitation, Environment and Natural Resources

#### Expenditure Analysis

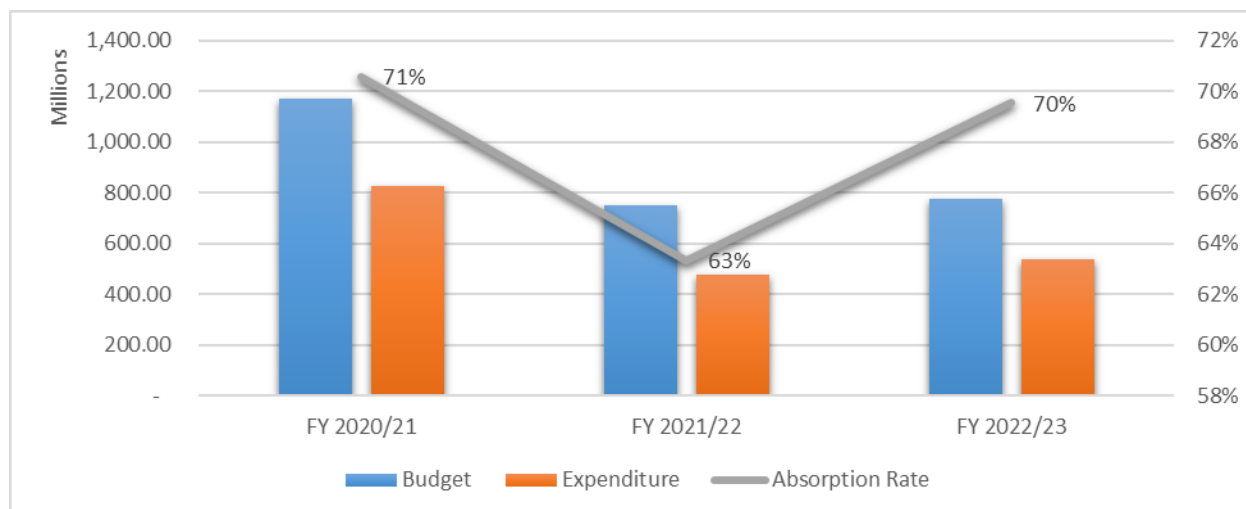


Figure 2: Sector Budgetary Allocation, Expenditure And Absorption Rate, FY 2020/21 to FY 2022/23.  
Source: County Treasury, 2024

The sector had a cumulative budgetary allocation of **Kshs 2.7 Billion** and recorded a total expenditure of **Kshs 1.843 Billion** for the period 2020/21-2022/23. During the FY 2022/23, the sector was allocated Kshs. 775,284,231 which comprised of Kshs. 673M for the department of water and sanitation and Kshs. 101.92M for the Sand Conservation and Utilization Authority.

In FY 2022/23, the sector spent Kshs. 539.23M which was 70 percent absorption rate which comprised of Kshs. 460.4M spent under water and Kshs. 78.83M incurred by the Sand Authority. The absorption rate represented a seven percent increase from the 63 percent absorption rate recorded in FY 2021/22.

### FY 2022/23 Non Financial Performance Review

In FY 2022/23, the sector focused on three components, namely; water harvesting, ground water development and rural water supply so as to increase the proportion of households accessing water. Under the water harvesting programme, one medium size earth dam, six small dams and six sand dams with sump tanks were constructed. A total of 22 urban centers were connected with reliable piped water and three treatment facilities were constructed. On underground water development, 20 boreholes were drilled and developed, with 167 kilometres of pipelines established, 58 water points and 60 water tanks installed. To improve water governance, the Makueni Rural Water Board (MARUWAB) was established to manage rural water schemes for sustainability. Additionally, 72 committees were trained on water resource management while 3,000 community members were sensitized on water governance.

Natural resource management was enhanced through catchment protection, environmental education and environment compliance activities. During the period under review, 137,000 trees were planted, 120 environmental inspections conducted, 189 markets covered under the market cleaning programme, 7 market toilets constructed, sustainability study for basalt value addition carried out in Thane Ward, 2 sand harvesting sites rehabilitated and gully restoration at Malibu and Ngwili Ndilo areas done. Participatory Climate Risk Assessment (PCRA) was undertaken in all the 30 wards of the County. In the efforts to build resilience of communities from the effects of climate change, the County Climate Change Regulations were developed, the County Climate fund board strategic plan was developed, a grievance redress mechanism was established and an action plan on mitigation and adaptation actions was developed and approved.

### FY 2023/24 Half Year Expenditure Performance

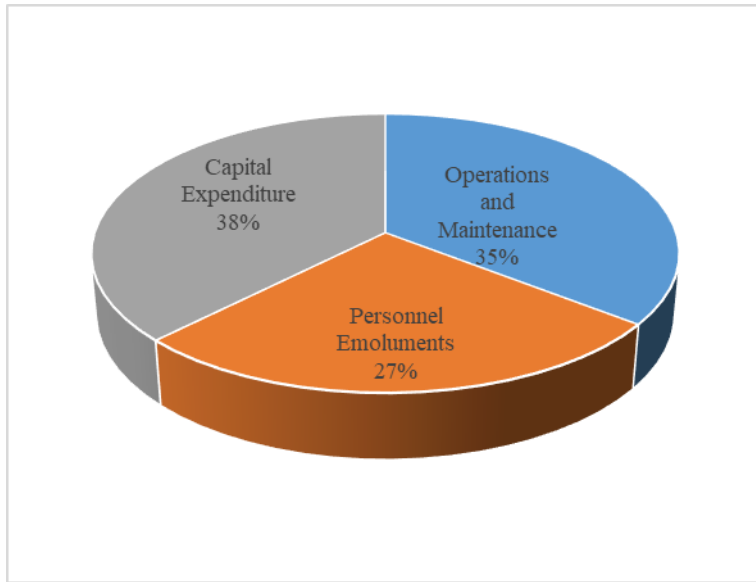


Figure 3: Expenditure per Economic classification for Water, Sanitation, Environment and Natural Resources Sector

Source: County Treasury, 2024

The total half year expenditure for the sector for the FY 2023/24 is Kshs. 92.39M which translates to an absorption rate of 11 percent against the total budget of Kshs. 833.77M. The total expenditures constitute of 38% development, 35% on operations and maintenance and 27% on personnel emoluments.

### 2.6.2. Agriculture and Rural Development Expenditure Trends

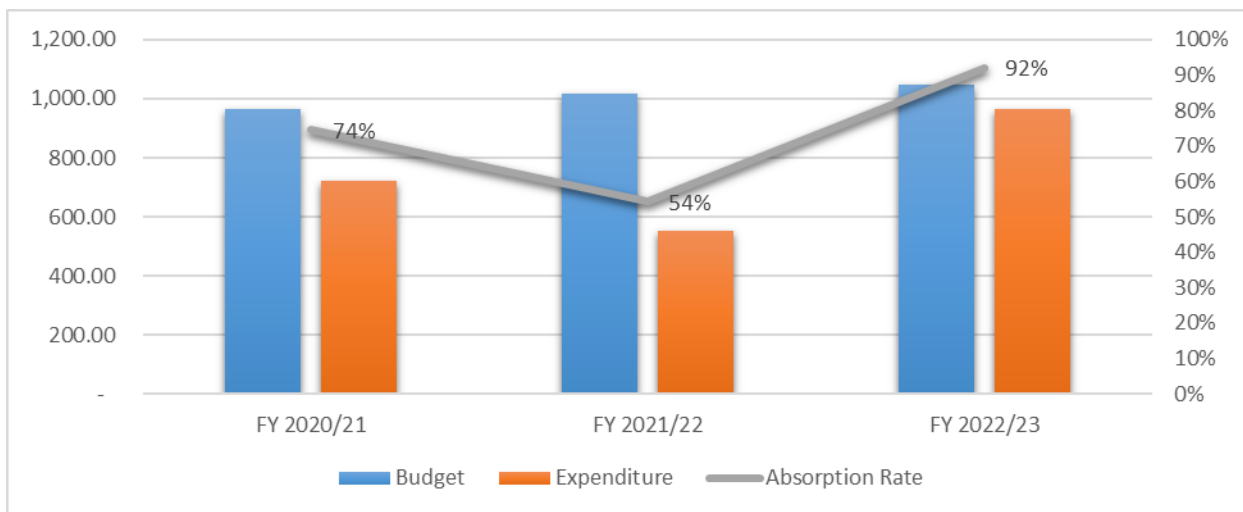


Figure 4: Sector Budgetary Allocation, Expenditure And Absorption Rate, FY 2020/21 to FY 2022/23.

Source: County Treasury, 2024

For the Period FY 2020/21-FY 2022/23, the department had a total budgetary allocation of Kshs 3,028.62 Million and recorded an expenditure of Kshs 2,235.43 Million representing a cumulative absorption of 74%. Cumulatively, the sector has utilized 66% of allocated resources in FY 2020/21 to FY 2022/23 on development, 31% on personnel emoluments and 3% on Operation and Maintenance(O&M).

## **FY 2022/23 Non Financial Performance Review**

### **1. Agricultural production and productivity**

During the financial year, there was an increased production of tomatoes from 25,285 MT to 88,331 MT and cotton from 611MT to 683 MT. The sector however recorded a drop in production and productivity of several crops as follows: cereals dropped from 96,560MT to 81,336MT, legumes from 183,007MT to 149,349MT, Citrus from 192,335MT to 127,308MT, mangoes from 281,425MT to 245,345MT, kales from 25,214MT to 11,033MT and Macadamia from 878MT to 814MT. This is attributed to low rains and prolonged drought. However, the sector has achieved a meaningful meat production in the year with mutton, poultry, fish and beef recording increased quantities. Fish production increased from 9MT to 15MT, chevron from 2,509MT to 2,635MT poultry from 5.669MT to 7,129MT, while beef increased from 4,559MT to 4,787MT. However, there was notable reduction the production of milk and honey. Milk decreased from 27,758 (Litres '000) to 22,206 and honey from 628MT to 602MT. On the other hand, 60% of the farmers adopted new technologies which is an increase of 5% as compared to FY 2021/22. The government also procure 513.086MT of assorted certified seeds (maize, beans, cowpeas, sorghum and green grams) which were distributed to 264,644 farmers across the county. Thirty-two (32) model tree nurseries were established. The number of insemination increased from 41 in the previous year to 3066 during the period.

Table 8: Certified seeds distribution

| Type         | Short rains   |               | Long rains     |               | Total          |               |
|--------------|---------------|---------------|----------------|---------------|----------------|---------------|
|              | Quantity (MT) | Beneficiaries | Quantity (MT)  | Beneficiaries | Quantity (MT)  | Beneficiaries |
| Maize        | 149           | 73185         | 36             | 18202         | 185            | 91387         |
| Beans        | 40            | 20250         | 12.66          | 6318          | 52.66          | 26568         |
| Sorghum      | 127           | 63809         | 24.428         | 16103         | 151.428        | 79912         |
| Green grams  | 85            | 43535         | 21.998         | 14297         | 106.998        | 57832         |
| Cow peas     | 0             | 0             | 17             | 8945          | 17             | 8945          |
| <b>Total</b> | <b>401</b>    | <b>200779</b> | <b>112.086</b> | <b>63865</b>  | <b>513.086</b> | <b>264644</b> |

*Data source: Department of Agriculture*

### **2. Irrigation development program**

The number of households practicing irrigation agriculture through pond excavation subsidies increased from 112 to 213 as are result of stakeholder involvement. Area of land under irrigation increased from 165Ha to 215Ha. The proportion of farmers practicing run-of water harvesting increased from 60.5% to 65%. While the area under soil and water conservation increased from 90,500 Ha to 96,450 Ha. Additionally, during the FY 2022/23 there were 181,000 zai pits realized.

### **3. Agriculture processing and value addition**

The Makueni Fruit Processing Plant purchased 1,182MT of mangoes from farmers worth Kshs 21,238,500, produced 619 MT of puree worth Kshs 44,598,690 and realized a revenue of Kshs 51,207,000. During the

year grain value addition plant (for cleaning, drying, sorting destoning, polishing, grading and packaging of parcel) at Makindu was operationalized. One group was supported with equipment for honey production and processing.

#### **4. Agricultural extension services**

The county continued to intensify Agricultural extension services during the period under review. The customer (farmer) satisfaction index increased from 60% to 70%.

#### **5. Crop and livestock disease control**

The government has been keen on reducing incidences of livestock diseases. During the period under review 29,357 poultry, 79,231 cattle, 133,075 sheep and goats were vaccinated against various diseases across the county. Additionally, the government has been making efforts to make the Makueni a rabies free zone. To this end, vaccination and awareness rabies awareness has been continually done. In the year under review 3,302 dogs were vaccinated against rabies.

#### **6. Youth in agriculture program**

The government trained 2,833 youths to provide essential crop and livestock husbandry practices during the period under review as compared to las FY 2021/22 were 1,345 youths were trained. This was as a result of stakeholder involvement.

### **FY 2023/24 Half Year Expenditure Performance**

The total expenditure for the FY 2023/24 half year is Kshs 118,206,526 which translates to an absorption rate of 10 percent against a budget of Kshs 1,145,323,935. Total half year expenditures constitute of personnel emoluments 78 percent, operations and maintenance 12 percent and development 11 percent.

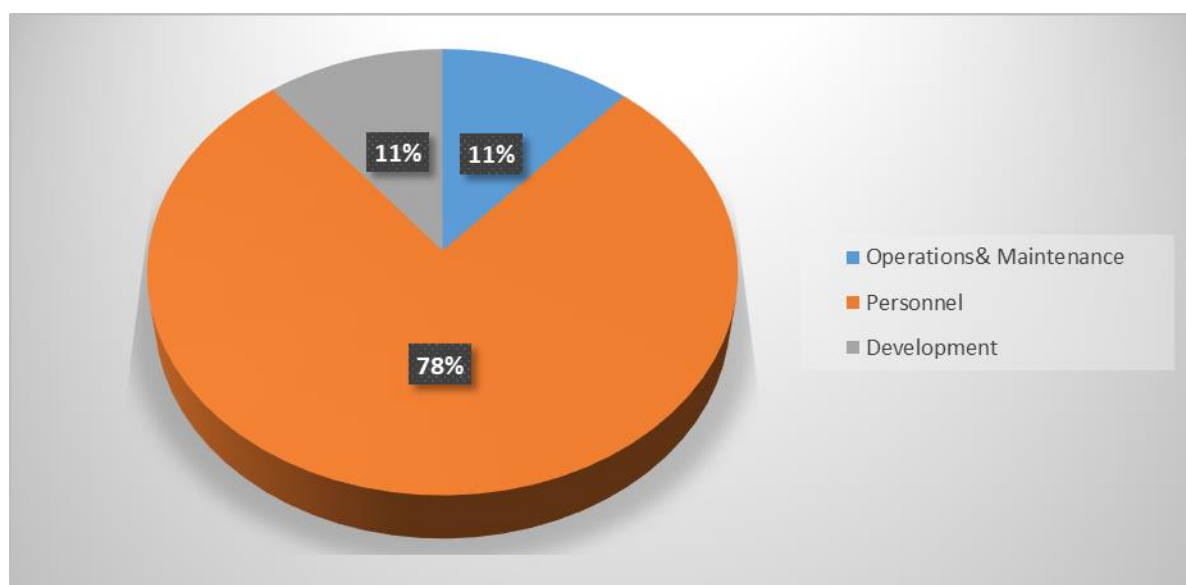


Figure 5: Half Year Expenditure per Economic classification

During the first 6 months of FY 2023/24, 142,400 farmers accessed extension services, 170 metric tons of certified seed were supplied to farmers, avocado and mango seedlings were supplied to farmers. The area under low pest prevalence zone was also increased by 17,200Ha.

### 2.6.3. Transport, Infrastructure, Public Works, Energy and ICT Expenditure Analysis

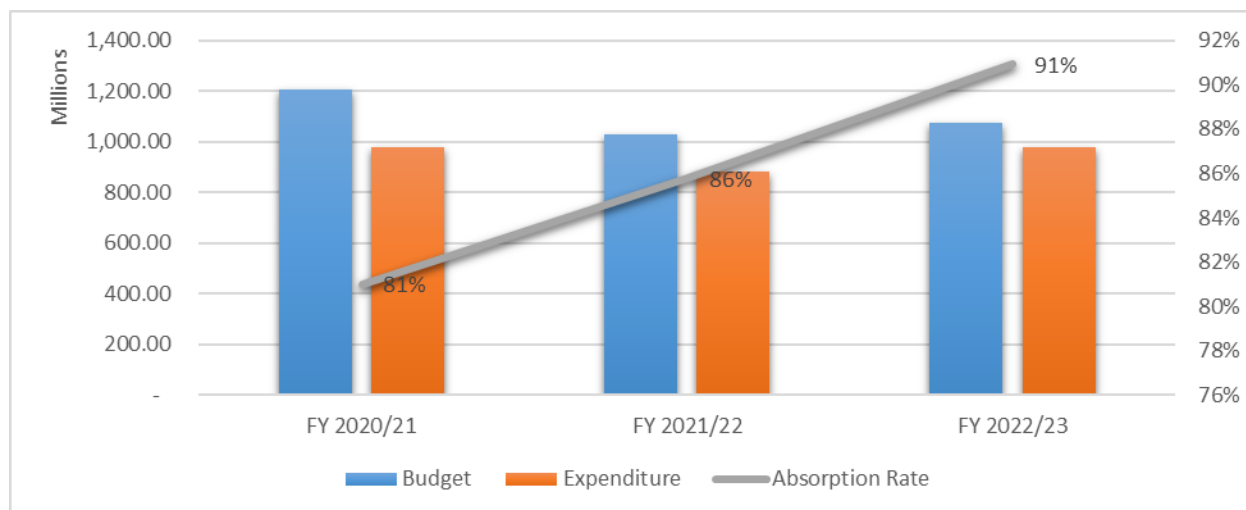


Figure 6: Sector Budgetary Allocation, Expenditure And Absorption Rate, for Transport, Public Works, Energy and ICT Sector, FY 2020/21-FY 2022/23.

Source: County Treasury, 2024

The sector plays an important role in supporting economic development, improving living standards and enabling technological advancements. In FY 2022/23, the infrastructure department had a total budget of Kshs. 1.076 billion. A total of Kshs. 978.8 million was spent in the FY representing an absorption rate of 91 percent, which was an increase from 86 percent attained in FY 2021/22. Figure 7 illustrates the budgetary allocation, expenditure and absorption rate trend.

