

COUNTY GOVERNMENT OF SIAYA



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

**COUNTY BUDGET REVIEW AND OUTLOOK PAPER
FOR FY 2024/25**

SEPTEMBER 2025

“Economic Transformation for Shared Growth”

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Acronyms and Abbreviations

BROP	Budget Review and Outlook Paper
OSR	Own Source Revenue
MTEF	Medium Term Expenditure Framework
FSP	Fiscal Strategy Paper
KDSP	Kenya Devolution Support Project
CRF	County Revenue Fund
PLDW/PWD	People Living with Disabilities/People with Disabilities
GDP	Gross Domestic Product
CBR	Central Bank Rate
SGR	Standard Gauge Railway
RMLF	Road Maintenance Levy Fund
ASDSP	Agriculture Sector Development Support Project
FY	Financial Year
ICT	Information Communication Technology
DANIDA	Danish Development Agency
PFMA	Public Finance Management Act
CECM	County Executive Committee Member
AIA	Appropriation In Aid

Foreword

Preparation of the County Budget Review and Outlook Paper (C-BROP) is anchored in the provisions of section 118 (1), (2), (3) and (4) of the Public Finance Management Act, 2012 and chapter 5 of County Budget Operation Manual 2014.

The 2024/2025 Budget Review and Outlook Paper (BROP) provide an opportunity to review and reflect on the budget performance, analyse successes and challenges experienced during the year as well as draw lessons from the challenges to inform future budgeting and project and programmes implementation. This Budget Review and Outlook Paper has given a detailed analysis of actual fiscal performance of the County Government of Siaya for FY 2024/25 against the approved budgetary allocations for the said financial year. From the analysis, the overall absorption rate was **81.7 percent** which included an absorption rate of **56.7 percent** for development budget, **95.9 percent** for personnel emolument and **109.9 percent** for operations and maintenance. Local revenue collection was **Kshs.757,570,621** against a target of **Kshs. 1,044,061,306** representing a performance of **72.5 percent**. The local revenue comprised of **Kshs.521,068,230** as appropriation in Aid (AIA) and **Kshs.236,502,391** as ordinary revenues.

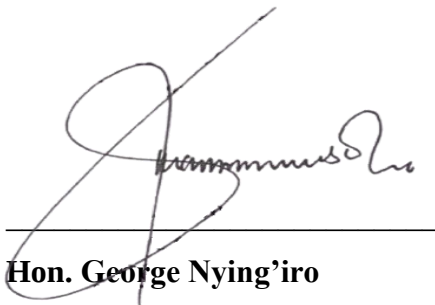
The paper has been prepared against the backdrop of a stabilizing global economic prospects, following several years of negative shocks. Global growth is projected to decline to 2.3 percent this year, catalysed by flaring geopolitical tensions and high interest rates. In the local scene the economy will remain vibrant growing at 5.6 percent supported by a robust service sector, strong performance in agriculture and a decline in global commodity prices

In the budget framework for FY 2026/2027, the County Government project a resource basket of **Ksh.10,958,103,789** comprising **Ksh.7,987,113,252** as equitable share, **Ksh.990,990,537** as conditional allocations, **Ksh.781,234,591** as ordinary revenue and **Ksh.1,198,765,406** as Appropriation in Aid (AIA). The overall revenue is further projected to increase to Ksh. **11,257,117,186** in FY 2027/2028 and **Ksh. 11,565,100,986** in FY 2028/2029.

The government will deliberately focus on increasing collection of ordinary revenues to fast-track implementation of development projects and minimize project roll-overs; operationalization of completed facilities in all sectors; completion of on-going projects will also take centre stage.

Resource allocation will be biased towards financing projects and programmes in key growth sectors of Agriculture, Enterprise and health; infrastructure development and other social enterprise sectors.

This report will be useful to the County Executive, County Assembly and other stakeholders to reflect on the utilisation of public funds in the county as it proposes a way forward in terms of adjustments in resource allocation and focus areas in the medium term.

A handwritten signature in black ink, appearing to read 'George Nying'iro', is written over a horizontal line. The signature is stylized with a large loop at the beginning and a long, sweeping tail.

Hon. George Nying'iro

Ag CECM-Finance and Economic Planning

Acknowledgement

The Budget Review and Outlook Paper not only presents an opportunity to review performance of a fiscal year but also sets in motion the process of preparing the budget for the following fiscal year by providing an outlook for the coming year by setting MTEF tentative ceilings to guide budget making.

The successful preparation of this document was made possible through the leadership of the Governor and the entire executive. Special appreciation goes to the County executive member for finance and economic planning on whose stewardship enabled the finalization of this document as required by law. The chief officers and County budget and economic forum members also played a great role in the preparation and subsequent submission of this document, last but not least, special recognition goes to a team of dedicated officers who traded off their invaluable time to ensure a quality product. I wish to salute all of them for a job well done.

It is my hope that lessons drawn from implementation of the 2024/2025 budget will inform future programme-based budgeting and project implementation as we re-focus on “*Economic Transformation for Shared Growth*”



CHIEF OFFICER
FINANCE & ECONOMIC PLANNING
COUNTY GOVERNMENT OF SIAYA
Date.....

Jacktone Ouma Odinga

Chief Officer- Finance and Economic Planning

Section One

1.0 Introduction

County Budget Review and Outlook Paper (C-BROP) is a key document that links policy, planning and budgeting for the County Government. It is a backward- and forward-looking document that provides a strong platform for sound planning and budgeting and conceptually divided into review and outlook sections.

1.1 Legal Basis for C-BROP

Preparation and subsequent approvals by both the County Executive Committee and County Assembly of C-BROP is anchored in the provisions of section 118 (1), (2), (3) and (4) of the Public Finance Management Act, 2012 and chapter 5 of County Budget Operation Manual 2014.

1.2 Review and approval of C-BROP

- i. County Treasury is expected to prepare a County Budget Review and Outlook Paper in respect of the County for each financial year and submits the paper for approval to the County Executive Committee (CEC) by the **30th September** of that year.
- ii. The County Executive Committee must review and then approve it with or without amendments within 14 days after its submission, that is by **14th October** of that year.
- iii. After approval by CEC, the County Treasury must arrange for the paper to be submitted to the County Assembly within 7 days, that is by **21st October** of that year.
- iv. After submission to the County Assembly and as soon as practicable the County Treasury must publish and publicise the C-BROP.

1.3 Objectives of C-BROP

- i. It provides review of the actual fiscal performance in the previous year (FY 2024/25) compared to the budget appropriated for that year (Actual-Vs.-Budget).
- ii. It provides an updated economic and financial forecast with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP).
- iii. It provides information on any changes in the forecasts compared with the County Fiscal

Strategy Paper and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year.

- iv. It provides reasons for any deviation from the financial objectives in the CFSP and proposes remedial actions to address such deviations in the current fiscal year and within the medium term. Such remedies may include revising the current annual budget estimates to reflect the prevailing fiscal environment.
- v. It provides provisional sector ceilings which will be firmed up in the Fiscal Strategy Paper setting in motion the preparation of the budget estimates for financial year 2026/27 and within the medium term.

1.4 Fiscal Responsibility Principles as per the PFMA, 2012

Section 107 (2) of PFMA, 2012 requires the County Treasury to enforce the following fiscal responsibility principles:

- i. County Government's recurrent expenditure shall not exceed the County government's total revenue;
- ii. Within the medium term a minimum of 30 percent of the County government's budget shall be allocated to the development expenditure;
- iii. The County government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County government's total revenue as prescribed by the County Executive Committee member for Finance in regulations and approved by the County Assembly. Section 26 (1) (a) of the Public Finance Management (County Governments) regulations 2015 caps the allocation to 35 percent of total County revenue;
- iv. Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
- v. The County debt shall be maintained at a sustainable level as approved by County Assembly;
- vi. The fiscal risks shall be managed prudently; and
- vii. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

1.5 Organization of the Document

The document is organized around four (4) sections as follows:

Section I gives an introduction of the paper, legal basis for the preparation of BROP, objectives of the paper and Fiscal responsibility principles as per PFMA 2012.

Section II gives a review of fiscal performance for the FY 2024/25 in terms of projected revenues (OSR, equitable share and additional allocations/Grants), actual expenditures against the appropriations and review of fiscal performance against County Fiscal Strategy Paper for 2024 in terms of the variance between approved departmental ceilings in the CFSP and the appropriations.

Section III outlines recent economic development and medium-term economic outlook at the global, regional, National and County level. In addition, it also outlines the probable risks the County envisages with regards to the budget estimates for FY2026/27 and the medium-term. These risks include external and fiscal risks.

Section IV outlines how the County government intends to live within its means by establishing its resource envelop (total revenue) and the departmental/sectoral ceilings. This section also includes necessary adjustments to FY2025/26 budget estimates, Medium-Term Expenditure Framework (MTEF) for the next budget estimates of FY 2026/27 and any projected fiscal balance.