#### FY 2022/23 Non Financial Performance Review

##### 1. Infrastructure Development:

The transformative strides in infrastructure development during FY 2021/22 and FY 2022/23 are notable, particularly in the expansion of the road network. The extensive efforts led to a substantial increase from 3,203 km in 2013 to an impressive 15,573 km by 2022. This achievement was realized through a comprehensive approach, encompassing the opening and grading of roads, upgrading segments to bitumen and gravel standards, and the development of 230 meters of non-motorized transport systems. This not only signifies improved connectivity but also emphasizes the commitment to modernizing transportation infrastructure.

In tandem with road improvements, the sector focused on enhancing drainage systems. Initiatives included the installation of 478 gabion boxes, the construction of 38 drifts, the installation of 1,500 meters of culverts, and the creation of 500 catch water drains. These efforts address crucial aspects of water management, fortifying the region against potential challenges and ensuring the longevity of the infrastructure. Community empowerment programs, such as Ajira Kwa Vijana, Community Led Development, and Miradi Kwa Jamii, played a pivotal role in these accomplishments.

##### 2. Energy Development:

The advancements in energy development showcased a concerted effort to address both urban and rural needs. A significant milestone was reached as 100 households were connected to power. In urban and market centers, the installation of 50 solar street lights, 36 electricity-powered streetlights, and 5 high mast floodlights contributed not only to improved accessibility but also to heightened security and visibility. The collaboration with REREC further underscored the commitment to rural electrification, resulting in the electrification of 636 households and the installation of additional streetlights for enhanced safety.



### 3. Information and Communication Technologies (ICT):

The integration of Information and Communication Technologies (ICT) marked a paradigm shift in governance and service delivery. The introduction of the My County App revolutionized citizen services, providing a unified digital platform for payments, citizen engagement, and reporting. The ripple effects of this advancement were felt across sectors like agriculture, health, utility bills, and SME programs, streamlining processes and enhancing efficiency.

The health sector underwent a significant automation process with the implementation of a Web-Based Inventory Management System in 13 facilities. This not only elevated transparency but also brought about efficiency in managing drugs and non-pharmaceuticals. The embrace of integrated systems and cashless payment methods led to a commendable 19% increase in revenue collection, contributing to sustained development initiatives. The establishment of the Lands Integration Management System (LIMS) showcased a commitment to optimizing land information management and revenue generation processes. By prioritizing data accuracy and decision-making, LIMS became a pivotal tool in fostering effective land administration. digital literacy and competency development resulted in the graduation of 648 trainees, fostering a community adept at navigating the digital landscape. The inauguration of the Makueni Tech and Innovation Hub served as a testament to this commitment, providing a dedicated space for nurturing entrepreneurship and innovation. With over 1500 participants engaged and 110 individuals trained in 3D printing, the hub became a focal point for technological advancement and skills development.

#### FY 2023/24 Half Year Budget Implementation Progress

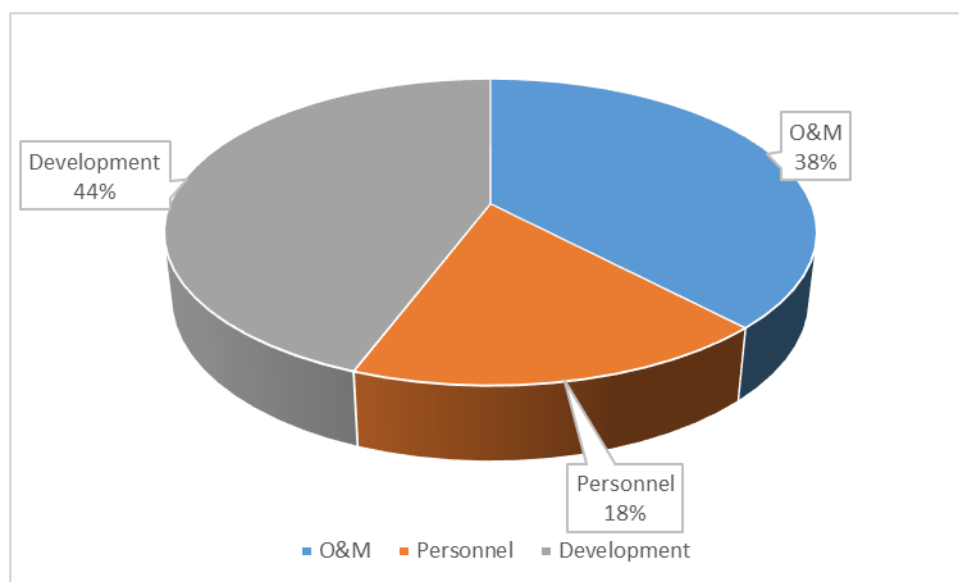


Figure 7: Half year Expenditure per Economic Classification

The total sector expenditure for the half year of FY 2023/24 is Kshs. 121,939,587 which translates to an absorption rate of 16 percent against a budget of Kshs. 752,244,078. The quarter two expenditures constitute of Personnel emoluments 18 percent, operations and maintenance 38 percent while development 44 percent.

In the first six months of the financial year 2023/24, the sector opened 68.6km, maintained 351.8 km, gravelled 24 km and constructed 4 drifts.



## 2.6.4. Health Services

### Expenditure Analysis

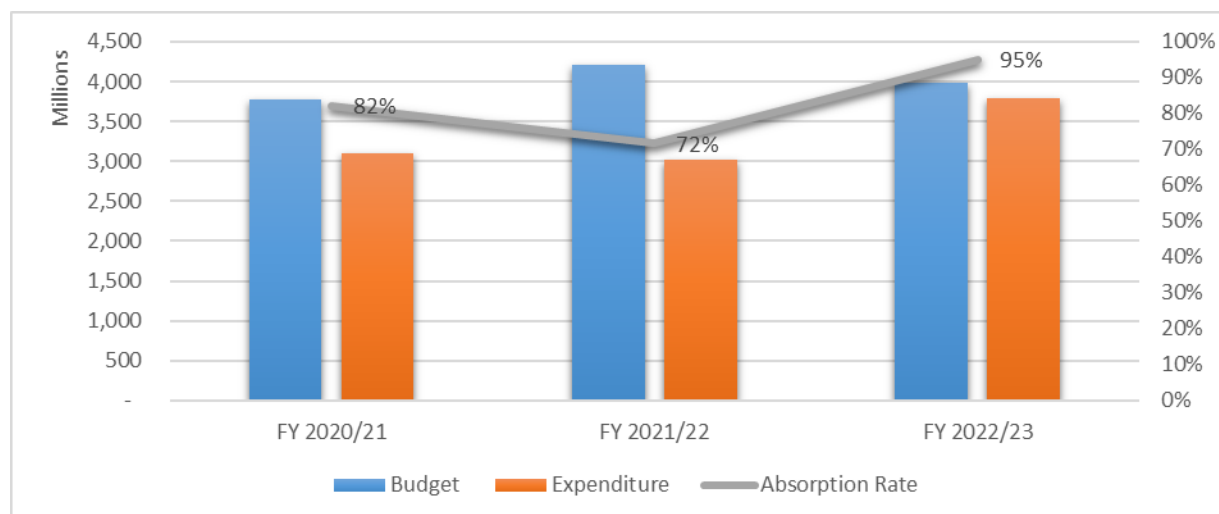


Figure 8: Budget versus Expenditure Analysis

Source: County Treasury, 2023

In FY 2022/23, the Sector recorded an expenditure of Kshs 3,792,091,584 against a budget of Kshs 3,986,717,810 representing an absorption rate of 95 percent which was the highest absorption rate for the last three years. The high absorption rate is explained by strengthening of the planning and budgeting process, the appointment of budget implementation committee and increasing demand for county health services which has improved since the onset of devolution.

Table 9: Analysis of Externally Funded Programmes

| No | Revenue Stream  | Classification | FY 2022/23 Budget | Receipts    | FY 2023/24 Budget |
|----|---|----------------|-------------------|-------------|-------------------|
| 1. | Nutrition International Donor funding                       | Donor          | 14,534,121        | 14,534,121  | 21,013,780        |
| 2. | DANIDA- Primary healthcare in devolved context              | Donor          | 24,043,500        | 23,824,119  | 13,732,881        |
| 3. | Conditional Grant - for COVID-19 Emergency Response -       | Donor          | 27,257,613        | 0           | 27,257,613        |
| 4. | Transforming Health Systems for Universal Care Project (WB) | Donor          | 89,994,592        | 89,732,909  | 261,683           |
| 5. | Conditional Allocation for Leasing of Medical Equipment     | Donor          | 110,638,298       | 110,638,298 | 124,723,404       |
|    | Total   |                | 266,468,124       | 238,729,447 | 186,989,361       |

### FY 2022/23 Non Financial Performance Review

In the review period, immunization coverage improved from 92% to 98% while deliveries conducted by skilled personnel rose from 84% to 88%. The percentage of pregnant mothers attending at least 4 Antenatal Care (ANC) visits improved from 64% to 68%. On the improving nutrition status of the community, ANC mothers supplemented with Iron Folic Acid (IFAS) rose from 99% to 100% while the proportion of children aged 6 to 59 months supplemented with vitamin A increased from 77% to 82%. The proportion of expectant

women living with HIV currently on ARV rose from 98% to 99.4%, while the proportion of positive clients linked to care stands at 100%. These successes are attributed to the availability of trained service providers, community sensitization and availability of the health commodities and technologies.

In the same period, the sector supported Community Health Strategy by supplying new kits for the 240 Community Health Units (CHUs). In addition, the department trained 3,625 CHPs on healthcare provision and utilization of the new equipment as well as budgeted for the CHPs in line with the national government agenda on enhancing universal healthcare. Sanitation and hygiene in schools improved tremendously with 84% of schools attaining required hygiene standards and 72% of school-going aged 12 - 59 months being dewormed.

These successes in community health are attributed to increased awareness through local media, community health volunteers and distribution of IEC materials. In curative services, the average length of stay reduced from 5.4 days to 4.5 days while the death rate also reduced from 11% to 9.6%. This was attributed to enhanced mortality audits and improved referral systems. Laboratory services improved with 50% of health facilities having sample referral networks and 65% of laboratories enrolled in external quality assurance schemes. The drug fill rate during the plan period was an average 65%. During the plan period, 44,000 households were registered under Makueni Care Scheme. National Hospital Insurance Fund (NHIF) coverage increased from 10% to 15% of the county population and in the same period, 1,219 villages were declared ODF improving sanitation status.

The sector has embarked on automation of health services for enhanced accountability and transparency in health products and technologies. This was done through the acquisition of digital health commodities management systems which is being piloted in 13 health facilities. Besides, the sector is establishing end-to-end automation of health services through the County Integrated Health Management Information System (CIHMIS). The system is made for tracking health products, revenue and patient management.

On infrastructure development, the sector constructed 3 new health facilities, and upgraded and equipped health facilities to offer comprehensive healthcare services.

### **FY 2023/24 Half year implementation progress**

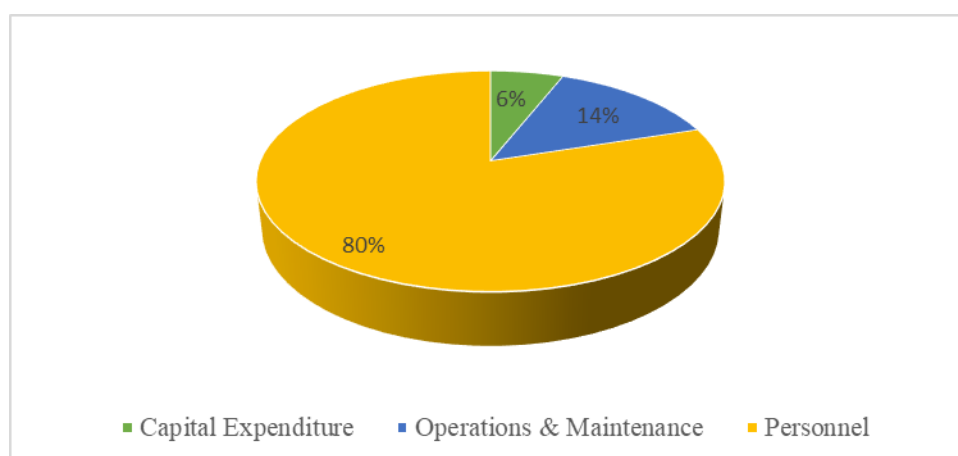


Figure 9: Half Year Expenditure per economic classification

The total expenditure for the half year of FY 2023/24 is Kshs 1,107,165,340.05 against a budget of Kshs 3,796,060,362 which translates to an absorption rate of 29 percent. The departmental expenditure

constitutes personnel emoluments 80 percent, operations and maintenance 14 percent and development 6 percent. The department has high human resource workforce that led to the highest expenditure recorded under the personnel emolument.

### 2.6.5. Social Protection, Education, and Recreation Expenditure Analysis

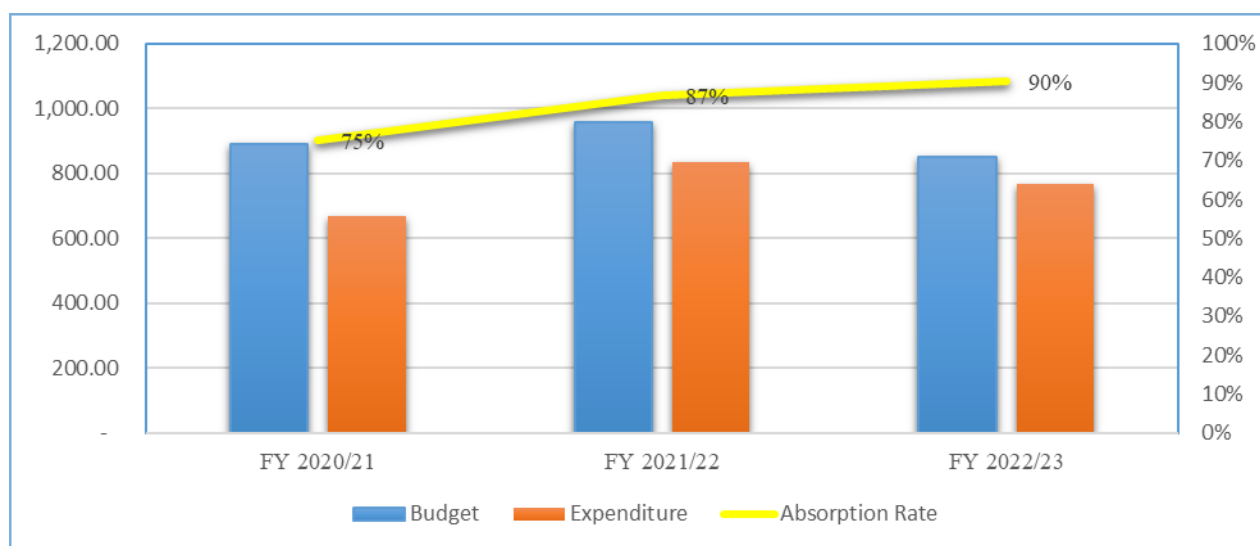


Figure 10: Budget versus Expenditure Analysis

Source: County Treasury, 2024

The sector had a cumulative budgetary allocation of **Kshs 2.7 Billion** and recorded a total expenditure of **Kshs 2.27 Billion** for the period 2020/21-2022/23. During the FY 2022/23, the sector was allocated Kshs. **851 Million** which comprised of Kshs. **675.20 Million** for the department of ICT, Education & Internship and Kshs. **175.80 Million** for the department of Gender, Children, Youth, Sports and Social Services.

The sector spent Kshs. 769.2M which was 90 percent absorption rate which comprised of Kshs. 606.4M spent under ICT, Education & Internship and Kshs. 162.80M incurred by Gender, Children, Youth, Sports and Social Services. The absorption rate represented a 3 percent increase from the 87 percent absorption rate recorded in FY 2021/22.

### FY 2022/23 Non Financial Performance Review

In the fiscal year 2022/23, the sector achieved substantial progress across diverse programs.

Over the period under review, government made notable strides to increase access to ECDE quality education through construction of 32 ECDE centres, launched digital learning programme where 2,018 ECDE teachers were trained and issued 1,197 digital learning devices to ECDE centres. Under the support to education programme, a total of 607 students were issued with bursaries from four wards and 100 new students benefitted with scholarships. To enhance quality access to vocational training, the government undertook 18 infrastructure development and issued 59 CTTIs with Kshs. 23,823,278.34 in FY2022/23.

Under social protection programme, 2,241 OVCs and 2,400 elderly persons were supported with food and non-food items, 1400 children with sanitary packs, 210 elderly persons with NHIF insurance cover and 56

PWDs issued with assistive devices. Sport Development initiatives not only engaged communities at ward level but also propelled local talents onto national stages, with 12 athletes and 2 coaches supported for international participation. Youth Empowerment programs, particularly the Makueni Youth Apprenticeship Program (MYAP) and partnerships with the Jua Kali chapter, demonstrated commendable outcomes, empowering 56 youths in county projects and placing 80 youths in apprentice programs. The Internship, Attachments, and Volunteer Work programs successfully prepared individuals for the job market, with 100 interns recruited and 558 attaches engaged.

### **FY 2023/24 Half Year Expenditure Performance**

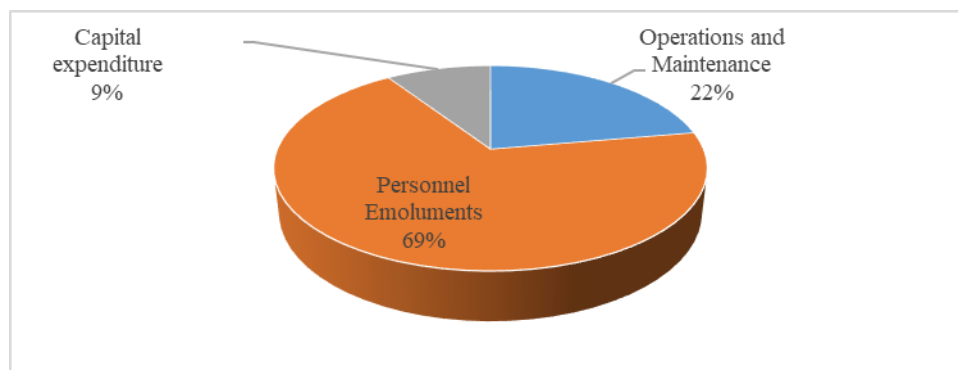


Figure 11: Expenditure per Economic classification for Social Protection, Education And Recreation Sector  
*Source: County Treasury, 2024*

The total half year expenditure for the sector for the FY 2023/24 is Kshs. 168M which translates to an absorption rate of 14 percent against the total budget of Kshs. 1,173B. The total expenditures constitute of 9% development, 22% on operations and maintenance and 69% on personnel emoluments.