Section Two

2.0: Review of Fiscal Performance for the FY 2024/2025

The FY 2024/2025 Budget was the second to implement the County Integrated Development Plan (CIDP 2023-2027) whose theme is ‘*Economic Transformation for shared Growth*’. The estimated cost of implementing programs and projects in the main budget for FY 2024/2025 was **Kshs.10,948,133,478** table 1:

Table 1: Comparison between main and supplementary budget estimates

Department	Ifmis Codes	Revenue Stream	Baseline Estimates 2023/24	Projected Estimates 2024/25
Trade, Cooperatives, Enterprise and Industrialization	1520201	SINGLE BUSINESS PERMITS	100,080,869	192,213,664
	1550100	MARKET FEES	45,800,000	95,800,000
	1550221	BODA BODA	14,026,766	14,026,766
		WEIGHTS & MEASURES	3,000,000	3,000,000
		TRADE INCOME (AUDIT FEE)	749,250	749,250
	1560104	ADVERTISEMENT CHARGES	10,000,000	20,000,000
		LIQUOR LICENSING	20,000,000	34,000,000
			193,656,885	359,789,680
Public Works, Energy, Roads and Transport	1550201	BUS PARK	27,998,234	38,998,234
		PLAN APPROVAL (Engineers)	15,000,000	21,000,000
		GRADER	9,200,000	13,200,000
		FIRE INSPECTION	2,000,000	4,000,000
		PARKING	10,000,000	13,000,000
	1560201	COUNTY HALL HIRE	140,000	140,000
		Sub Total	64,338,234	90,338,234
Agriculture, Food Security, Livestock and Ble Economy	1520300	FISH CESS	10,000,000	10,000,000
	1580401	SLAUGHTER FEES	1,473,200	1,473,200
	1510201	CILOR	20,000,000	20,000,000
		SUGAR CESS	11,000,000	11,000,000
		AGRICULTURE INCOME	5,380,290	5,380,290
		VETERINARY SERVICES	4,395,235	4,395,235
	1520321	CATTLE AUCTION	5,000,000	5,000,000
		TRACTOR HIRE SERVICES (T.H.S)	42,500,000	17,500,000
		SALES OF SEED		8,334,400
		SALES OF FERTILIZER		16,665,600
		Sub Total	99,748,725	99,748,725
Lands, Physical Planning, Housing and Urban Development	1590111	PLAN APPROVAL (Physical Planning)	15,000,000	15,000,000
	1530103	TRANSFER FEE	2,600,000	2,600,000
	1520101	PLOT RATES	13,000,000	13,000,000
	1560101	PLOT RENT	14,155,575	14,155,575
	1520501	GROUND RENT	1,000,000	1,000,000
		HOUSE RENT	4,600,000	4,600,000
		KIOSK/STALL RENT	13,025,075	13,025,075
	1580241	BURIAL FEE & SYNAGE	100,000	100,000
		CLEARANCE CERTIFICATE	1,500,000	1,500,000
		SITE FEE	1,303,000	1,303,000
		SURVEY FEE	1,500,000	1,500,000
		PRIVATE ESTATE FEE	130,000	130,000
		Sub Total	67,913,650	67,913,650
	1580211	HOSPITAL REVENUE	206,607,445	214,575,185
Health and Sanitation	1580100	PUBLIC HEALTH	8,160,909	0
		LINDA MAMA	60,578,536	0
		NHIF/CAPITATION	50,158,116	0
		Sub Total	325,505,006	214,575,185
Water, Irrigation, Environment, Climate Change and Natural Resources	1580301	NEMA	1,000,000	3,160,909
	1530301	SAND CESS/QUARRY	5,500,000	11,500,000

Department	Ifmis Codes	Revenue Stream	Baseline Estimates 2023/24	Projected Estimates 2024/25
		Sub Total	6,500,000	14,660,909
Education, Youth Affairs, Gender and Social Services	1570101	SCHOOL FEE	337,500	337,500
Governance Administration and ICT		IMPOUNDING FEE	2,000,000	2,000,000
		Sub Total	2,337,500	2,337,500
Sub-Total=Own Source Revenue (OSR)			760,000,000	849,363,883
Health and Sanitation		FIF	0	98,360,771
		LINDA MAMA	0	50,928,536
		NHIF/CAPITATION	0	45,408,116
Sub-Total=Appropriation In Aid (AIA)		Sub Total	0	194,697,423
Total OSR			760,000,000	1,044,061,306
Health and Sanitation		Community Health Promoters	0	63,810,000
Health and Sanitation		Lease of medical Equipment	124,723,404	0
Health and Sanitation		DANIDA-Primary Health Care	10,568,250	8,921,250
Governance, Administration and ICT		Kenya Devolution Support Project II (KDSP II)	0	37,500,000
Lands, Physical Planning, Housing and Urban Development		Kenya Urban Support Project (KUSP)-UDG		45,218,472
		Kenya Urban Support Project (KUSP)-UIG	0	35,000,000
Agriculture, Food Security, Livestock and Blue Economy		KCSAP	90,000,000	0
Agriculture, Food Security, Livestock and Blue Economy		Livestock Value Chain Support Project	14,323,680	0
Agriculture, Food Security, Livestock and Blue Economy		ASDSP	1,037,537	0
Agriculture, Food Security, Livestock and Blue Economy		Kenya Livestock Commercialization Project (KELCLOP)	30,500,000	33,550,000
Agriculture, Food Security, Livestock and Blue Economy		Kenya Agricultural Business Development Project (KABDP)	0	10,918,919
Agriculture, Food Security, Livestock and Blue Economy		Subsidized Fertilizer	166,455,063	0
Agriculture, Food Security, Livestock and Blue Economy		IDA-National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	151,515,152
Agriculture, Food Security, Livestock and Blue Economy		Aquaculture Business Development Project (ABDP)	13,838,473	13,838,473
Public Works, Roads, Energy and Transport		Roads Maintenance Levy Fund (RMLF)	0	160,843,154
Water,Irrigation, Environment, Climate Change and Natural Resources		Financing Locally Led Climate Action (FLLoCA)-CCRI	137,500,000	137,000,000
Trade, Cooperatives, enterprise and Industrialization		CAIP	100,000,000	0
Water, Irrigation, Environment, Climate Change and Natural Resources		Mineral Royalties	259,152	0
Water, Irrigation, Environment, Climate Change and Natural Resources		FLLOCA-CCIS	11,000,000	0
Sub-Total=Conditional Grant =B			950,205,559	698,115,420
Equitable Share= C			7,263,019,462	7,545,450,410
BF from FY 2023/24			864,091,625	1,660,506,342
Total Revenue=(A+B+C)			9,837,316,646	10,948,133,478

Source: Budget estimates 2024/2025

Implementation of FY 2024/25 budget faced various challenges that include: delay in procurement of goods and late disbursement of funds from National Government.

2.1 Fiscal Performance in financial year 2024/2025

The projected revenue in the original estimates was Kshs.**10,948,133,478** as indicated in table 2;

Table 2: Departmental allocations in the 2024/25 budget

Department	Estimates
County Assembly	1,346,110,490
Governance, Administration and ICT	802,202,631
Finance and Economic Planning	923,729,742
Agriculture, Food Security, Livestock and Blue Economy	748,125,192
Water, Irrigation, Environment, Climate Change & Natural Resources	798,990,328
Education, Youth Affairs, Gender and Social Services	842,760,993
Health and Sanitation	2,752,552,227
Lands, Physical Planning, Housing and Urban Development	242,621,528
Public Works, Energy, Roads and Transport	1,317,804,502
Trade, Cooperatives, Enterprise and Industrialization	713,276,828
Tourism, Culture, Sports and Arts	282,835,351
Siaya Municipality	95,575,449
Bondo Municipality	43,448,690
Ugunja Municipality	38,099,527
Total	10,948,133,478

Source: supplementary budget 2024/2025

The above allocation was further classified into personnel emolument (P.E); operations and maintenance (O&M) and development expenditure as elucidated in the analysis below;

Personnel Emolument Estimates in FY 2024/25

The personnel emolument budget was **Kshs.3,550,256,735** as shown in table 3:

Table 3: Analysis of PE budget

Vote	PE FY2024/25
County Assembly	392,612,548
Governance, Administration and ICT	473,932,973
Finance and Economic Planning	381,382,674
Agriculture, Food Security, Livestock and Blue Economy	226,812,392
Water, Irrigation, Environment, Climate Change & Natural Resources	29,464,572
Education, Youth Affairs, Gender and Social Services	202,533,965
Health and Sanitation	1,616,683,280
Lands, Physical Planning, Housing and Urban Development	21,510,033
Public Works, Energy, Roads and Transport	40,491,695
Trade, Cooperatives, Enterprise and Industrialization	65,531,734
Tourism, Culture, Sports and Arts	42,833,196
Siaya Municipality	25,246,356
Bondo Municipality	16,856,170
Ugunja Municipality	14,365,147
Total	3,550,256,735

Source: Budget Estimates 2024/2025

Operations and Maintenance Estimates in FY 2024/25

Budgetary allocation for O&M in the original budget was **Kshs.2,523,050,559** as analyzed in table in table 4.