### **FY 2023/24 Half Year Non –Financial Performance**

During the review period, the government realized the following notable achievements: Supported education through issuance of bursaries to 12,682 beneficiaries and awarding 100 scholarships to needy and bright student to help improve the transition, retention, and completion rate of the student. To subsidize training costs and enhance retention within vocational training centers, 59 CTTIs received the first batch of Kshs. 10,421,647.05 under the capitation program. The total number of CTTIs increased from 59 to 60 with the operationalization of Uutini CTTI in Kibwezi East Sub County. 235 attaches were placed under the attachment program by half year 2023/24 to enable them gain more experience in work environment.

During the first half of FY 2023/24, significant progress was made in sports development. Ward tournaments were successfully organized in Kathonzweni ward, and in addition, sports uniforms and equipment were provided to both Kalawa and Mukaa wards.

### 2.6.6. General Economic and Commercial Affairs Expenditure Performance

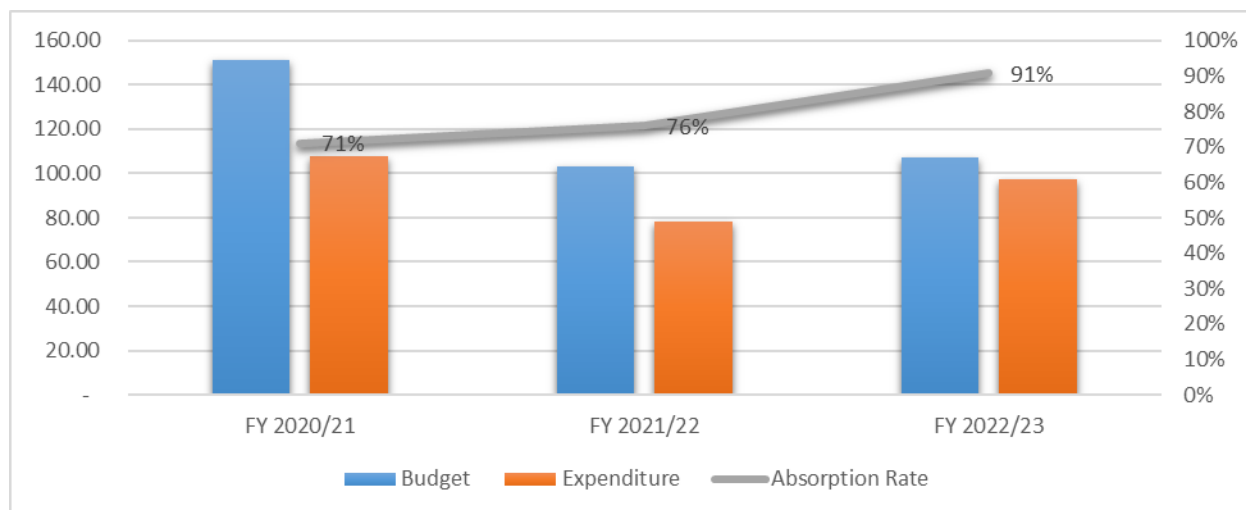


Figure 12: Budget versus Expenditure Analysis, General Economic and Commercial Affairs

Source: County Treasury, 2024

In the FY 2020/21, the sector received the highest allocation with the aim of stimulating business growth after the effects of the Covid-19 pandemic. However, the absorption of funds stagnated as the economy was still in recession due to the stringent measures implemented to curb the spread of the virus. In the subsequent FYs, the sector gradually improved its expenditure and achieved a record high of 91 percent absorption in FY 2022/23.

#### FY 2022/23 Non-Financial Performance Review

To enhance enterprise growth, reduce the perishability of trading goods, and increase profitability among traders, the sector established the Emali Fresh Produce Wholesale Market. The market comprises of 30 wholesale stores, 96 retail stalls, and 2 open market sheds. In line with the mission to re-engineer trade development in the County, the sector partnered with Strathmore University through the Small Business Development Centre Programme. This partnership enabled the sector to provide capacity building to 628 entrepreneurs. The training covered various topics such as bookkeeping, finance management, business management, business planning, idea generation, building business cases, business proposal writing, digital marketing, social media marketing, and access to government procurement opportunities, among others.

During the review period, the sector conducted weights and measures inspection and verification exercises in the 6 sub-counties. A total of 732 traders' weighing equipment was inspected, with 91% of the inspected equipment found to be in compliance with the Weights and Measures Act CAP 513 Laws of Kenya. The inspection also included the verification of 5,126 pieces of equipment, inspection of 480 fuel dispensing pumps, re-verification of 4,646 weighing equipment, and the collection of revenue totaling Kshs. 1,052,140.00.

The sector's commitment to the advancement of tourism in Makueni County has resulted in significant progress. Through a partnership with the Kenya Tourism Board (KTB), the sector successfully launched tourism circuits. These circuits aim to enhance visibility and showcase the region's diverse cultural and natural heritage. In the field of culture, art, and creative industries, a total of 98 artists, including choirs, recorded at the Makueni Recording Studios. The Makueni County Music and Cultural Festival brought together over 1,022 participants, and 119 entries were adjudicated and approved for presentation at the national level Kenya Music and Cultural Festival (KMCF), held at the Wote Technical Training Institute (WTTI). Furthermore, the Makueni Indigenous Food Festival was organized, bringing together 25 Akamba indigenous food festival exhibitors from all sub-counties and other partners.

## FY 2023/24 Half Year Expenditure Performance

The total half year expenditure for the sector for the FY 2023/24 is Kshs 36,623,095 which translates to an absorption rate of 22 percent against a budget of Kshs 166,279,790. The total expenditures constitute of 71 percent operation and maintenance, 20 percent personnel emolument and 9 percent capital expenditure.

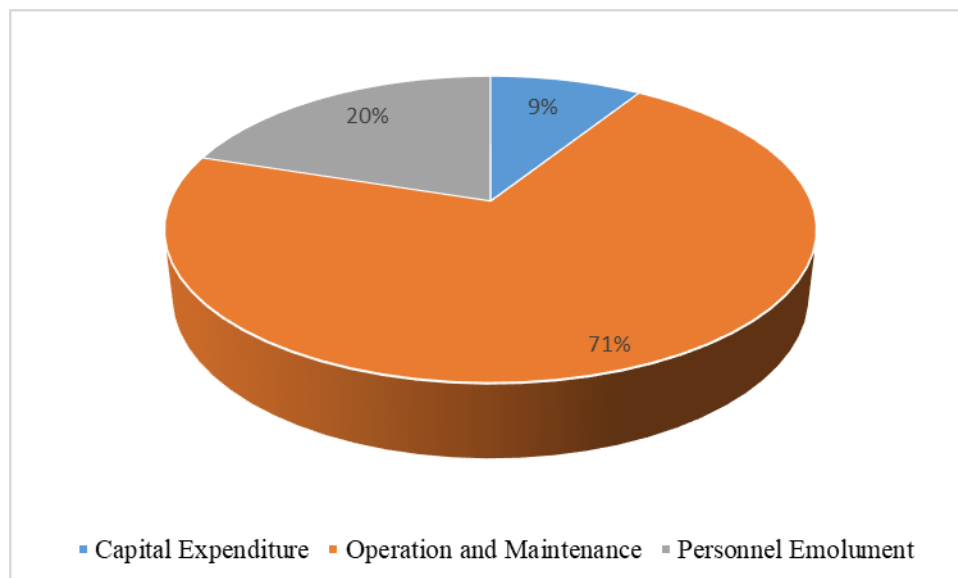


Figure 13: Expenditure by Economic Classification for Trade

### 2.6.7. Lands and Urban Development

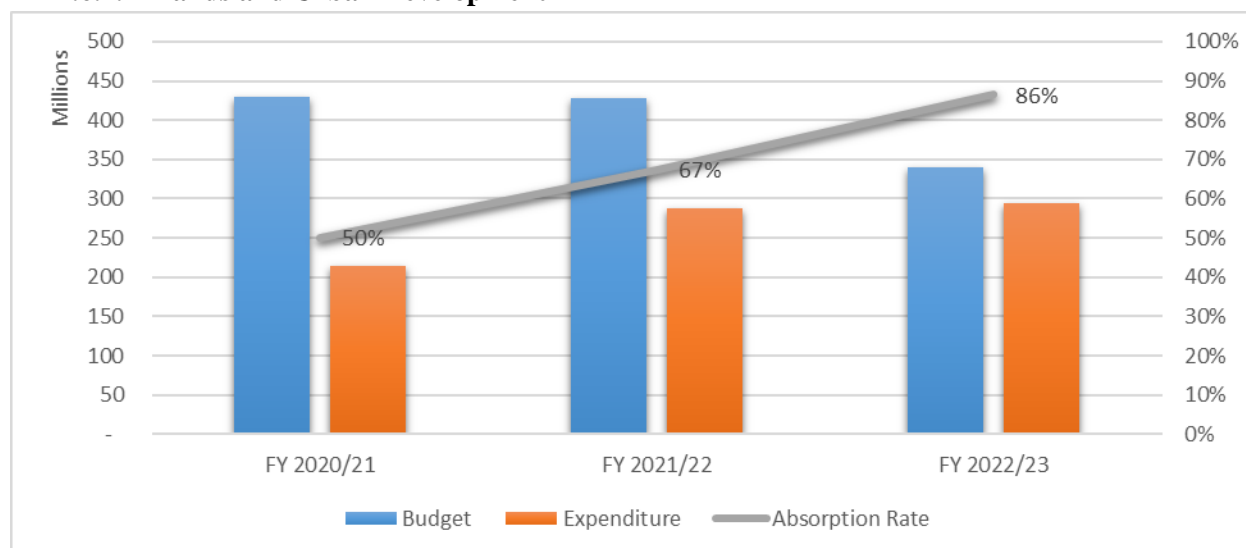


Figure 14: Budget versus Expenditure Analysis, Lands and Urban Development

Source: County Treasury, 2023

The sector had a cumulative budgetary allocation of Kshs 1,196,546,211 and recorded a total expenditure of Kshs 797,507,810 for the period 2020/21-2022/23. The absorption rate has been increasing over the period from 50 percent in FY 2020/21 to 86 percent.

## FY 2022/23 Non-Financial Performance Review

### 1. Security of Tenure Programme

The County Government promoted security of tenure by undertaking several projects such as; surveying of Wote, Kikima and Nunguni towns' public land plots, land verification and validation to resolve ownership wrangles and surveying of market centres which have physical land use and development plans. In collaboration with National Government, the sector surveyed untitled schemes/Adjudication sections such as Kathekani B, Kiboko B and Ngai Ndethya settlement schemes which will eventually facilitate issuance of letters of allotment and Title Deeds. Additionally, in collaboration with the National Government the county government prepared survey plans for Wote, Nunguni and Kikima which have been approved by the national Director of Surveys.

## **2. Land Administration and Management**

The County Government has developed and operationalized Makueni Land Information Management System M-LIMS with modern innovative way of managing public land through a digital platform for verifying and validating, storage and management of all land information. This has resulted in improved land tenure by reducing cases of land ownership disputes and having a reliable and verifiable land recording and documentation system. The county government implemented the LIMS systems in Wote, Kikima, Nunguni, Kasikeu and Emali towns through plot verification and validation.

## **3. Urban Planning**

The following achievements were realized over the plan period;

- Preparation of Physical and Land Use Development Plans

The department undertook the preparation of local physical and Land Use Development Plans for Kibwezi, Sultan Hamud, Mtito Andei, Kyumani, Makindu, Kalawa, Kathulumbi, Kwakathoka, Thithi, Kiboko and Kayata urban centres. The plans prepared for Kibwezi, Sultan Hamud, Mtito Andei and Kyumani have been approved by the County Assembly while Makindu has been finalized, awaiting approval. Planning of Kalawa, Kathulumbi, Kwakathoka, Thithi, Kiboko and Kayata urban centres is ongoing.

- Development control- approval of building plans

The department through Land Applications Processing Committees undertakes the processing of development applications such as building plans, plot registration/transfers/subdivisions/amalgamation, change/extension of users and extension of leases. The county developed an Electronic Development Applications Management System (EDAMS) for improved efficiency in land applications and development processing.

## **4. Urban Development**

The County Government established and operationalized 2 municipalities; Wote and Sultan Hamud municipals. This was as a result of issuance municipal charters to the respective municipals with respective transferred functions.

The municipals are mandated to provide services to citizens as contained in the municipal charter. Over the period, significant development has been realized in the two municipalities. For instance, development of urban infrastructure, market lightning projects and waste disposal and sanitation.

## **FY 2023/24 Half Year Expenditure Performance**

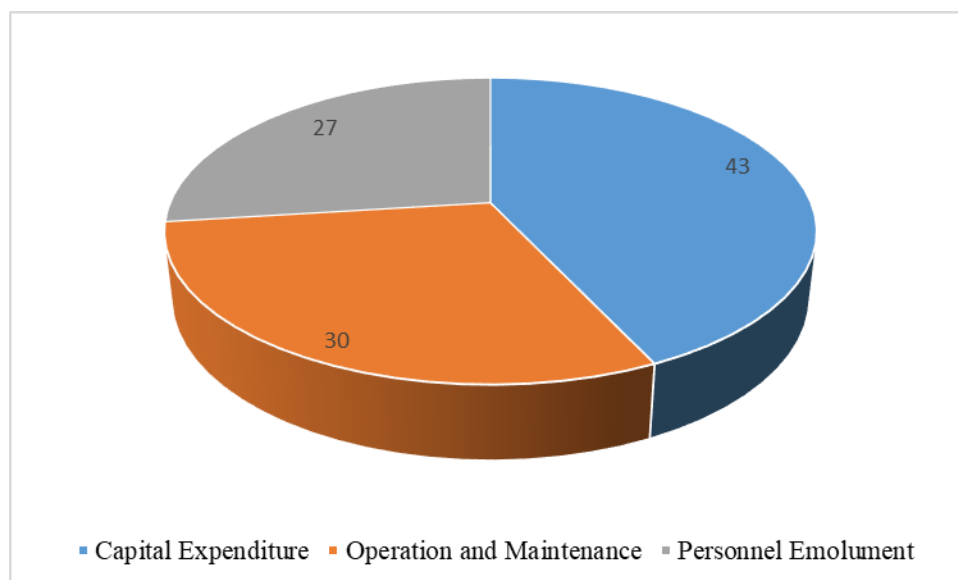


Figure 15: Expenditure by Economic Classification

## 2.6.8. Devolution Sector

### Expenditure Overview

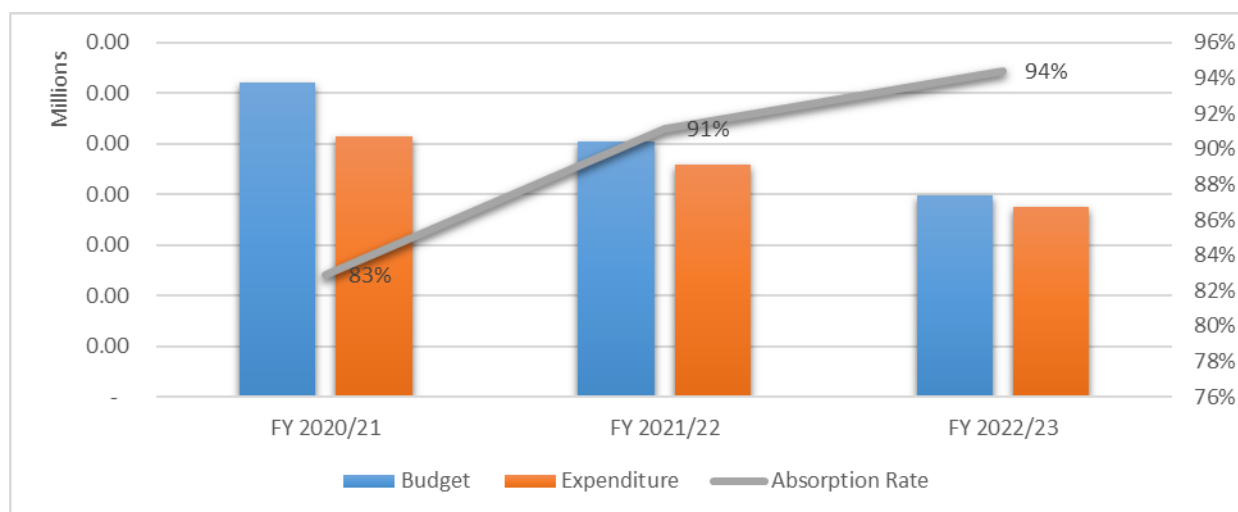


Figure 16: Devolution sector budget and expenditure trend for FY 2018/19-FY 2022/23

Source: County Treasury, 2023

During the financial year 2022/23, the total sector budget was 1,993.81M, a decline from 2,518.39M during the financial year 2021/22. The expenditure for the period was 1,882.62M a decline from 2,295.74M during the previous financial year.

For the period FY 2020/21 to FY 2022/23, the sector incurred a cumulative expenditure of 6.757 Billion against an allocated budget of 7.622 Billion recording an average absorption rate of 89%. Operations and Maintenance account for the majority of the expenditure, representing 53% of the total expenditure, amounting to **2,834,493,538.22**. Personnel costs constitute 35% of the total expenditure, totalling



**1,862,710,126.95.** This includes salaries, benefits, and other remunerations for the workforce within the sector. Development expenditure, makes up 13% of the total spending, amounting to **671,214,085.76.**

### **FY 2022/23 Non-Financial Performance Review**

In the FY 2022/23, the county government undertook public service reforms aimed at promoting integrated service delivery. These includes reorganization of government through the Order No. 1 of the county government; training of champions in productivity and performance measurement and ensuring adherence to the national values and ethics within the county public service.

The county stepped up efforts in resource mobilization with an aim of improving fiscal discipline and accountability. For FY 2022/2023, the county generated Own Source Revenue amounting to 891M, representing a 19% increment from the previous year. Further, the county has strengthened partnerships with development partners and local development organizations.

The Sector developed key policy documents such as the County Integrated Development Plan 2023-27, County Fiscal Strategy Paper and the Annual Development Plan 2024/25. In addition, the government invested in data management and statistics which plays a key role in informing planning, budgeting and reporting. In collaboration with KNBS, the county government prepared and disseminated the County Statistical Abstract 2022, whose data informed policy and programme implementation across sectors. In addition, 30 Statistical Ward Profiles were prepared and disseminated to enhanced evidence based decision making at decentralized units.

The establishment of the School for Devolution and Community Led Development provided a platform for enhancing devolution capacities and consulting for quality implementation of devolved functions. It has ensured providence of quality and affordable capacity development for county workforce and residence towards a working devolution. Further, the community driven development program has been transformed to *Miradi Kwa Jamii* (MKJ Project) and has ensured communities gain economic benefits directly while they create assets and improvements in the village level development.

The sector enhanced disaster management by establishing a fire station at Makindu in partnership with Polish Aid (PCPM). The disaster management unit has been responsive to disasters and emergencies in which 23 emergencies were responded to in FY 2022/2023.