Table 4: Analysis of O&M budgetary allocation

Vote Title	Budget FY 2024/25
County Assembly	408,735,791
Governance, Administration and ICT	265,491,631
Finance and Economic Planning	483,373,883
Agriculture, Food Security, Livestock and Blue Economy	109,902,383
Water, Irrigation, Environment, Climate Change & Natural Resources	58,743,576
Education, Youth Affairs, Gender and Social Services	171,066,201
Health and Sanitation	636,656,477
Lands, Physical Planning, Housing and Urban Development	101,577,743
Public Works, Energy, Roads and Transport	83,062,742
Trade, Cooperatives, Enterprise and Industrialization	75,458,059
Tourism, Culture, Sports and Arts	86,113,151
Siaya Municipality	22,188,422
Bondo Municipality	11,985,000
Ugunja Municipality	8,695,500
Total	2,523,050,559

Source: Budget Estimates 2024/2025

Development Estimates in FY 2024/2025

The budgetary allocation towards development was **Kshs.4,874,826,184** appropriated to various departments as shown in table 5:

Department	Estimates
County Assembly	544,762,151
Governance, Administration and ICT	62,778,027
Finance and Economic Planning	58,973,185
Agriculture, Food Security, Livestock and Blue Economy	411,410,417
Water, Irrigation, Environment, Climate Change & Natural Resources	710,782,180
Education, Youth Affairs, Gender and Social Services	469,160,827
Health and Sanitation	499,212,470
Lands, Physical Planning, Housing and Urban Development	119,533,752
Public Works, Energy, Roads and Transport	1,194,250,065
Trade, Cooperatives, Enterprise and Industrialization	572,287,035
Tourism, Culture, Sports and Arts	153,889,004
Siaya Municipality	48,140,671
Bondo Municipality	14,607,520
Ugunja Municipality	15,038,880
Total	4,874,826,184

Table 5: Analysis of development allocation

2.1.2: Receipts

Total receipts for the period under review was **Kshs. 9,180,817,867** against projected revenue of **Kshs.10,948,133,478** creating a fiscal deficit of **Kshs.1,767,315,611**. The deficit resulted from under collection of OSR by **Kshs. 286,490,685** and non-receipts of conditional grant of **Kshs.421,255,725**,

reduced equitable share by **Ksh.243,976,979** and unreconciled brought forward of **Ksh. 815,592,222** as shown in table 6 and figure 1;

Table 6: Analysis of receipts

Source of Revenue	Estimates 2024/25 (A)	Receipt 2024/25 (B)	Variance(C)= (B-A)
OSR- CRF receipt	609,390,296	236,502,391	-372,887,905
OSR (A-in-A)	434,671,010	521,068,230	86,397,220
Total OSR	1,044,061,306	757,570,621	-286,490,685
Conditional Grant	698,115,420	276,859,695	-421,255,725
Equitable Share	7,545,450,410	7,301,473,431	-243,976,979
BF from FY 2023/24	1,660,506,342	844,914,120	-815,592,222
Total Revenue	10,948,133,478	9,180,817,867	-1,767,315,611

Source: County Treasury (Accounting services)

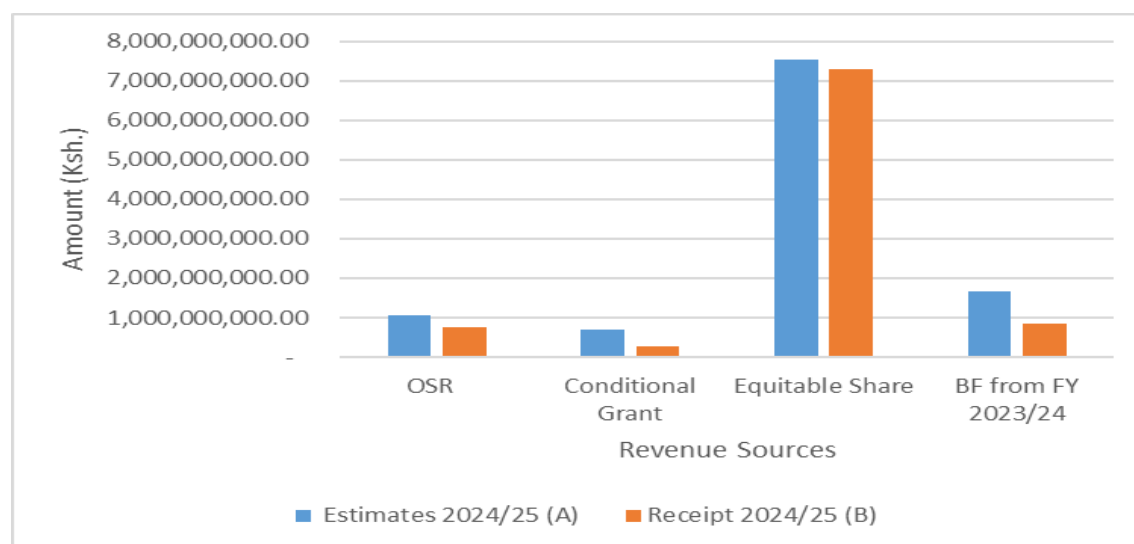


Figure 1: Analysis of receipts

2.1.3: Conditional Grants

The projected allocation for conditional grants in the original budget was Ksh. **698,115,420** while the actual receipt was **Kshs.276,859,695** shown in table 7:

Table 7: Performance of conditional grants

Department	Revenue Stream	Estimates 2024/25 (A)	Receipt 2024/25 (B)	Variance(C)= (B-A)
Health	Community Health Promoters	63,810,000	63,810,000.00	0
Health	Lease of medical Equipment	-	-	0
Health	DANIDA-Primary Health Care	8,921,250	8,921,250.00	0
Governance and Administration	Kenya Devolution Support Project (KDSP)-II	37,500,000	-	-37,500,000
Lands, Physical Planning, Housing and Urban Development	Kenya Urban Support Project (KUSP)-UIG	35,000,000	32,309,300.00	-2,690,700
	Kenya Urban Support Project			-45,218,472

Department	Revenue Stream	Estimates 2024/25 (A)	Receipt 2024/25 (B)	Variance(C)= (B-A)
	(KUSP)-UDG	45,218,472		
Agriculture, Irrigation, Food Security, Livestock and Fisheries	KCSAP	-		0
	Livestock Value Chain Support Project	-		0
	ASDSP	-		0
	Kenya Livestock Commercialization Project (KELCLOP)	33,550,000	33,423,508.00	-126,492
	Kenya Agricultural Business Development Project (KABDP)	10,918,919		-10,918,919
	IDA-National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	50,856,761.00	-100,658,391
	Aquaculture Business Development Project (ABDP)	13,838,473		-13,838,473
Public Works, Roads, Energy and Transport	Roads Maintenance Levy Fund (RMLF)	160,843,154	57,316,842.00	-103,526,312
Water, Sanitation, Environment, Climate Change and Natural Resources	Financing Locally Led Climate Action (FLLoCA)-CCRI	137,000,000	30,222,034.00	-106,777,966
Trade, enterprise and Industrial Development	CAIP	-	-	0
Water, Sanitation, Environment, Climate Change and Natural Resources	Mineral Royalties	-	-	0
	FLLOCA-CCIS	-	-	0
Total		698,115,420	276,859,695.00	(421,255,725.00)

Source: County Treasury (Accounting services)

2.1.4: Performance of Own Source Revenue (OSR)

OSR target for the period under review was **Kshs.1,044,061,306** while actual collection was **Kshs.757,570,621** creating a deficit of **Kshs. 286,490,684**. Performance of individual streams is shown in table 8 below;

Table 8: Performance of OSR

Department	Ifmis Codes	Revenue Stream	Estimates 2024/25 (A)	Receipt 2024/25 (B)	Variance(C)= (B-A)
Trade, Enterprise and Industrialization	1520201	SINGLE BUSINESS PERMITS	192,213,664	93,610,201	-98,603,463
	1550100	MARKET FEES	95,800,000	34,694,086	-61,105,914
	1550221	BODA BODA	14,026,766	0	-14,026,766
		WEIGHTS & MEASURES	3,000,000	799,540	-2,200,460
		TRADE INCOME (AUDIT FEE)	749,250	983,770	234,520
	1560104	ADVERTISEMENT CHARGES	20,000,000	14,314,151	-5,685,849
		Sub Total	325,789,680	144,401,748	-181,387,932
Public Works, Energy, Roads and Transport	1550201	BUS PARK	38,998,234	15,741,022	-23,257,212
		PLAN APPROVAL (Engineers)	21,000,000	3,325,627	-17,674,373
		GRADER	13,200,000	0	-13,200,000
		FIRE INSPECTION	4,000,000	0	-4,000,000
		PARKING	13,000,000	9,867,246	-3,132,754
	1560201	COUNTY HALL HIRE	140,000	2,000	-138,000
		Sub Total	90,338,234	28,935,895	-61,402,339