The county established the office of the County Attorney that supported county departments in finalizing seventeen county bills and policies. Makueni County Assembly effectively played the representation, oversight, legislation to enhance service delivery.

### **FY 2023/24 Half Year Expenditure Performance**

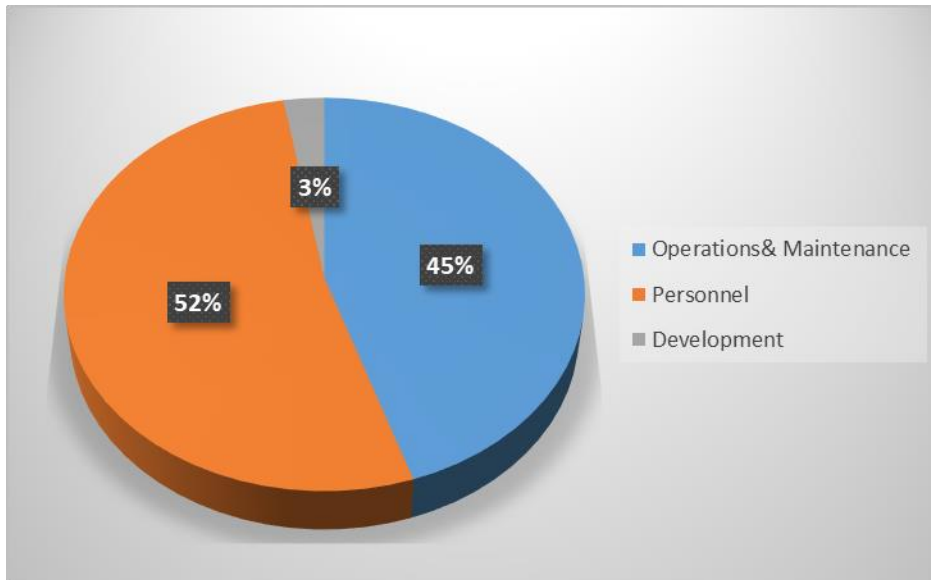


Figure 17: Expenditure by Economic Classification

In the first half of FY 2023/24, the sector incurred a cumulative expenditure of 551.21 million against an allocated budget of 1.89 billion. This translated to an overall absorption of 29%. The total expenditures constitute of 52 percent personnel, 45 percent operations and maintenance and 3 percent development.

The sector has prepared statutory documents such as Annual Development Plan 2024/25, County Budget Review and Outlook Paper 2023 as well as the County Statistical Abstract(CSA) 2023. The sector made significant efforts in enhancing strategic partnership with development partners. In addition, the county generated own source revenue amounting to 367 Million.

### **3. DEVELOPMENT PRIORITIES - FY 2024/25 – 2026/27 MEDIUM TERM EXPENDITURE FRAMEWORK**

#### **3.1. Introduction**

Development priorities for FY 2024/25 and the medium term are guided by the County Integrated Development Plan III and County Annual Development Plan 2024/25. Public inputs from forums held within and outside the County have shaped the priorities for the year and medium term. Engagement of the County working groups provided the technical analysis of the information towards the sector priorities.

#### **3.2. Recent Economic Developments and Outlook**

##### **3.2.1. Global and Regional Economic Outlook**

The projected global economic growth for 2024 is 3.1 percent, with a further increase to 3.2 percent in 2025. This growth is supported by the resilience of the United States and major emerging markets and developing economies, as well as fiscal support in China. Inflation is also declining faster than anticipated in most regions due to the resolution of supply-side issues and tighter monetary policies. It is expected that global headline inflation will decrease to 5.8 percent in 2024 and further to 4.4 percent in 2025.

The projected economic growth in Africa is expected to remain weak, with an anticipated increase from an average of 3.3 percent in 2023 to 3.5 percent in 2024. This can be attributed to several factors, including the global economic slowdown, tighter monetary and fiscal conditions, and high debt sustainability risks. Furthermore, the unfolding climate crisis and extreme weather conditions are expected to negatively impact agricultural output and tourism. Additionally, the region will continue to face challenges due to geopolitical instability, particularly in the Sahel and North Africa sub-regions. (*IMF, World Economic Update, January 2024*).

##### **3.2.2. Sub-Saharan Africa Economic Outlook**

The financial strain faced by numerous sub-Saharan African countries has been caused by a combination of increased global interest rates, high sovereign debt spreads, and currency depreciation. This challenge compounds the already existing difficulties arising from the COVID-19 pandemic and rising living costs. As a result of these factors, economic activity in the region is expected to be sluggish in 2023, with a growth rate of 3.6 percent. However, the economy is expected to rebound to 4.2 percent in 2024, with the expected global recovery, inflation easing, and reduction in monetary policy tightening. (*UN, World Economic Situation and Prospects, 2024*).

##### **3.2.3. National Macro-Economic Performance**

###### **3.2.3.1. National Macro-Economic Performance**

The Kenyan economy has demonstrated remarkable resilience in the face of severe multiple shocks that included the adverse impact of climate change, lingering effects of COVID -19, global supply chain disruption and the impact of Russia-Ukraine conflict. As such, the economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021. On the other hand, the nominal GDP increased from Kshs 12,027.7 billion in 2021 to Kshs 13,368.3 billion in 2022. Most of the sectors of the economy posted decelerated growths mainly due to the significantly high growths attained in 2021 that signified recovery from the economic downturn in 2020. This growth was spread across all sectors of the economy but was more pronounced in service-oriented activities.

Agriculture remained the dominant sector, accounting for about 21.2 percent of the overall GDP although the sector contracted by 1.6 percent in 2022 compared to a contraction of 0.4 percent in 2021. This was attributed to drought conditions that characterized the period under review. Some of the key sectors that supported growth were Financial and Insurance (12.8%), Information and Communication (9.9%), and Transportation and Storage (5.6%). Industry-related activities accounted for 17.7 percent, while service activities accounted for 61.1 percent of the total GDP in 2022. Private final consumption expenditure increased from Kshs 8,970.8 billion in 2021 to Kshs 10,107.2 billion in 2022 accounting for slightly over three quarters of gross domestic expenditure. Similarly, government final consumption expenditure increased by 12.3 percent to stand at Kshs 1,640.5 billion in 2022. Gross National Disposable Income (GNDI) increased by 11.5 percent to stand at Kshs 13,932.0 billion in 2021 to Kshs 13,163.2 billion in 2022. Gross Domestic Product per capita at current prices increased from Kshs 237,861 in 2021 to Kshs 260,024 in 2022.

### **3.2.3.2. Sectoral Performance**

According to the 2024 budget policy statement, the agriculture sector rebounded strongly during the first half of 2023 following improved weather conditions and the impact of fertilizer and seed subsidies provided to farmers by the Government. The sector grew by 6.0 percent in the first quarter and 7.7 percent in the second quarter. The strong performance was reflected in enhanced production, especially of food crops that led to significant increase in exports of tea, coffee, vegetables and fruits. However, production of cut flowers and sugarcane declined during the period.

The services sector continued to sustain strong growth momentum in the first half of 2023 growing by 6.0 percent in the first quarter and 5.9 percent in the second quarter. The robust performance was reflected in the notable growth of information and communication (driven by increases in wireless internet and fibre-to-home subscriptions), wholesale and retail trade, accommodation and food services (driven by recovery in tourism), transport and storage, financial and insurance (due to strong private sector credit growth and lending to the government) and real estate (supported by sustained expansion of the construction industry).

During the first half of 2023, the industrial sector recorded lower growths of 2.5 percent in the first quarter and 1.8 percent in the second quarter compared to growths of 4.4 percent and 4.2 percent, respectively in similar quarters in 2022. The slowdown in growth was mainly reflected in manufacturing, and electricity and water supply sub-sectors. Activities in the manufacturing sector, which accounts for nearly half of the industrial sector output, was hampered by a decline in the manufacture of both food (particularly sugar production) and non-food products while electricity sub-sector slowed down due to a notable decrease in electricity generation from all sources, except geothermal.

#### **3.2.4. Inflation outcomes**

Inflation had remained above the Government target range of  $5\pm 2.5$  percent. The overall inflation increased to 6.9 percent in January 2024 from 6.6 percent in December 2023. In order to anchor inflation expectations, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.5 percent in May 2022 to 10.5 percent in June 2023 and further to 12.5 percent in December 2023. The tightening of the monetary policy was to address the pressures on the exchange rate and mitigate second round effects including from global prices. This will ensure that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range. However, inflation has remained sticky in the upper bound of the Government's target range since July 2023.

Food inflation remained the dominant driver of overall inflation. Food inflation increased to 7.9 percent in January 2024 compared to 7.7 percent in December 2023. Fuel inflation increased to 14.3 percent from 13.7 percent due to higher cost of electricity which outweighed downward adjustment of the pump price in January 2024. This may also be as result of depreciation in the shilling exchange rate and gradual withdraw of the fuel subsidize from September 2022. In addition, the upward adjustment of VAT on petroleum product in July 2023 from 8.0 percent to 16.0 percent to eliminate tax credits from the sector exacted upward pressures on prices. However, prices of cooking gas continued to decline and moderated inflation reflecting the impact of the zero-rating of VAT on liquefied petroleum gas (LPG). **Non-food Non Fuel (NFNF)** inflation increased from 3.4 percent in December 2023 to 3.4 percent in January 2024.

#### **3.2.5. National 2024 Economic Outlook**

In 2024, Kenya's economy is expected to register a 6 percent growth powered by increased agricultural output and growth in the services sector. This will be despite global economy shocks that have been witnessed including the geopolitical tensions and high inflation rates. This will be as result of agriculture output expanding by 5 percent due to improved weather conditions, resilience of the services sector and impact of the government measures aimed at stimulating growth in priority sectors of the economy including agriculture and manufacturing. The services sector is expected to register good performance but broad economic strain could see some pockets of the sector grow below their pre-COVID levels. The tightening monetary policy in advanced economies which has resulted in a sharp tightening of global financial conditions, reflected in the prevailing high yields on sovereign bonds and depreciation of domestic currencies against the US dollar and other major currencies will also have a negative impact. These factors will continue to exacerbate debt sustainability amid tight budgetary constraints which will further pose a significant risk to inflation. With the limited fiscal space, expenditures toward social sectors, public investment, and safety nets for poor and vulnerable groups have become highly constrained. The rise in cost of living may push back a good number of people to poverty.

### 3.2.6. County Economic Performance

As at 2022, Makueni GCP was at **Kshs 120.54 Billion** having increased by 24 percent from **Kshs 97.27 Billion** recorded in 2018 but a drop of 2.48 percent from Kshs. 123.61 in 2021. These results have been brought by government efforts to support businesses, provide stimulus packages, and investment in infrastructure to help stimulate economic growth. Agriculture, Forestry and Fishing activities were valued at **Kshs 33.40 Billion** and recorded the highest contribution to GCP in Makueni at **27.7 percent** to the total GCP as at 2022. This represented a 4.7 percent growth from **Kshs 31.83 Billion** recorded in 2020. The public administration and defence sector contributed **Kshs 12.91 Billion** to the economy, representing approximately 10.7 percent of the total economic output in 2022. This was the second largest sector implying that government spending on goods and services through payment of salaries, infrastructure development and provision of essential services within the county significantly contributed to the economy. According to 2023 GCP Report, 72 percent of Makueni County gross product is contributed by the non-agricultural sectors which comprise service and industrial sectors. Implementation of the 2023 Finance Act that has an adverse effect on the cost of living will possibly derail growth in the service sectors in 2024.

### 3.3. FY 2024/25 Medium-Term Expenditure Framework Policy Shift

The County Medium Term Expenditure Framework for FY 2024/25 is guided by the overarching development philosophy of '*Wauni wa Kwika Nesa na Ulungalu*,' which translates to the desire to do good with integrity and the rallying call of '**our people, our priority**.' The development theme for FY 2024/25 is '**Sustaining economic gains for inclusive development**.' The following are the key objectives set to be achieved in FY 2024/25 and the medium term:

- a. Increase access to potable water.
- b. Improve agricultural production and food security.
- c. Enhance access to universal healthcare.
- d. Develop urban infrastructure.
- e. Automate government services, procedures, and innovation.
- f. Mobilize resources through strategic partnerships.

To enhance the achievement of the listed priorities within the available resource basket, the following key drivers will be implemented across county sectors:

- i. **Investment in the Water sector to ensure water reaches the final consumers.** This will be supported by extending existing water resources to the consumers with a view to increasing the distribution network in households. The county government will distribute water from Athi-Kilema(Tunguni) water project, Mulima water project, Kaiti II water project and Kilala-Iuani water project. Further, Wea earth dam will be desilted using the county machines. The Government will strengthen water governance structures and systems to ensure continuous access to water resources.
- ii. **Improve livelihoods and household incomes.** The government will enhance investments along the agricultural value chains and promote sustainable production. National Agriculture Value Chain Development Project(NAVCDP) and Kenya Agriculture Business Development Project(KABDP) which aims at increasing market participation and value addition for targeted small-scale farmers will be implemented. These two projects will strengthen agriculture cooperative movement through business development services along the main value chains, capacity built farmers on modern farming

methods, support farmers with grants, develop markets and market support infrastructure investments and strengthen the Kenya Market Information Systems(KAMIS). Enterprises that enhance forward and backward linkages in agricultural value chains will be promoted to guarantee a wholesome increase in household incomes. The cooperative development model through business development services and aggregation will be strengthened to ensure guaranteed minimum gains for farmers. Value addition of produce will be promoted to reduce post-harvest losses.

- iii. **Leverage technology and innovation.** The Government will promote investments in technological advancements and innovation aimed at efficiency in service delivery and increasing access to digital employment opportunities. Automation of government services across County departments will be designed to reduce inefficiencies and guarantee accuracy.
- iv. **Urban and rural infrastructure development.** The Government will improve access to services through investments in facilitative infrastructure to drive rural and urban investment opportunities. Concentration of services along major urban and rural markets as nodes for development will attract investments in these localities.

### 3.4. Sector Priorities in The Medium Term

#### 3.4.1. Water, Sanitation, Environment and Natural Resources

In both urban and rural areas, water systems, whether constructed or natural, have experienced elevated water levels owing to the above-average (El-Nino) rainfall observed during the 2023 short rains season. Given the county's daily demand for water, which stands at 60,000M<sup>3</sup>/day cubic meters, this ample supply is crucial for supporting industrial, commercial, and household activities. Industries such as manufacturing and food processing require adequate water for production processes. Additionally, commercial establishments, such as hotels, restaurants, and recreational facilities, depend on water to provide services to residents and visitors.

To realize benefits from this sector, the Government is investing in water infrastructure, promoting water conservation measures and good management practices. The availability of water supports the growth and sustainability of these sectors, contributing to the county's economic development. The current access to domestic water is currently at 46%. The main sources of water in the county are streams/rivers, 462 boreholes, 327 earth dams, 219 sand dams, 217 shallow wells, 159 water pans among other sources. The proportion of households in the county by main sources of water in the county are; rivers/streams (28%), boreholes/tube wells (11%), water vendor (11%) and public tap/stand (10%).

**In FY 2024/25**, the sector will focus on sustaining economic gains for inclusive development by implementing the **last mile water infrastructure programme**. This programme will involve extending water supply to the household compounds where possible or reducing the distance to the nearest water source from the current 4 Kms to within 2 Kms. The government will promote and encourage individual HHs water connections through the existing registered Water Service providers. This initiative will increase the proportion of rural households accessing piped water from 30% to 50% and urban households from 7,939 HHs in 2022 to 10,920 HHs in 2025.

To achieve the above development outcome, the government will implement the following key programmes:

#### 1. Integrated water harvesting, storage, treatment & distribution programme

In this programme, the government will implement two initiatives:



- a. The ***last mile water infrastructure*** initiative targeting connection of additional 1,000 HHs per ward (30,000HHs in the County) to clean and safe water. The initiative will entail the following:
    - i. Investment in a main centralized water infrastructure project in each ward ***-One Ward, One Main Water*** project,
    - ii. Entrenching the use of **digital metering** and payment in the 30 water projects,
    - iii. Develop a business model plan for each of the 30 water projects, and
    - iv. Promoting the individual HHs water connection through the registered water service providers
  - b. **Water supply expansion** initiative; The initiative will involve desilting/ expansion/ rehabilitation of earth dams, construction of three sand dams/weirs with sumps, drilling and/ or equipping of five boreholes, construction and/ or extension of 160 Kms of pipeline with water kiosk/ water points, and installation of a treatment system in Kaiti II Water project.
2. **Urban and rural water governance programme:** The government will strengthen the governance and other administrative capacity of the water service providers to reduce challenges facing the water organizations. It will also carry out compliance evaluation of community water schemes/ projects, capacity build 150 community water schemes/Projects Sustainability Management committees on effective water management and sustainability, deepen community participation in management of both water and sanitation projects and review the existing water legislations.
3. **Sustainable natural resource utilization and environment protection:** The government will;
- a. Implement sand value addition projects in 10 CTTIs,
  - b. Establish 30 Ward Community Sand SACCOs and 30 sand dealers SACCOs);
  - c. Train 30 Ward Sand Committees,
  - d. Survey and designate 60 sand harvesting sites,
  - e. Survey and construct 10 sand conservation structures (gabions & sand dams).
  - f. Carry out county forests baseline and forest cover mapping,
  - g. Undertake feasibility study of existing minerals in Mukaa Ward,
  - h. Capacity build registered artisanal mining cooperatives on safe mining operations,
  - i. Support riverine restoration and conservation in Kaiti and Thwake rivers,
  - j. Promote agroforestry and restoration of farmlands, and
  - k. Sensitize 30 community forums on environmental protection and environmental goods and services.
4. **Environmental safeguards and compliance:** On this programme, the government will ensure that all the set environmental legislation and regulations are adhered to by:
- a. Undertaking Environmental Impact Assessment and Environmental Audits for county development projects,
  - b. Conducting quarterly routine environmental inspections, and
  - c. Undertake baseline survey reports on pollution prone areas and strengthen the Makueni County Environment Committee.
5. **Community Climate Change Resilience and Response:**  
Through the World Bank Funded Financing Locally-led Climate Actions (FLLoCA) , the government established Ward and County Planning Committees ,trained 900 community climate change champions and developed ward climate change action plans to enhance climate change resilience and response. During the FY 2024/25, the government will:
- a. Implement six climate change actions from the Ward Climate Action plans,
  - b. Capacity build (five) climate change structures,



- c. Sensitize 1,000 farmers on climate smart technologies, and
  - d. Develop climate information system and disseminate bi-annual climate information.
  - e. Gully rehabilitation in Ngao, Vuka, Kwa Kinza and Kaiu rivers in Mbitini ward
6. **Forest Conservation and Management:** In the FY 2024/25, the government will work with the national government agencies and the community to protect and conserve forests by:
- a. Developing wildlife enterprises on ecotourism and conservation, and
  - b. Establishing a county forest management committee and community forest associations for Kathekani and Nzueni forests.

### **3.4.2. Agriculture and Rural Development**

Agriculture plays a significant role in the county's economy, providing employment and income opportunities for the majority of the population. Agriculture, forestry and fishing is the largest contributor to Gross County Product in Makueni County at 27.7 percent after a steady drop from 47 percent in 2017. Agriculture serves as the primary livelihood for the majority of households in the county, with 78 percent engaged in rain-fed farming and 18 percent involved in commercial farming.

Over the past six seasons, pre el-Niño, inconsistent rainfall patterns have significantly contributed to crop failures and diminished the county's capacity for self-sustained food production. Conversely, the OND season of 2023 saw substantial rainfall, raising prospects for a bumper harvest that is expected to restore food security within the county. Efforts to modernize and improve agricultural practices in the county through the adoption of modern farming techniques, irrigation systems, and the use of improved seeds and fertilizers will enhance productivity and increase yields hence enhanced household income and economic growth.

In the FY 2024/25, the government has prioritized to implement the following programmes and strategies:

1. **Value Chain Development:** The government will continue promoting the viable value chains identified in various agro ecological zones such as fruits, vegetables, grains, pulses, poultry, dairy, meat, fruits, honey and pasture development. This will be done through;
  - a. Enhanced extension services to ensure farmers have access to modern agricultural techniques, quality inputs, and are trained to improve crop yields and livestock production and productivity. Through the existing agro-processing plants and colds rooms,
  - b. Streamlined post-harvest handling, processing, and packaging to through the existing processing plants and cold rooms to ensure that the produce retains its quality and attracts a higher price in the market.
  - c. Support to ensure farmers have access to wider and lucrative markets by strengthening cooperatives movements, farmers' associations, and market linkages between farmers, agro-processors, traders, and retailers.
  - d. Training and support to ensure adherence to quality standards and certifications to enable the agricultural products gain access to premium markets, both locally and internationally.
  - e. Strengthening Makueni Agriculture Training Centre (ATC) to supports training of trainers in improved value chain curricula for mango, avocado, dairy, aquaculture & French beans as well as animal feed formulation.
2. **Irrigation Development:** The government will intensify irrigated agriculture to reduce reliance on rain fed agriculture through:

- a. Establishing or rehabilitating existing irrigation schemes to increase the area under irrigated agriculture. The government plans to Develop/ modernize 20 community irrigation schemes.
  - b. Training on best water management practices and infrastructure development to ensure farmers have improved access to water resources for irrigation purposes, and
  - c. Support farmers by excavating and equipping five farm ponds with suitable irrigation technologies.
  - d. Enhancing the farm ponds initiative to increase water harvesting and micro irrigation at farm level.
3. **Agriculture Extension and Capacity Development:** This programme aims at tackling the challenges of low agricultural productivity and outdated farming practices in general by providing farmers with the necessary knowledge, skills, and resources to improve their agricultural techniques.

The government will revitalize agriculture extension model to enhance access to up-to-date farming techniques and best practices. This will be achieved through: -

- a. Organizing training workshops and seminars for farmers and extension workers to enhance their skills and knowledge.
  - b. Promoting the use of modern technologies, innovations and tools in agriculture through farm demonstrations and training sessions.
  - c. Collaboration with research institutions and universities to foster innovative solutions and technologies to farmers.
  - d. Recruiting additional staff to mitigate against the shortage occasioned by staff retirement and natural attrition with no replacement, and
  - e. Strengthening Makueni Agriculture Training Centre (ATC) to support training of trainers in general agricultural best practices and demonstrations.
4. **Agricultural Mechanization:** The government will conduct a comprehensive assessment of the specific mechanization needs of farmers in the county. It will also seek collaboration with private sector stakeholders to encourage supply of mechanization services and expertise.
5. **Pest and Disease Control:** The threat posed by pests and diseases to crops and livestock in the county need to be addressed to ensure optimal production. The government will implement the following interventions in the FY 2024/25 :-
- a. Conduct regular monitoring and surveillance to ensure prompt identification of pest and disease outbreaks and ensure effective control measures are put in place to avert economic loss.
  - b. Capacity build farmers on early detection techniques and integrated pest management practices to effectively manage these issues.
  - c. Strengthen collaboration with the private sector to improve access to safe and effective pesticides.
  - d. Vaccinate 200,000 livestock against common epidemic in the county
  - e. Establish low pest zones and enhance compliance to sanitary and phyto-sanitary measures
6. **Cooperative management and Development:** Strengthening the cooperative movement as a tool for economic growth and rural development will be a key priority for the government. To achieve this desired outcome, the following activities will be carried out:
- a. Capacity build agriculture SACCO management committees on cooperatives governance, leadership, operations and business management and marketing to enhance good governance and competitiveness.
  - b. Support Agriculture SACCOs automation of operations and financial transactions/reporting
  - c. Establishing linkages between co-operatives and potential buyers or markets to enhance access to favorable market opportunities for small-scale farmers.
  - d. Reviewing of cooperative legislation to enhance legal framework

- e. Conducting of frequent supervision, advisory and inspection of cooperative management and;
- f. Auditing of cooperatives books of accounts to ensure compliance and competitiveness.

### **3.4.3. Transport, Infrastructure, Public Works, Energy and ICT**

The sector is mandated to provide efficient, affordable and reliable infrastructure and services for socio-economic transformation of the county. In the medium term, the sector will focus on:

- a. Improving road network connectivity through upgrading, rehabilitation and maintenance of the county road network.
- b. Enhancing access to reliable and clean energy through energy resources development and promotion of uptake of green energy
- c. Supporting the rural and urban electrification through the REREC Matching Grant projects,
- d. Continuous maintenance of energy assets across the county.
- e. Enhancing access to ICT by improving ICT infrastructure development to increase connectivity,
- f. Developing ICT systems that will support automation of key government services & process,
- g. Increasing ICT literacy and promotion of research and innovation.

During the financial year 2024/25, the county government has a proposed allocation of Road Maintenance Levy Fund as an additional conditional grant to support upgrading and maintenance of main county roads. The key government interventions will include:

- a. Tarmacking and cabro paving of 3.35 Kms of road in Wote and Emali Municipalities;
- b. Rehabilitation and maintenance of 450Kms of strategic roads connecting main urban areas and other strategic place
- c. Construction of bridges and critical drifts;
- d. Carrying out Green roads for water projects through excavation of 50,000 M3 of catch water drains to improve resilience of roads during rain seasons;
- e. Opening of missing links to key institutions and economic zones;
- f. Maintenance of county wide ward access roads;
- g. Maintenance of county government buildings;
- h. Extension of power line, transmission line, transformer installations and distribution of electricity to all markets, health facilities, public utilities, schools, and households through REREC matching grant;
- i. Establishment of an energy center and an energy fund;
- j. Green energy promotion and adoption through solarization of 3 level 4 health facilities and promotion of clean cooking and biogas solutions;
- k. Expansion of the National Optic Fibre Backbone Infrastructure Connectivity (NOFBIC) to urban centers, Government institutions (Schools, offices, Hospitals, Libraries),
- l. Automation and integration of Government services;
- m. Enhancing of ICT infrastructure and digital literacy,
- n. Provision of ICT Technical Support,
- o. Technology Innovations and Knowledge Management.

### **3.4.4. Health Services**

The sector aims at providing quality affordable preventive and curative and rehabilitative health care services to all residents in the county in the medium term. During the FY 2024/25, the government will Upgrade (Remodel) six health facilities to provide 24-hour healthcare services. These facilities include Emali, Mtito, Nthongoni, Uvete, Kyambeke and Mutyambua.

Other key interventions that will be implemented along the three key programmes will be as follows:

1. **Preventive and Promotive Services: Under this programme,** the government will:
  - a. Leverage on technology in disease surveillance and response,
  - b. Equip county counselling unit, and support Community Health Units across the county through primary care networks in line with the national government plan and
  - c. Enhance health promotion on communicable and non- communicable diseases through community outreaches.
2. **Curative healthcare services:** During the implementation period, the government will:
  - a. Streamline the acquisition of health products and technologies to ensure steady supply of essential drugs in all health facilities and
  - b. Strengthen referral system through purchase of two ambulances, and
  - c. Automation of integrated Information Management System in 36 health facilities.
3. **General administration and management programme:** The programme will enhance health infrastructure development through renovation of the Makueni Referral Hospital lagoon with the installation of bio digester.

#### **3.4.5. Social Protection, Education, and Recreation**

Education, Social Protection and Recreation Sector development agenda seeks to:

- a. Promote access to quality education and training through the capitation programme for ECDE centres and CTTIs
- b. Enhance youth empowerment through talent development, training/skill development and sports and recreation.
- c. Cushion the vulnerable and MARPs to effectively contribute towards the realization of inclusive economic development.

In the medium term, the sector will enhance access to quality Education for ECDE and CTTIs, strengthen policy, research and legal frameworks to inform decisions, planning and programming, enhance youth empowerment and promote socioeconomic empowerment of the vulnerable.

**Key interventions in FY 2024/25 include:**

- a. Construction and equipping of 10 ECDE centres;
- b. Rehabilitation of two CTTIs
- c. Enhancing capitation to 40,000 ECDE pupils and 5,000 CTTIs trainees
- d. Support CTTI training on sand value addition products towards building skills for water access and affordable housing agenda;
- e. Enhance scholarship and bursary programmes for improved retention,
- f. Support talent and sport development by supporting the SUPA Cup and KYISA competitions,
- g. Enhance youth employability through the apprenticeship, internship and mentorship programme
- h. Develop, implement and review inclusion and social development policies,
- i. Enhance socio-economic empowerment of Vulnerable and marginalized groups (children, and elderly PWDs) the county; and
- j. Operationalize the re-engineering and restructuring of Makueni County Empowerment Fund through digital operations.

#### **3.4.6. General Economic and Commercial Affairs**

The wholesale and retail trade and repair of motor vehicles was the third sector contributing Kshs 12.1 Billion and accounted for 10.1% towards the GCP. The trade and industry sector is predominantly comprised of small and medium size enterprises was the third sector contributing Kshs 12.1 Billion and accounted for 10.1% towards the 2023 GCP. This sector also contributes to the county's own source revenue

through taxes, fees, and levies imposed on businesses. The sector has steadily recovered from the effects of COVID-19 and is expected to grow over the year.

Political unrest, characterized by street demonstrations, disrupted business operations from March to July 2023. However, a political truce leading to dialogue subsequently restored stability to the business environment, alleviating further disruptions. Government efforts towards improving market and urban infrastructure will enhance SME development and eventually lead to job creation, income generation, poverty reduction and overall economic growth in the county.

The sector envisions promoting enterprise growth by addressing the key development needs affecting the sector. These needs are; inadequate trade and marketing development, low industrial development, underdeveloped Tourism services, low levels of conservation, preservation and promotion of Culture, heritage and the Arts.

**During the FY 2024/25, the government will implement the following programme Priorities areas and strategic interventions**

1. **Trade development and promotion: Supporting business** re-engineering for the small scale businesses both farm and non-farm enterprises will be a critical factor to enhance enterprise growth, ensure sustainability and resilience in their profit making. In order to achieve the ideal situation, the government will:
  - a. Construction of Nunguni Business Centre and Town Infrastructure Upgrade,
  - b. Trade infrastructure development by increasing market shed worktops to 1350 and renovation of five market sheds and installation of lights in 8 markets
  - c. Operationalize Mukamba cultural center
  - d. Conduct a feasibility study for Juakali park (Wote) with a Common Manufacturing facility
  - e. Capacity build MSMES on entrepreneurship and basic business management skills through the Small Business Development Centres programme,
  - f. Linkage of traders to affordable credit services in collaboration with Tetheka fund and development partners
  - g. Linkage of MSMES and entrepreneurs to both local and international trade fairs and exhibitions, market county products and produce,
  - h. Promote market cleaning and hygiene,
  - i. Supporting traders to participate in trade and investment export by developing investor profiles,
  - j. Promoting uptake of appropriate modern technology in business development through the
  - k. Improved marketing and market linkage through development of ICT support infrastructure to local MSMEs.
2. **Industrial Development and Promotion:** Kenya Vision 2030 outline industrial growth as a key factor to double digit economic growth and source of employment to millions of jobless Kenyans. The county is endowed with raw materials such as agricultural produce, sisal and mines which carry huge potential for industrial revolution in Makueni. The government will enhance industrial growth by:
  - a. Promote value addition and innovations in agro-processing by supporting the cottage industries and,
  - b. Developing and reviewing policies to harness industrial investment through public private partnership,
3. **Culture and Tourism promotion:** Makueni county hosts some of most famous National Parks in Kenya such as Tsavo West and Chyulu National Park. The County is also rich in historical places, diverse geographical features and rich cultural heritage which can spur tourism growth. The government will collaborate with private sector to:
  - i. Improve services in hospitality sector by sensitizing the players in the sector ,
  - ii. Promote development of tourism infrastructure by creating awareness on the county attractive tourism and cultural sites through the county e-marketing portal

- iii. Develop tourism routes and connect with other corridors with the East African region through participation in the annual tourism circuit, and
- iv. Promote culture and creative industry by supporting artists to record in the county recording studio.

#### **3.4.7. Lands and Urban Development**

The sector goal is to ensure sustainable management of land in the county through improvement of livelihood to the people through efficient administration, equitable access and sustainable management of land. Land and urban development ensures proper planning, management, and transformation of land and urban areas. The sector aims at the following medium term priorities to ensure sustainable development:

- i. Development and implementation of land use plans,
- ii. Strengthening of urban governance and management,
- iii. Securing of title deeds for all county public land
- iv. Identifying strategic markets for infrastructure development and
- v. Creation of basic urban services and amenities to attract investment and address housing challenges.

The following interventions will be implemented in FY 2024/25.

1. **Land tenure.** The sector plans to improve security of land tenure in both rural and urban areas in collaboration with National Land Commission (NLC) through;
  - a. Resolving land disputes across the county, titling of Ngai Ndethya schemes,
  - b. Finalizing Kiboko B & C, Kathekani B, Mangelete and Utithi schemes for titled human settlements,
  - c. Survey for titling of Nunguni, Kikima and Wote townships
  - d. Mapping, Survey and beaconing of county forest at Nzueni, Kitundu A&B, Mutungu and Kathekani
  - e. Facilitating purchase of strategic land parcels for county development, and
  - f. Surveying and demarcating the public lands in Malili, Makindu, Emali and Wote towns.
2. **Land Administration and Management,** the government will implement land digitization and management for all public land through the Land Information Management System (LIMS) by:
  - a. Validating and verifying public plots in Mbumbuni, Malili, Makindu, Kathonzweni and Mito Andei Markets and registration to LIMS,
  - b. Integrating LIMS and Electronic Development Applications Management System (EDAMS) to support revenue generation and turnaround time for development applications approval,
3. **Urban Planning and Infrastructure Development** cut across the three sub-sectors of lands and two municipalities. The government will facilitate physical planning and infrastructure development in urban areas through;
  - a. Registration of all towns into LIMS to increase land-based revenue generation,
  - b. Preparation and implementation of Urban land use plans for Kibwezi, Kitise, Matiliku and Kambu markets
  - c. Surveying of Kitise market
  - d. Plot validation and verification of public plots by surveying 6 urban areas,
  - e. Enhancement of development control and compliance in urban areas with approve Physical Land Use Plans and



- f. Establishment of urban governance in all 25 markets with approved plans

### **3.4.8. Devolution Sector**

The Devolution sector comprises of Governorship; Finance and Socio-Economic Planning; Devolution, County Administration and Public Service; County Public Service Board (CPSB); and County Secretary and County Attorney. It plays the coordinating and facilitative role in the government service delivery beside providing overall policy direction and leadership to the county government. Other roles include coordinating policy formulation, resource mobilization, allocation and management, participatory development, oversight and legislation, monitoring and evaluation, and human resource management.

**During the FY 2024/25, the following will be the focus area:**

- 1. Resource Mobilization:** - The government is dedicated to enhancing resource mobilization through
  - a. Intensifying efforts to increase Own Source Revenue (OSR) by 7% from KShs 1.24B in 2023/24 to KShs 1.327 Billion in FY 2024/25
  - b. Enhancing the strategic partnerships by organizing quarterly joint work-planning sessions with development partners
  - c. Capacity building sector working groups focusing on the development of bankable proposal writing skills
- 2. Public Service Management Reforms:** - The programme will **ensure** efficient and effective service delivery by undertaking substantial reforms in public service management. This will involve:
  - a. Strengthening human resource management and development through the annual performance contracting, staff trainings and conversion of cohort II of ECDE teachers,
  - b. Implementing Quality Management Systems, and
- 3. Governance, Coordination, and Management of Devolved Functions:** To facilitate the effective running of county affairs, the government is set to:
  - a. Improving the working environment for decentralized sub-county/ward units,
  - b. Establishment of village councils and the strengthening of public participation structures.
  - c. Promote constitutionalism, values, and principles of public service,
  - d. Strengthening governance structures in municipalities.
- 2. Public Financial Management:** Fiscal discipline is a key focus in this programme. The following initiatives will be carried out:
  - a. The implementation of Programme-Based Planning and Budgeting,
  - b. Enhancement of documentation of County Assets and annual expenditure reviews,
  - c. Development of frameworks for budget expenditure control, resource allocation, internal controls, and systems.
  - d. Automation of requisition processes and digitization of participatory budgeting processes
  - e. Comprehensive risk management strategies.
- 3. Result-Based Management:** This programme aims at improving accountability, learning, and performance. Toward that end, the government will prioritize:
  - a. Strengthening of monitoring, evaluation, reporting, and learning mechanisms through operationalization of CIMES

- b. Implementation of the County knowledge management policy,
  - c. Enhancing the county statistical systems by implementing the county statistics policy.
4. **Disaster Risk Management, Mitigation, and Preparedness:** - The government is committed to reinforcing disaster response, preparedness, and emergency management. This will involve:
- a. Community awareness initiatives,
  - b. Partnerships for disaster awareness and emergency response,
  - c. Integration of risk reduction principles in all county plans, programs, and projects.
  - d. Equipping of the Makindu fire station, and
  - e. Establishing a comprehensive Disaster Risk Management (DRM) information database, along with hazard and risk mapping in the county.



#### 4. RESOURCE ENVELOPE FOR THE FY 2024/25 – 2026/27 MEDIUM TERM EXPENDITURE FRAMEWORK

##### 4.1. County Fiscal Outlook

The Government is dedicated to improving resource mobilization as a crucial aspect of achieving the desired socio-economic transformation of the County. It seeks to reduce its reliance on equitable transfers from the National Government, which have been increasing at a decreasing rate. In pursuit of this goal, the County intends to initiate programs fostering local economic expansion, anticipating a resultant boost in revenue generation to drive the County's development agenda. Furthermore, the Government will actively establish and strengthen partnerships and collaborations with donors and private investors to access additional resources for funding the County's development agenda.