Department	Ifmis Codes	Revenue Stream	Estimates 2024/25 (A)	Receipt 2024/25 (B)	Variance(C)= (B-A)
Agriculture, Irrigation, Food Security, Livestock and Fisheries	1520300	FISH CESS	10,000,000	4,614,939	-5,385,061
	1580401	SLAUGHTER FEES	1,473,200	251,930	-1,221,270
	1510201	CILOR	20,000,000	0	-20,000,000
		SUGAR CESS	11,000,000	8,092,003	-2,907,997
		AGRICULTURE INCOME	5,380,290	677,950	-4,702,340
		VETERINARY SERVICES	4,395,235	3,552,720	-842,515
	1520321	CATTLE AUCTION	5,000,000	2,346,430	-2,653,570
		TRACTOR HIRE SERVICES (T.H.S)	17,500,000	2,061,050	-15,438,950
		SALES OF SEED	8,334,400	3525000	-4,809,400
		SALES OF FERTILIZER	16,665,600	2128550	-14,537,050
		Sub Total	99,748,725	27,250,572	-72,498,153
Lands, Physical Planning, Housing and Urban Development	1590111	PLAN APPROVAL (Physical Planning)	15,000,000	6,413,232	-8,586,768
	1530103	TRANSFER FEE	2,600,000	732,200	-1,867,800
	1520101	PLOT RATES	13,000,000	3,439,365	-9,560,635
	1560101	PLOT RENT	14,155,575	6,915,115	-7,240,460
	1520501	GROUND RENT	1,000,000	493,205	-506,795
		HOUSE RENT	4,600,000	81,392	-4,518,608
		KIOSK/STALL RENT	13,025,075	7,922,607	-5,102,468
	1580241	BURIAL FEE & SYNAGE	100,000	6,000	-94,000
		CLEARANCE CERTIFICATE	1,500,000	376,000	-1,124,000
		SITE FEE	1,303,000	8,700	-1,294,300
		SURVEY FEE	1,500,000	932,207	-567,793
		PRIVATE ESTATE FEE	130,000	0	-130,000
		Sub Total	67,913,650	27,320,023	-40,593,627
Water, Sanitation, Environment, Climate Change and Natural Resources	1580301	NEMA	3,160,909	240,400	-2,920,509
	1530301	SAND CESS/QUARRY	11,500,000	544,599	-10,955,401
		Sub Total	14,660,909	784,999	-13,875,910
Education, Youth Affairs, Gender and Social Services	1570101	SCHOOL FEE	337,500	0	-337,500
Governance Administration and ICT		IMPOUNDING FEE	2,000,000	0	-2,000,000
Finance and Economic Planning		MISC.	0	1,639,514	1,639,514
Health	1580100	PUBLIC HEALTH	8,601,598	6,169,641	-2,431,957
		Sub Total	10,939,098	7,809,155	-3,129,943
Sub-Total=Own Source Revenue (OSR)- CRF Receipt			609,390,296	236,502,392	-372,887,904
Health	1580211	HOSPITAL REVENUE(Include SHA/SHIF)	283,954,579	430,448,878	146,494,299
		LINDA MAMA	63,849,777	6,335,232	-57,514,545
		NHIF/CAPITATION	52,866,654	77,452,520	24,585,866
Trade, Enterprise and Industrialization		LIQUOR LICENSING	34,000,000	6,831,600	-27,168,400
Sub-Total=Appropriation In Aid (AIA)			434,671,010	521,068,230	86,397,220
Total OSR			1,044,061,306	757,570,622	-286,490,684

Source: County Treasury (Revenue section)

The underperformance in revenue collection was occasioned by the following challenges: Hybrid of automated and manual revenue collection system; delay in approval of the Finance Act and valuation roll; Inadequate revenue related infrastructure; Weak enforcement and compliance mechanisms; Incomplete database of all revenue streams and weak revenue administration and supervision.