##### 4.2. Revenue Allocation to County Governments

In FY 2024/25, Counties are expected to be allocated an equitable revenue share of Kshs 401.6 billion which is an increase of Kshs 21.6 billion from Kshs 380 billion allocated in FY 2023/24. The proposed increase to equitable share is equivalent to 25.5 percent of the last audited accounts (Ksh1, 573.42 billion for FY 2019/20) and as approved by Parliament.

**Table 10: Revenue allocation to County Governments in Millions**

|   | 2021/22        | 2022/23        | 2023/24        | 2024/25        |
|---|----------------|----------------|----------------|----------------|
| <b>Baseline (i.e. allocation in the previous FY)</b>  | <b>316,500</b> | <b>370,000</b> | <b>370,000</b> | <b>380,000</b> |
| Adjustment for revenue growth   | 36,100         |                | 10,000         | 21,600         |
| Conversion for conditional allocation Grants for Equitable share (RMLF, Level 5 Hospitals, Compensation for user fees foregone and rehabilitation of youth poly techniques) | 17,400         |                |                | 58,492         |
| Equalization fund   |                |                |                | 17600          |
| <b>Computed equitable revenue allocation</b>  | <b>370,000</b> | <b>370,000</b> | <b>380,000</b> | <b>477,692</b> |

Source; National BPS, 2024

In addition to their proposed equitable share of revenue, County Governments will receive the following additional conditional allocations:

- From the National Governments' equitable revenue share, conditional allocations amounting to **Kshs 250 million** for County Aggregation and Industrial.
- Equalization Fund to the marginalized areas amounting to **Kshs 17.6 billion**; and
- Kshs **46.756 billion** from proceeds of external loans and grants.

**Table 11; Revenue allocation by category in Millions**

| Type/Level of Allocation                             | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--|---------|---------|---------|---------|
| County equitable share                               | 370,000 | 370,000 | 380,000 | 401,600 |
| <b>Additional conditional allocations, of which:</b> |         |         |         |         |
| Leasing of medical equipment                         | 7,205   | 5,200   |         |         |

| Type/Level of Allocation  | 2021/22        | 2022/23        | 2023/24        | 2024/25        |
|---|----------------|----------------|----------------|----------------|
| Court fees and fines emanating from contravention of County legislation | -              | -              | -              | 108,661        |
| 20% share Mineral Royalties   | -              | -              | -              | 2,935          |
| Construction of county headquarters(4 counties)                         | -              | -              | -              | 768            |
| County Aggregated Industries parks programme                            | -              | -              | -              | 250            |
| Transfer of library services function                                   | -              | -              | -              | 425            |
| Supplement for construction of county headquarters                      | 332            | 454            | 776.00         |                |
| Allocations from loans and grants                                       | 32,334         | 31,382         | 32,916         | 46,756         |
| <b>Total County Allocations</b>   | <b>409,871</b> | <b>407,036</b> | <b>413,692</b> | <b>477,692</b> |

Source; National BPS 2024

#### 4.3. FY 2024/25 County Government Resource Envelope

The FY 2024/25 revenues are projected to increase to Kshs 10,941,112,690 from Kshs 10,568,289,780 FY 2023/24 representing a growth of 4 percent. The growth is contributed by the increase of Equitable share as outlined in the 2022 National Budget policy Statement Paper and County generated revenues as highlighted in Table 11 below. The budget will be funded from three main sources namely equitable share – 80 percent, Conditional Allocations including Road Maintenance Levy Fund, loans and Grants – 8 percent, Own Source revenue at 12 percent.

**Table 12: Fiscal Revenues for 2023/24-2026/27 MTEF period in Kshs**

| Revenues                                   | FY 2022/23 ACTUALS   | FY 2023/24 Printed Estimate | FY 2024/25 Projection | FY 2025/26 Projection | FY 2026/27 Projection |
|--|----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| Equitable share from National Government   | 8,132,783,562        | 8,455,460,962               | 8,721,000,000         | 8,721,000,000         | 8,721,000,000         |
| County Own Generated Revenue               | 891,595,986          | 1,200,000,000               | 1,327,150,000         | 1,385,500,000         | 1,485,500,000         |
| Conditional allocations Loans and Grants - | 850,000,000          | 912,828,818                 | 892,962,690           | 950,000,000           | 950,000,000           |
| Road Maintenance Levy Fund                 | 0                    | 0                           |                       | 415,079,544           | 415,079,544           |
| <b>Total</b>                               | <b>9,874,379,548</b> | <b>10,568,289,780</b>       | <b>10,941,112,690</b> | <b>11,471,579,544</b> | <b>11,571,579,544</b> |

Source: Makeni County Treasury Projections, 2023

#### 4.4. Own Source Revenue Mobilization

The County has continuously enhanced its revenue mobilization strategies which resulted to a growth of 19 percent in the total revenues mobilized in FY 2022/23. The county projects to mobilize Kshs 1.24 Billion as Own Source of revenue. The projections are expected to increase to 1,327 Billion in the medium term.

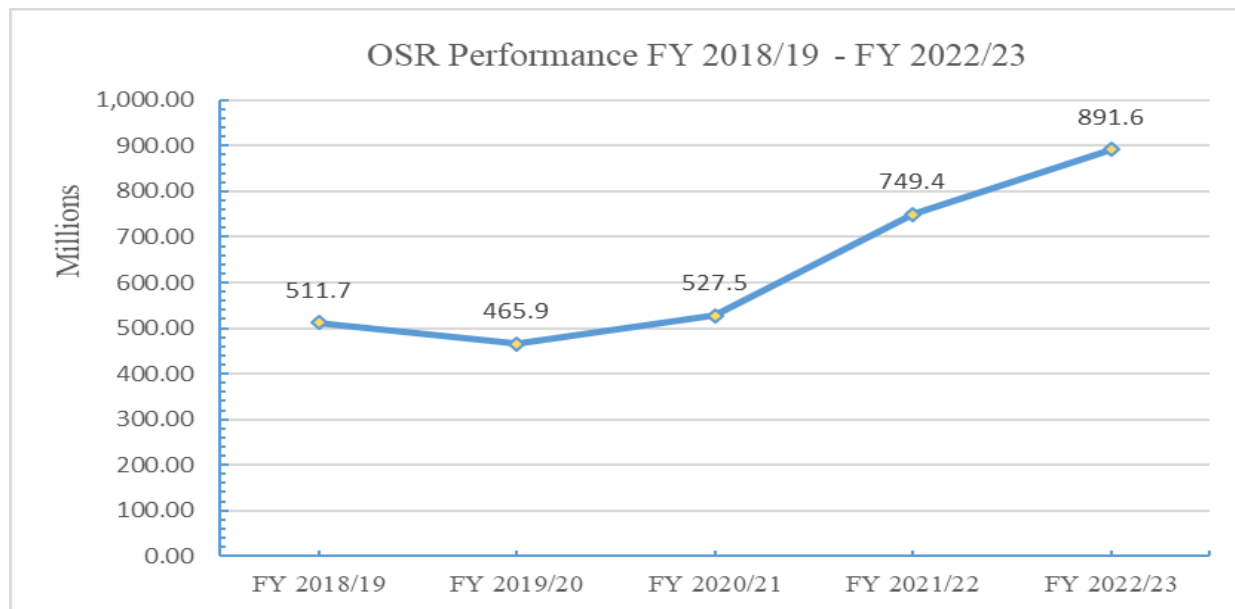


Figure 18: County Own Source Revenue FY 2018/19 - 2025/26

Source: County Treasury, 2023

Though the County has over the years recorded a gradual increase in own source revenue, the actual revenues collected fall short of target attributed to low economic performance as a result of on-going geopolitical shocks. This includes the Russia- Ukraine war which has negatively affected the dollar and the international debt market leading to closure of businesses. Revenue performance will be underpinned by the on-going reforms in restructuring revenue administration measures geared towards expanding the tax base. The growth in OSR is expected to be consistent as the government implements the following strategies;

- Leveraging on technology:** The government embraced use of technology in revenue collection, this has ensured automatic billing and licensing, Leverage on mobile money technology to minimize risks associated with handling cash through Entrenching cashless modes of payment, integrated all the revenue systems to enhance accountability and real time reporting. Continuous business establishment census to automate business register and commissioning of Customers Self Service portal.
- Whole government approach in Own Source Revenue mobilization:** The government has initiated participation in own source revenue mobilization across the Departments. The government performance contract includes ways through which departments are supporting resource mobilization. Incentives shall be developed to encourage resource mobilization at Departmental and agency levels.
- Enforcement and Compliance Unit:** Currently the Enforcement unit is domiciled at the department of Devolution and there is no section dedicated to revenue Enforcement leading to weak enforcement for compliance. The County Government will establish a dedicated inspectorate unit to ensure Enforcement and Compliance in revenue collection. The department will partner with the court to handle cases of non-compliance and serial defaulters,
- Comprehensive Sensitization and awareness creation Programs-**Sensitize the tax payers on the importance of voluntary compliance and the importance of paying requisite fees and charges. Through Community Engagement and Mass Media Campaigns.
- Enhancing policy and legislative frameworks for revenue administration:** The Government will carry out Legislative review of all laws related to Revenue collection; draft revenue administration and tariff act, enforcement and compliance acts to address any legislative and policy gaps.

- f. Tap the Potential on Land based revenue: The Government will identify, register, update records and automate plot registration and development approvals, Institute measures to recover outstanding arrears owed in respect of plot rent to all defaulters, regularize on-going developments that are not compliant, and introduce Incentives that promote payment by defaulters to reduce outstanding debts.
- g. Establishing a rewarding mechanism for individuals, markets and wards which have been consistently paying their revenue within set deadlines in each calendar year. This will be through initiating revenue week to reward outstanding customer and special project funding for most performing wards.
- h. Revamping County Revenue Collection Staff Training: Officers involved in revenue collection will be trained on customer handling mechanisms that will promote cohesive performance of their duties. Negotiation skills to handle their customers will also be encouraged targeting non-aggressive but firm means of revenue mobilization.

**4.5. External resource mobilization, strengthening partnerships and collaborations**

The County acknowledges the huge potential presented by mobilizing resources externally as well as taking advantage of the existing collaborations and partnerships. To improve resource mobilization externally, the County will;

- i. Initiate development of a County Public Investments (PIM) framework based on the National Government framework to enhance identification and management of public investments in the County.
- ii. Finalize the County Public Private Partnerships (PPP) framework and develop proposals with the support of the National PPP unit to guide private sector investments in the medium term.
- iii. Strengthen the External Resource Mobilization Unit and Strategic Partnerships Directorate to ensure enhanced donor funding through the Request for Proposals (RFP), responses to Competitive Grants and improving donor intelligence.
- iv. Engagement of the County Stakeholders in development of clear coordination mechanisms to ensure stakeholder priorities align to the County priorities.
- v. Create enabling environment for private sector investment and innovation towards generating employment and income opportunities for the local population.
- vi. Improve collaboration with regional institutions including SEKEB to attract investment opportunities to the County.

**4.6. Conditional allocations, Loans & Grants**

The Government will enhance its engagement with development partners and the National Government to fund specific County Government development initiatives through conditional allocations, loans and grants. The funding is expected to increase to Kshs 950 Million in the medium term.

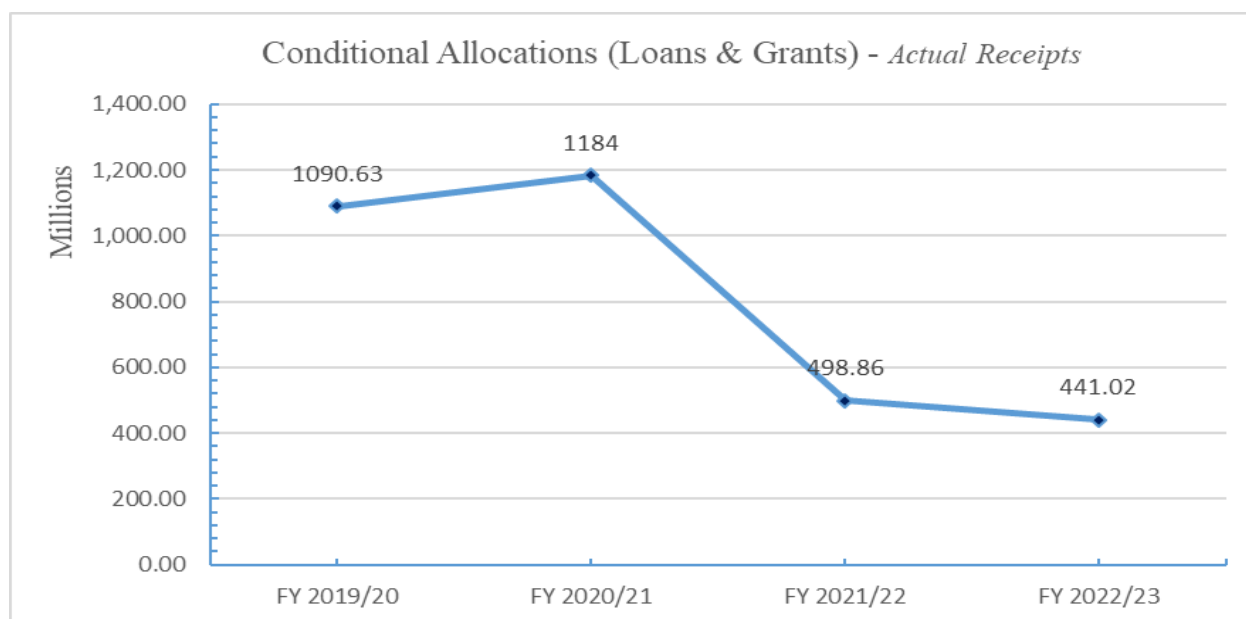


Figure 19: Conditional Allocations, Loans & Grants

Source: The County Treasury, 2023

#### 4.7. Expenditure Projections

The budget for FY 2024/25 is projected to increase from Kshs 10,568,289,780 in FY 2023/24 to Kshs 10,941,112,690 representing an overall growth of 4 percent. The Recurrent expenditure is projected to be Kshs 7,658,778,883 an increase of 4 percent from Kshs 7,342,391,532 in the printed estimates for FY 2023/24. The Development Expenditure is estimated to be Kshs 3,282,333,807 representing 30 percent of the County Budget.

#### 4.8. Overall Deficit and Financing

The budget for FY 2024/25 will be a balanced budget. The county's spending priorities will be harmonized with existing resources, preventing the accumulation of unresolved bills. Over the medium term, the county intends to source funding via infrastructure bonds to support its development objectives outlined in the county Integrated Development Plan (CIDP) 2023-2027 and the County Medium Term Debt Strategy Paper. Based on the FY 2022/23 audited revenues, the Government has a debt limit of Kshs 1,966,556,712.4. The Government can therefore consider debt financing as a strategy to finance its capital investments in the medium term.

#### 4.9. Transfers to Entities

The Government is committed towards promoting autonomy of all County Government entities. As such, the County will enhance the capacity of the entities to enhance their revenue mobilization strategies to reduce over reliance on the county exchequer. The MTEF resources take into account the transfers to County Agencies and Authorities including water companies, Sand Authority, Makueni Fruit Processing Authority, Wote Municipality and Emali-Sultan Hamud municipality.

#### 4.10. Fiscal Responsibility Principles

In accordance with the Constitution, the Public Finance management (PFM) Act 2012 and the PFM Regulations 2015, the County has consistently upheld fiscal responsibility principles outlined in the PFM.

This commitment aligns with the goal of prudent and transparent management of public resources. The fiscal responsibility principles include;

- i. County government recurrent expenditure shall not exceed its total revenue. FY 2024/25 projected recurrent expenditure is 70 percent of the total revenue of Kshs 10,941,112,690.
- ii. Over the medium term a minimum of 30 percent of the county government budget shall be allocated to development expenditure. The County has maintained a development ratio of 30 percent and recurrent expenditure of 70 percent. The recurrent expenditure constitutes 63 percent as personnel emoluments and 37 percent operations and maintenance.
- iii. County government expenditure on wages and benefits for its public officers shall not exceed 35 percent of county revenue. However, the County has been grappling with high wage bill which currently stands at 44 percent. This has been occasioned by the annual salary increment and consideration of confirmation of cohort 2 ECDE teachers
- iv. Over the medium term, county government borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- v. County debt and obligations shall not exceed 20 percent of total revenue at any time, and the county annual fiscal primary balance shall be consistent with the debt target.
- vi. Approved expenditures of a County Assembly shall not exceed 7 percent of the total revenues of the county government or twice the personnel emoluments of that assembly, whichever is lower.

## 5. COUNTY HORIZONTAL RESOURCE ALLOCATION

The County resource envelope provides total amount of resources available for allocation for FY 2024/25 and in Medium Term Period up to FY 2026/27. The resource envelope is aligned to ensure fiscal responsibility and sustainability in managing the budget constraints for the plan period.

### 5.1. Recurrent ceilings.

#### 5.1.1. Personnel Emoluments.

The personnel ceilings have been by considering the current wage bill and caps on all existing county staff in all departments in the current financial year and projected for FY 2024/25. This takes consideration of all mandatory annual wage bill, basic salary increment and conversion of cohort 2 of all ECDE teachers to Permanent and Pensionable terms. In the medium term, the government will put in strategies to ensure that all pending gratuities are paid and conversion of staff on contract as well as ensure that the wage bill does not increase beyond the limits provided in the PFM Act. The table below provides personnel ceilings in the medium term period.

Table 13: Personnel Emoluments Ceiling FY 2024/25 (in Millions)

| Departments/SAGA   | FY 2023/24<br>Supplementary<br>Budget<br>Estimates (1) | FY<br>2024/25<br>Salary<br>Ceilings | FY 2025/26<br>Projected<br>Budget<br>Estimates | FY 2025/26<br>Projected<br>Budget<br>Estimates |
|--|--|-------------------------------------|--|--|
| Governorship   | 71.88  | 55.03                               | 57.78  | 60.67  |
| County Secretary   | 312.70   | 58.77                               | 61.71  | 64.79  |
| County Attorney  | 14.07  | 16.44                               | 17.26  | 18.13  |
| County Public Service Board  | 34.93  | 41.50                               | 43.57  | 45.75  |
| Devolution, Public Participation,<br>County administration and Special<br>Programs | 212.70   | 216.10                              | 226.91   | 238.26   |
| Finance and Socio-Economic<br>Planning   | 234.62   | 226.70                              | 238.03   | 249.93   |
| Agriculture, Irrigation, Livestock,<br>Fisheries and Cooperative<br>Development    | 243.80   | 224.51                              | 235.74   | 247.52   |
| Makueni Fruit Development and<br>Marketing Authority                               | 18.89  | 16.60                               | 17.43  | 18.30  |
| ICT, Education and Internship  | 493.08   | 714.76                              | 750.50   | 788.02   |
| Gender, Children, Youth, Sports and<br>Social Services                             | 37.01  | 51.97                               | 54.56  | 57.29  |
| Health Services  | 2,326.88   | 2,455.08                            | 2,577.84                                       | 2,706.73                                       |
| Trade, Marketing, Industry, Culture<br>and Tourism                                 | 41.21  | 58.99                               | 61.94  | 65.04  |
| Infrastructure, Transport, Public<br>Works, Housing and Energy                     | 76.59  | 82.72                               | 86.86  | 91.20  |
| Lands, Urban Planning &<br>Development, Environment and<br>Climate change          | 53.12  | 56.90                               | 59.75  | 62.74  |
| Wote Municipality  | -  | 2.95                                | 3.10   | 3.26   |

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|   |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
| Emali Municipality                          | -               | 8.83            | 9.27            | 9.74            |
| Water and Sanitation                        | 70.67           | 82.01           | 86.11           | 90.41           |
| Sand Conservation and Utilization Authority | 21.26           | 35.34           | 37.11           | 38.97           |
| <b>Sub Totals</b>                           | <b>4,263.42</b> | <b>4,405.21</b> | <b>4,625.47</b> | <b>4,856.75</b> |
| <b>County Assembly</b>                      | <b>400.09</b>   | <b>420.09</b>   | <b>441.10</b>   | <b>463.15</b>   |
| <b>Total Personnel</b>                      | <b>4,663.51</b> | <b>4,825.31</b> | <b>5,066.57</b> | <b>5,319.90</b> |

### 5.1.2. Operation and maintenance

The operations and maintenance ceilings are predetermined limits for departments and SAGAs which were capped by considering the following

- a) Departmental and SAGAs' devolved and transferred functions in line the sector mandates
- b) Non-discretionary and mandatory expenditure items which are as tabulated in the table below;

Table 14: Operation and Maintenance Non-Discretionary and Mandatory Expenditure Items

| S/NO | Item   | TOTAL          |
|------|--|----------------|
| 1    | Electricity  | 103,150,000.00 |
| 2    | Water and sewerage   | 8,710,000.00   |
| 3    | Motor vehicle Fuel and lubricants  | 105,600,000.00 |
| 4    | Medical drugs  | 400,000,000.00 |
| 5    | Staff medical insurance  | 246,600,000.00 |
| 6    | GPA/WIBA/ Fire Burglary  | 40,770,000.00  |
| 7    | Motor vehicles insurance   | 32,000,000.00  |
| 8    | Scholarships   | 45,000,000.00  |
| 9    | Contracted Guards  | 12,564,000.00  |
| 10   | Contracted cleaning services   | 54,221,200.00  |
| 11   | Board committees(Audit committee, climate change fund board, CBEF, Sand authority board)       | 63,000,000.00  |
| 12   | Maintenance Civil works  | 10,450,000.00  |
| 13   | Dam Construction Services/Maintenance of Earthmoving equipment                                 | 6,750,000.00   |
| 14   | Telephone, Telex, Facsimile and Mobile Phone Services  | 8,668,000.00   |
| 15   | Emergency fund   | 50,000,000.00  |
| 16   | Routine Maintenance- Other Assets (boreholes/pipelines etc)                                    | 8,500,000.00   |
| 17   | Maintenance of plant and equipment   | 30,000,000.00  |
| 18   | Bandwidth  | 8,000,000.00   |
| 19   | Rent   | 10,036,000.00  |
| 20   | Webhosting   | 4,300,000.00   |
| 21   | SMS system   | 2,800,000.00   |
| 22   | ECDE Capitation  | 45,000,000.00  |
| 23   | Internship, Mentoring & Volunteer Programme  | 30,000,000.00  |
| 24   | Courier & postal services  | 700,000.00     |
| 25   | Legal Fees/dues  | 31,100,000.00  |
| 26   | Security services Operations   | 9,350,000.00   |
| 27   | Promotion of Public Sanitation- Market Cleaning, Waste collection, transportation and disposal | 90,657,940.00  |
| 28   | AIEs for decentralised units   | 45,108,000.00  |
|      | Recruitment and Selection  | 4,000,000.00   |



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|    |  |                         |
|----|--|-------------------------|
|    | Maintenance of Building-Residential                        |                         |
|    | <b>TOTAL</b>   | <b>1,507,035,140.00</b> |
|    | <b>OTHER MANDATORY O&amp;M</b>                             |                         |
| 29 | cash management  | 3,000,000.00            |
| 30 | financial reporting  | 15,000,000.00           |
| 31 | capacity building IFMIS                                    | 2,000,000.00            |
| 32 | Purchase of Medical Equipment                              | 37,621,000.00           |
| 33 | Psychological Counselling                                  | 13,761,850.00           |
| 34 | County Ambulance Services and Purchase                     | 15,000,000.00           |
| 35 | Universal Health Care                                      | 15,000,000.00           |
| 36 | Participatory Budgeting process                            | 60,000,000.00           |
| 37 | Ward Bursaries(Issuance of ward bursaries-KShs 2M per ward | 70,000,000.00           |
| 38 | HQ bursaries   | 10,000,000.00           |
| 39 | Recurrent Health Financing                                 | 50,000,000.00           |
| 40 | Community Health Strategy                                  | 120,000,000.00          |
| 41 | Primary Health Care/PCNs                                   | 15,000,000.00           |
| 42 | Integrated Nutrition Activities                            | 50,000,000.00           |
| 43 | DANIDA Matching Grant                                      | 15,795,000.00           |
| 44 | RMNCAH   | 24,500,000.00           |
| 45 | Family Planning  | 10,000,000.00           |
|    | <b>Total</b>   | <b>546,677,850.00</b>   |

- c) Other operating costs that support the implementation of departmental programmes and projects in line with government development priorities

The tabulated O&M budget Ceilings for FY 2024/25 are as follows;

Table 15: O&M Budget Ceilings

| NO | DEPARTMENT   | FY 2023/24<br>Supplementary<br>Budget 1 | FY<br>2024/25<br>O&M<br>Ceilings | FY 2025/26<br>Projected<br>Budget<br>Estimates | FY 2025/26<br>Projected<br>Budget<br>Estimates |
|----|--|---|----------------------------------|--|--|
| 1  | Governorship   | 383.94                                  | 390.59                           | 410.12   | 430.63   |
| 2  | County Secretary   | 110.03                                  | 115.06                           | 120.81   | 126.86   |
| 3  | County Attorney  | 34.95                                   | 34.75                            | 36.48  | 38.31  |
| 4  | Devolution, Public Participation, County administration and Special Programs | 101.69                                  | 104.54                           | 109.76   | 115.25   |
| 5  | Finance and Socio-Economic Planning  | 260.61                                  | 264.76                           | 278.00   | 291.90   |
| 6  | Agriculture, Irrigation, Livestock, Fisheries and Cooperative Development    | 48.85                                   | 52.25                            | 54.86  | 57.61  |
| 7  | Makueni Fruit Development and Marketing Authority                            | 31.46                                   | 32.58                            | 34.21  | 35.92  |
| 8  | ICT, Education and Internship  | 200.33                                  | 196.96                           | 206.81   | 217.15   |
| 9  | Gender, Children, Youth, Sports and Social Services                          | 27.76                                   | 29.78                            | 31.27  | 32.84  |
| 10 | Health Services  | 887.81                                  | 893.48                           | 938.15   | 985.06   |
| 11 | Trade, Marketing, Industry, Culture and Tourism                              | 79.31                                   | 81.66                            | 85.74  | 90.03  |

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|    |   |                 |                 |                 |                 |
|----|---|-----------------|-----------------|-----------------|-----------------|
| 12 | Infrastructure, Transport, Public Works, Housing and Energy         | 82.38           | 80.95           | 85.00           | 89.25           |
| 13 | Lands, Urban Planning & Development, Environment and Climate change | 28.12           | 28.48           | 29.91           | 31.40           |
| 14 | Wote Municipality   | 44.08           | 42.39           | 44.51           | 46.73           |
| 15 | Emali Municipality  | 28.27           | 28.82           | 30.26           | 31.77           |
| 16 | Water and Sanitation  | 39.36           | 39.38           | 41.35           | 43.42           |
| 17 | Sand Conservation and Utilization Authority                         | 43.38           | 44.87           | 47.12           | 49.47           |
| 18 | County Public Service Board   | 38.04           | 40.20           | 42.21           | 44.32           |
|    | <b>Sub Totals</b>   | <b>2,470.36</b> | <b>2,501.51</b> | <b>2,626.58</b> | <b>2,757.91</b> |
| 19 | County Assembly   | 481.96          | 331.96          | 348.56          | 365.99          |
|    | <b>Sub Totals</b>   | <b>2,952.32</b> | <b>2,833.47</b> | <b>2,975.15</b> | <b>3,123.90</b> |

### 5.2. Development Ceilings.

The allocation of the development budget for the FY 2024/25 is guided by the following strategies and policy shift towards government transformation agenda;

- a) Strategic policy direction as identified in the CIDP 3 in alignment to governor's manifesto and categorized in accordance to sector priorities proposed in the sector working group strategies
- b) Promotion of water agenda through last mile connection across all water to address water shortages and promote irrigation
- c) Agricultural value chain development to ensure the county continues to support economic livelihoods. The major value chains proposed for development include mango, cereal, dairy, chicken, industrial crops, meat and apiculture which are all ward based
- d) Promotion of comprehensive health coverage by targeting six model health facilities which are funded under the HQ allocation
- e) Focus on phased projects in FY 2023/24 which also considers underfunded ongoing projects
- f) Alignment of strategic projects to conditional allocations and grants of KShs 892 Million based on the actuals of FY 2023/24. The priority projects are for road improvement under fuel levy, agriculture projects, support nutrition and building climate change initiatives
- g) Mobilization resources for Appropriation in Aid through major SAGAs and Health care insurances and UHC registration

The government in medium term will strengthen sector working groups to conceptualize projects and programmes towards economic transformation. The following table provides breakdown on development ceilings per department;

Table 16: Development Ceilings for FY 2024/25 (in Millions)

| Departments/SAGA                         | FY 2023/24 Supplementary Budget Estimates (1) | Flagships | HQ Projects | AIA | Matching Grants | Leasing of medical equipment | Grants and Donors | TOTAL HQ | Ward | Total |
|--|---|-----------|-------------|-----|-----------------|------------------------------|-------------------|----------|------|-------|
| Governorship                             | -   | -         | -           | -   | -               | -                            | -                 | -        | -    | -     |
| County Secretary                         | -   | -         | -           | -   | -               | -                            | -                 | -        | -    | -     |
| County Attorney                          | -   | -         | -           | -   | -               | -                            | -                 | -        | -    | -     |
| County Public Service Board              | -   | -         | -           | -   | -               | -                            | -                 | -        | -    | -     |
| Devolution, Public Participation, County | 23.05   | -         | 4.40        | -   | -               | -                            | -                 | 4.40     | 1.50 | 5.90  |

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| Departments/SAGA  | FY 2023/24<br>Supplementary<br>Budget<br>Estimates (1) | Flagships     | HQ<br>Projects | AIA           | Matching<br>Grants | Leasing of<br>medical<br>equipment | Grants<br>and<br>Donors | TOTAL<br>HQ     | Ward          | Total           |
|---|--|---------------|----------------|---------------|--------------------|------------------------------------|-------------------------|-----------------|---------------|-----------------|
| administration and<br>Special Programs  |  |               |                |               |                    |                                    |                         |                 |               |                 |
| Finance and Socio-<br>Economic Planning   | 53.43  | -             | 30.00          | -             | -                  | -                                  | -                       | 30.00           | -             | 30.00           |
| Agriculture,<br>Irrigation, Livestock,<br>Fisheries and<br>Cooperative<br>Development | 852.67   | -             | 37.00          | 108.00        | 15.00              | -                                  | 432.04                  | 592.04          | 58.00         | 650.04          |
| Makueni Fruit<br>Development and<br>Marketing Authority                               | 68.54  | -             | -              | -             | -                  | -                                  | -                       | -               | -             | -               |
| ICT, Education and<br>Internship  | 255.51   | 30.00         | 25.00          | -             | -                  | -                                  | -                       | 55.00           | 43.00         | 38.00           |
| Gender, Children,<br>Youth, Sports and<br>Social Services                             | 159.64   | -             | 54.02          | -             | -                  | -                                  | -                       | 54.02           | 38.00         | 92.02           |
| Health Services   | 581.37   | -             | 215.00         | 551.35        | 34.98              | -                                  | 34.75                   | 840.07          | 4.00          | 844.07          |
| Trade, Marketing,<br>Industry, Culture and<br>Tourism                                 | 44.76  | 30.00         | 16.50          | -             | 7.50               | 124.72                             | -                       | 178.72          | -             | 178.72          |
| Infrastructure,<br>Transport, Public<br>Works, Housing and<br>Energy                  | 593.27   | 145.00        | 10.00          | -             | 30.00              | -                                  | -                       | 185.00          | 427.08        | 612.08          |
| Lands, Urban<br>Planning &<br>Development,<br>Environment and<br>Climate change       | 154.07   | -             | 14.00          | -             | 79.26              | -                                  | 11.10                   | 110.36          | 43.50         | 153.86          |
| Wote Municipality   | 15.47  | 35.50         | 38.50          | -             | -                  | -                                  | -                       | 74.00           | -             | 74.00           |
| Emali Municipality  | 26.66  | -             | 18.00          | -             | -                  | -                                  | -                       | 18.00           | -             | 18.00           |
| Water and Sanitation  | 649.09   | 110.00        | 62.50          | -             | -                  | -                                  | -                       | 175.50          | 314.92        | 490.42          |
| Sand Conservation<br>and Utilization<br>Authority                                     | 10.00  | -             | -              | 49.23         | -                  | -                                  | -                       | 49.23           | -             | 49.23           |
| <b>Sub Totals</b>   | <b>3,487.53</b>  | <b>350.50</b> | <b>524.92</b>  | <b>708.58</b> | <b>166.74</b>      | <b>124.72</b>                      | <b>477.88</b>           | <b>2,353.34</b> | <b>930.00</b> | <b>3,236.33</b> |
| County Assembly   | 66.95  | -             | 46.00          | -             | -                  | -                                  | -                       | 46.00           | -             | 46.00           |
|   | <b>3,554.48</b>  | <b>350.50</b> | <b>570.92</b>  | <b>708.58</b> | <b>166.74</b>      | <b>124.72</b>                      | <b>477.88</b>           | <b>2,399.34</b> | <b>930.00</b> | <b>3,282.33</b> |

The overall MTEF ceilings over the medium term is as outlined in table 17

**Table 17: FY 2023/24 – FY 2025/26 MTEF Budget Ceilings**

| Department/Entity           | Class               | FY 23/24 Printed<br>Budget Estimates | FY 2024/25<br>Budget Ceilings | FY 2025/26<br>Projected<br>Budget<br>Estimates | FY 2026/27<br>Projected<br>Budget<br>Estimates |
|-----------------------------|---------------------|--------------------------------------|-------------------------------|--|--|
| County Attorney's Office    | Rec Gross           | 34,023,507                           | 51,189,959                    | 53,749,457                                     | 56,436,930                                     |
|                             | Dev Gross           | -                                    | -                             | 0  | 0  |
|                             | <b>Total Budget</b> | <b>34,023,507</b>                    | <b>51,189,959</b>             | <b>53,749,457</b>                              | <b>56,436,930</b>                              |
| County Public Service Board | Rec Gross           | 75,513,647                           | 81,698,582.60                 | 85,783,511.72                                  | 90,072,687.31                                  |
|                             | Dev Gross           | -                                    |                               | 0.00   | 0.00   |
|                             | <b>Total Budget</b> | <b>75,513,647</b>                    | <b>81,698,583</b>             | <b>85,783,512</b>                              | <b>90,072,687</b>                              |

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|   |                     |                      |                      |                      |                      |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|
| Department of Lands, Urban Planning and Development, Environment and Climate change     | Rec Gross           | 81,486,600           | 85,387,630           | 89,657,011.92        | 94,139,862.51        |
|   | Dev Gross           | 130,299,857          | 153,856,207          | 161,549,017.53       | 169,626,468.40       |
|   | <b>Total Budget</b> | <b>211,786,457</b>   | <b>239,243,838</b>   | <b>251,206,029</b>   | <b>263,766,331</b>   |
| Climate change Board Fund   | Rec Gross           |                      |                      |                      |                      |
|   | Dev Gross           |                      |                      |                      |                      |
|   | <b>Total Budget</b> | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             |
| Wote Municipality   | Rec Gross           | 34,277,870           | 45,342,761           | 47,609,898.62        | 49,990,393.55        |
|   | Dev Gross           | 15,000,000           | 74,000,000           | 77,700,000.00        | 81,585,000.00        |
|   | <b>Total Budget</b> | <b>49,277,870</b>    | <b>119,342,761</b>   | <b>125,309,899</b>   | <b>131,575,394</b>   |
| Emali Municipality  | Rec Gross           | 16,585,314           | 37,647,802           | 39,530,192.34        | 41,506,701.95        |
|   | Dev Gross           | 43,000,000           | 18,000,000           | 18,900,000.00        | 19,845,000.00        |
|   | <b>Total Budget</b> | <b>59,585,314</b>    | <b>55,647,802</b>    | <b>58,430,192</b>    | <b>61,351,702</b>    |
| Governorship  | Rec Gross           | 213,565,945          | 445,620,958          | 467,902,006.16       | 491,297,106.47       |
|   | Dev Gross           | 0                    | -                    | 0                    | 0                    |
|   | <b>Total Budget</b> | <b>213,565,945</b>   | <b>445,620,958</b>   | <b>467,902,006</b>   | <b>491,297,106</b>   |
| Department of Trade, Marketing, Industry, Culture and Tourism                           | Rec Gross           | 121,690,232          | 140,651,045          | 147,683,597.77       | 155,067,777.66       |
|   | Dev Gross           | 200,000,000          | 178,723,404          | 187,659,574.20       | 197,042,552.91       |
|   | <b>Total Budget</b> | <b>321,690,232</b>   | <b>319,374,449</b>   | <b>335,343,172</b>   | <b>352,110,331</b>   |
| Department of Gender, Children, Youth, Sports and Social Services                       | Rec Gross           | 67,384,161           | 81,749,168           | 85,836,626           | 90,128,458           |
|   | Dev Gross           | 140,247,204          | 92,015,000           | 96,615,750           | 101,446,538          |
|   | <b>Total Budget</b> | <b>207,631,365</b>   | <b>173,764,168</b>   | <b>182,452,376</b>   | <b>191,574,995</b>   |
| County Secretary  | Rec Gross           | 591,147,009          | 173,829,303          | 182,520,768          | 191,646,807          |
|   | Dev Gross           | -                    | -                    | 0                    | 0                    |
|   | <b>Total Budget</b> | <b>591,147,009</b>   | <b>173,829,303</b>   | <b>182,520,768</b>   | <b>191,646,807</b>   |
| Department of Finance & Socio Economic Planning   | Rec Gross           | 540,599,035          | 491,461,966          | 516,035,064.48       | 541,836,817.70       |
|   | Dev Gross           | 20,000,000           | 30,000,000           | 31,500,000.00        | 33,075,000.00        |
|   | <b>Total Budget</b> | <b>560,599,035</b>   | <b>521,461,966</b>   | <b>547,535,064</b>   | <b>574,911,818</b>   |
| Department of ICT, Education and Internship   | Rec Gross           | 571,917,049          | 911,715,067          | 957,300,821          | 1,005,165,862        |
|   | Dev Gross           | 241,600,000          | 38,000,000           | 39,900,000           | 41,895,000           |
|   | <b>Total Budget</b> | <b>813,517,049</b>   | <b>949,715,067</b>   | <b>997,200,821</b>   | <b>1,047,060,862</b> |
| Department of Roads, Transport, Works & Energy  | Rec Gross           | 162,528,815          | 163,672,758          | 171,856,395          | 180,449,215          |
|   | Dev Gross           | 495,850,000          | 612,079,550          | 642,683,528          | 674,817,704          |
|   | <b>Total Budget</b> | <b>658,378,815</b>   | <b>775,752,308</b>   | <b>814,539,923</b>   | <b>855,266,919</b>   |
| Department of Agriculture, Irrigation, Livestock, Fisheries and Cooperative Development | Rec Gross           | 310,572,289          | 276,761,038          | 290,599,090          | 305,129,045          |
|   | Dev Gross           | 936,890,356          | 650,036,628          | 682,538,459          | 716,665,382          |
|   | <b>Total Budget</b> | <b>1,247,462,645</b> | <b>926,797,666</b>   | <b>973,137,550</b>   | <b>1,021,794,427</b> |
| Makueni Fruit Development Authority   | Rec Gross           |                      | 49,185,283           | 51644547             | 54226775             |
|   | Dev Gross           |                      | -                    | 0                    | 0                    |
|   | <b>Total Budget</b> | <b>-</b>             | <b>49,185,283</b>    | <b>51,644,547</b>    | <b>54,226,775</b>    |
| Department of Water,& sanitation  | Rec Gross           | 102,186,325          | 121,388,861          | 127,458,304          | 133,831,219          |
|   | Dev Gross           | 490,800,000          | 490,420,450          | 514,941,473          | 540,688,546          |
|   | <b>Total Budget</b> | <b>592,986,325</b>   | <b>611,809,311</b>   | <b>642,399,776</b>   | <b>674,519,765</b>   |
| Sand Authority  | Rec Gross           | 63,642,065           | 80,216,833           | 84,227,674           | 88,439,058           |
|   | Dev Gross           | 15,000,000           | 49,230,000           | 51,691,500           | 54,276,075           |
|   | <b>Total Budget</b> | <b>78,642,065</b>    | <b>129,446,833</b>   | <b>135,919,174</b>   | <b>142,715,133</b>   |
| Department of Health Services   | Rec Gross           | 3,162,331,228        | 3,348,561,841        | 3,515,989,933        | 3,691,789,429        |
|   | Dev Gross           | 429,372,904          | 844,072,568          | 886,276,196          | 930,590,006          |
|   | <b>Total Budget</b> | <b>3,591,704,132</b> | <b>4,192,634,409</b> | <b>4,402,266,129</b> | <b>4,622,379,436</b> |
|   | Rec Gross           | 310,887,482          | 320,640,618          | 336,672,649          | 353,506,282          |
|   | Dev Gross           | 21,837,927           | 5,900,000            | 6,195,000            | 6,504,750            |

## DRAFT FOR COMMENTS AND INPUTS ONLY

|   |                     |                       |                       |                       |                       |
|---|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Department of Devolution, Public Service, Public Participation and Special Programmes | <b>Total Budget</b> | <b>332,725,409</b>    | <b>326,540,618</b>    | <b>342,867,649</b>    | <b>360,011,032</b>    |
| County Assembly   | Rec Gross           | 882,052,960           | 752,057,408           | 789,660,278           | 829,143,292           |
|   | Dev Gross           | 46,000,000            | 46,000,000            | 48,300,000            | 50,715,000            |
|   | <b>Total Budget</b> | <b>928,052,960</b>    | <b>798,057,408</b>    | <b>837,960,278</b>    | <b>879,858,292</b>    |
| Overall Budget  | <b>Rec Gross</b>    | <b>7,342,391,532</b>  | <b>7,658,778,883</b>  | <b>8,041,717,827</b>  | <b>8,443,803,719</b>  |
|   | <b>Dev Gross</b>    | <b>3,225,898,248</b>  | <b>3,282,333,807</b>  | <b>3,446,450,498</b>  | <b>3,618,773,022</b>  |
|   | <b>Total Budget</b> | <b>10,568,289,780</b> | <b>10,941,112,690</b> | <b>11,488,168,325</b> | <b>12,062,576,741</b> |

Source; County Treasury

## **6. RISK MITIGATION FRAMEWORK FOR FY 2024/25 – FY 2026/27 MEDIUM TERM**

This chapter outlines the potential risks in the medium term and the mitigation measures the county will put in place to ensure the risks are cushioned.

**Table 18: Risks and mitigation measures**

| <b>Fiscal Risk</b>   | <b>Key Areas of Uncertainty</b>   |
|--|---|
| Policy decisions affecting revenue collection in the county  | <p>Increase in fees and levies in the finance act will significantly reduce the compliance rate</p> <p>Waivers and concessions will reduce the likelihood of realizing revenue projections</p>  |
| Policy decisions leading to increase or unanticipated government expenditure                       | Implementation of the following policy decisions will lead to uncertainty in the county fiscal outlook. They include; Employer contributory new levies i.e. housing levy, NSSF, contributory pension schemes, Mandatory change of employment terms, SRC circular on staff allowances, response to emergencies and pandemics |
| Capital decisions with high resource requirements  | <p>Mass recruitment to attain optimal staffing levels will lead to high budgetary requirements</p> <p>Undertaking flagship projects without pre-feasibility studies will lead to unprecedented expenditure</p>  |
| Change in fiscal responsibilities due to the outcome of negotiations and international obligations | Matching grants, Collective Bargaining Agreements (CBAs), foreign exchange rates  |
| Contingent liabilities   | Pending law suits, guaranteeing the county mortgage,  |

## 7. ANNEXURE'S

## 7.1. DEPARTMENTAL CEILINGS

| Departments/SA GA  | FY 2023/24 Printed Budget Estimates | FY 2023/24 Supplement ary Budget Estimates (1) | FY 2024/25 Salary Ceilings | FY 2024/25 O&M Ceilings | FY 2024/25 Recurrent Ceilings | FY 2024/25 Developme nt Ceilings | FY 2024/25 Budget Ceilings |
|--|-------------------------------------|--|----------------------------|-------------------------|-------------------------------|----------------------------------|----------------------------|
| Governorship   | 71,883,429.3                        | 455,827,360                                    | 55,030,330                 | 390,590,629             | 445,620,958                   | -                                | 445,620,958                |
| County Secretary   | 234,952,080.2                       | 422,725,533                                    | 58,767,432                 | 115,061,871             | 173,829,303                   | -                                | 173,829,303                |
| County Attorney  | 14,072,319.2                        | 49,023,507                                     | 16,442,370                 | 34,747,589              | 51,189,959                    | -                                | 51,189,959                 |
| County Public Service Board  | 34,928,332.7                        | 72,963,647                                     | 41,499,472                 | 40,199,111              | 81,698,583                    | -                                | 81,698,583                 |
| Devolution, Public Participation, County administration and Special Programs | 212,699,685.3                       | 337,442,129                                    | 216,104,393                | 104,536,226             | 320,640,618                   | 1,500,000                        | 322,140,618                |
| Finance and Socio-Economic Planning  | 225,244,137.9                       | 548,648,742                                    | 226,697,666                | 264,764,300             | 491,461,966                   | -                                | 491,461,966                |
| Agriculture, Irrigation, Livestock, Fisheries and Cooperative Development    | 262,695,288.8                       | 1,145,323,935                                  | 224,510,531                | 52,250,507              | 276,761,038                   | 613,036,628                      | 889,797,666                |
| Makueni Fruit Development and Marketing Authority                            |                                     | 118,892,637                                    | 16,602,102                 | 32,583,181              | 49,185,283                    | -                                | 49,185,283                 |
| ICT, Education and Internship  | 400,746,419.8                       | 948,921,258                                    | 714,757,884                | 196,957,183             | 911,715,067                   | 13,000,000                       | 924,715,067                |
| Gender, Children, Youth, Sports and Social Services                          | 37,006,189.0                        | 224,401,132                                    | 51,966,026                 | 29,783,142              | 81,749,168                    | 38,000,000                       | 119,749,168                |
| Health Services  | 2,326,881,227.6                     | 3,796,060,362                                  | 2,455,083,449              | 893,478,391             | 3,348,561,841                 | 629,072,568                      | 3,977,634,409              |
| Trade, Marketing, Industry, Culture and Tourism                              | 41,212,157.6                        | 165,279,790                                    | 58,990,606                 | 81,660,440              | 140,651,045                   | 162,223,404                      | 302,874,449                |
| Infrastructure, Transport, Public Works, Housing and Energy                  | 76,585,871.6                        | 752,244,078                                    | 82,719,715                 | 80,953,043              | 163,672,758                   | 602,079,550                      | 765,752,308                |
| Lands, Urban Planning & Development, Environment and Climate change          | 53,120,831.3                        | 235,309,245                                    | 56,904,726                 | 28,482,905              | 85,387,630                    | 139,856,207                      | 225,243,838                |
| Wote Municipality  | -                                   | 59,549,739                                     | 2,954,428                  | 42,388,332              | 45,342,761                    | 35,500,000                       | 80,842,761                 |

## DRAFT FOR COMMENTS AND INPUTS ONLY

| Departments/SA GA                           | FY 2023/24 Printed Budget Estimates | FY 2023/24 Supplement ary Budget Estimates (1) | FY 2024/25 Salary Ceilings | FY 2024/25 O&M Ceilings | FY 2024/25 Recurrent Ceilings | FY 2024/25 Developme nt Ceilings | FY 2024/25 Budget Ceilings |
|---|-------------------------------------|--|----------------------------|-------------------------|-------------------------------|----------------------------------|----------------------------|
| Emali Municipality                          | -                                   | 54,930,314                                     | 8,830,055                  | 28,817,747              | 37,647,802                    | -                                | 37,647,802                 |
| Water and Sanitation                        | 70,674,324.8                        | 759,128,337                                    | 82,009,068                 | 39,379,792              | 121,388,861                   | 427,920,450                      | 549,309,311                |
| Sand Conservation and Utilization Authority | 21,264,093.6                        | 74,642,065                                     | 35,342,474                 | 44,874,359              | 80,216,833                    | 49,230,000                       | 129,446,833                |
| <b>Sub Totals</b>                           | <b>4,083,966,388.8</b>              | <b>10,221,313,811</b>                          | <b>4,405,212,727</b>       | <b>2,501,508,748</b>    | <b>6,906,721,475</b>          | <b>2,711,418,807</b>             | <b>9,618,140,283</b>       |
| County Assembly                             | 391,954,921.6                       | 949,001,448                                    | 420,093,398                | 331,964,009             | 752,057,408                   | -                                | 752,057,408                |
| <b>Total</b>                                | <b>4,475,921,310.3</b>              | <b>11,170,315,259</b>                          | <b>4,825,306,125</b>       | <b>2,833,472,758</b>    | <b>7,658,778,883</b>          | <b>2,711,418,807</b>             | <b>10,370,197,690</b>      |

### 7.2. FY 2024/25 – FY 2026/27 MTEF FLAGSHIPS

| Project Category | Department                    | Project Name  | Funding 2024/25    |
|------------------|-------------------------------|---|--------------------|
| Ongoing          | ICT, Education and Internship | Government Automation   | <b>30,000,000</b>  |
| New              | Infrastructure                | Upgrading-Tarmac and Cabro( 3.35km) in Wote and Emali towns                                   | <b>115,000,000</b> |
| Ongoing          | Infrastructure                | Phase 2 – solarization of 3 level 4 health facilities   | <b>30,000,000</b>  |
| Deferred         | Trade                         | Nunguni Business Centre and Town Infrastructure Upgrade                                       | <b>30,000,000</b>  |
| Deferred         | Water                         | Mulima water project  | <b>40,000,000</b>  |
| Ongoing          | Water                         | Athi-Kilema (Tunguni) Water Project   | <b>70,000,000</b>  |
| New              | Wote Municipality             | Rehabilitation and redevelopment of Kaiti river waste dumpsite into a recreational/solar park | <b>35,500,000</b>  |

### 7.3. FY 2024/25 – FY 2026/27 MTEF OWN SOURCE REVENUE PROJECTIONS

| Sources  | FY 2023/24 Targets | FY 2024/25 Projections | FY 2025/26 Projections | FY 2026/27 Projections |
|--|--------------------|------------------------|------------------------|------------------------|
| Advertisement & Wall Branding Fees                     | 20,000,000         | 17,940,000             | 18,730,000             | 23,960,000             |
| Agricultural Cess Fees                                 | 18,000,000         | 16,170,000             | 16,880,000             | 21,600,000             |
| Ask Show Fees  | 3,000,000          | 2,690,000              | 2,810,000              | 3,590,000              |
| Building Materials Cess Fees                           | 3,000,000          | 2,690,000              | 2,810,000              | 3,590,000              |
| Community Information Centres Fees                     | 1,000,000          | 900,000                | 940,000                | 1,200,000              |
| Conservancy Fees                                       | 6,000,000          | 5,380,000              | 5,620,000              | 7,180,000              |
| Coop Audit Services Fees                               | 300,000            | 280,000                | 290,000                | 380,000                |
| Development Approvals Fees( All Lands Development Fees | 45,000,000         | 39,520,000             | 41,260,000             | 52,780,000             |
| Fines And Penalties Fees                               | 1,000,000          | 900,000                | 940,000                | 1,200,000              |



**DRAFT FOR COMMENTS AND INPUTS ONLY**

| <b>Sources</b>   | <b>FY 2023/24<br/>Targets</b> | <b>FY 2024/25<br/>Projections</b> | <b>FY 2025/26<br/>Projections</b> | <b>FY 2026/27<br/>Projections</b> |
|--|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fire Certificate Fees                                      | 1,000,000                     | 900,000                           | 940,000                           | 1,200,000                         |
| Hire Of County Facilities / Equipment /Gym Fees            | 1,000,000                     | 900,000                           | 940,000                           | 1,200,000                         |
| Liquor License Fees  | 70,000,000                    | 62,780,000                        | 65,540,000                        | 83,850,000                        |
| Market Entrance Fees                                       | 45,000,000                    | 40,360,000                        | 42,130,000                        | 53,910,000                        |
| Motor Veh/Cycle Reg Fees                                   | 3,000,000                     | 2,690,000                         | 2,810,000                         | 3,590,000                         |
| Parking Fees   | 43,000,000                    | 38,560,000                        | 40,260,000                        | 51,510,000                        |
| Plot Rates/Rent Fees & Other Dues                          | 170,000,000                   | 152,470,000                       | 159,170,000                       | 203,660,000                       |
| Renewal Fees(Kiosks)                                       | 7,000,000                     | 6,280,000                         | 6,560,000                         | 8,380,000                         |
| Single Business Permits /Application Fees                  | 200,000,000                   | 179,380,000                       | 187,270,000                       | 239,600,000                       |
| Stall Rent Fees  | 7,700,000                     | 6,900,000                         | 7,200,000                         | 9,220,000                         |
| Stock Market Fees  | 11,000,000                    | 9,860,000                         | 10,290,000                        | 13,180,000                        |
| Stock Movement Fees  | 7,000,000                     | 6,280,000                         | 6,560,000                         | 8,380,000                         |
| Veterinary Health Fees                                     | 13,000,000                    | 11,660,000                        | 12,170,000                        | 15,570,000                        |
| Water & Environment Fees- Consent, Nema, Mining, Penalties | 3,000,000                     | 2,690,000                         | 2,810,000                         | 3,590,000                         |
| Weights & Measures Fees                                    | 2,000,000                     | 1,790,000                         | 1,870,000                         | 2,390,000                         |
| Other Revenues(Insurance Compensation, and Salary Refund)  | -                             | -                                 | -                                 | -                                 |
| Agriculture- Agricultural Training Conference Fees         | 3,000,000                     | 2,690,000                         | 2,810,000                         | 3,590,000                         |
| Agriculture- Mechanization Fees                            | 2,000,000                     | 1,790,000                         | 1,870,000                         | 2,390,000                         |
| Public Health Services Fees                                | 33,000,000                    | 29,600,000                        | 30,900,000                        | 39,530,000                        |
| Makueni Fruit Processing Plant Fees                        | 100,000,000                   | 90,500,000                        | 94,480,000                        | 120,890,000                       |
| Sand Authority Fees  | 46,000,000                    | 41,250,000                        | 43,060,000                        | 55,100,000                        |
| <b>Sub Total</b>   | <b>865,000,000</b>            | <b>775,800,000</b>                | <b>809,920,000</b>                | <b>1,036,210,000</b>              |
| <b>AIA</b>   | -                             |                                   | -                                 | -                                 |
| Medical Health Services Fees                               | 120,000,000                   | 176,430,000                       | 184,190,000                       | 143,760,000                       |
| NHIF and Linda Mama Reimbursement Edu Afya Fees            | 250,000,000                   | 367,570,000                       | 383,730,000                       | 299,490,000                       |
| Universal Health Care Registration Fees                    | 5,000,000                     | 7,350,000                         | 7,670,000                         | 5,990,000                         |
| <b>Sub Total</b>   | <b>375,000,000</b>            | <b>551,350,000</b>                | <b>575,590,000</b>                | <b>449,240,000</b>                |
| <b>Total Own Source Revenue</b>                            | <b>1,240,000,000</b>          | <b>1,327,150,000</b>              | <b>1,385,510,000</b>              | <b>1,485,450,000</b>              |

**7.4. FY 2024/25 – FY 2026/27 MTEF KEY PERFORMANCE INDICATORS**