The above challenges will be addressed through a revenue enhancement policy which has set out strategies such as:

1. Complete automation of revenue collection system
2. Fast track timely approval of subsequent Finance Acts and Revenue Enhancement Measures
3. Prioritization of projects that address both infrastructural development and revenue generation in the budget e.g improved market shades and facilities, storm water management, solid waste management.
4. Development of and/or domestication of all relevant revenue collection legislations.
5. Strengthening of enforcement and compliance of revenue by preparing Revenue By-Laws, recruitment and training of additional enforcement officers.
6. Mapping and establishing a comprehensive database of all revenue streams.
7. Providing adequate resources to address revenue administrative and supervisory challenges.

2.2.1: Actual Expenditure by economic classification

Total actual expenditure for the period under review amounted to **Kshs. 8,939,548,649** against a planned budget of **Kshs.10,948,133,478** representing a performance of **81.7 percent**. This expenditure comprised **Kshs.3,410,726,133** (95.9 percent) for personnel emoluments, **Kshs. 2,773,662,254 (109.9 percent)** for operations and **Kshs. 2,762,903,388 (56.7 percent)** for development expenditure. Table 9 and figure 2 shows actual expenditure by economic classification.

Table 9: Budget performance by economic classification

Economic Classification	Budget	Expenditure	Variance	Absorption
PE	3,550,256,735	3,402,983,007	-147,273,728	95.9%
O&M	2,523,050,559	2,773,662,254	250,611,695	109.9%
Total Rec	6,073,307,294	6,176,645,261	103,337,967	101.7%
DEV	4,874,826,184	2,762,903,388	-2,111,922,796	56.7%
Total	10,948,133,478	8,939,548,649	-2,008,584,829	81.7%

Source: County Treasury (Accounting services)

Analysis of Budget Absorption by Economic Classification

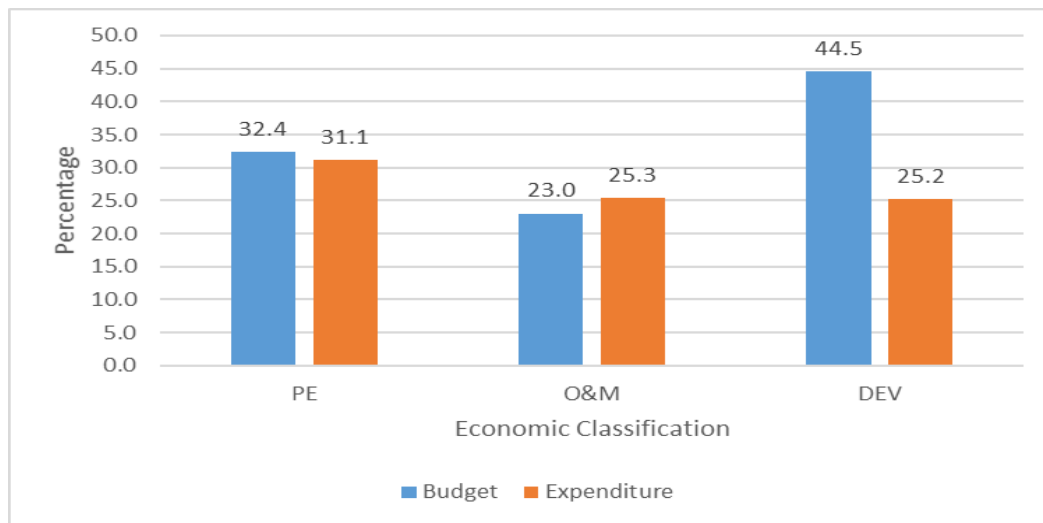


Figure 2: Budget performance by Economic Classification

From the above analysis, the variance from the overall expenditure against the budget was **Ksh. 2,008,584,829**. This variance was as a result of under collection of OSR, non-receipt from conditional allocation and unreconciled roll over and overstated equitable share equivalent to **Ksh.1,767,315,611**; bank balances as at 30th June 2025 in the County Revenue Fund (CRF) Account of **Ksh.214,031,026** and **Ksh.27,238,192** as outstanding commitments.

2.2.1.1: Expenditure per department

During the financial year under review, the County actual expenditure was **Kshs. 8,939,548,648** against a budget of **Kshs.10,948,133,478** creating a variance of **Ksh.2,008,584,829**. The overall absorption rate for the county was **81.7 percent** with the highest absorption rate experienced in the department of Finance and Economic Planning at **125.5 percent**. Low absorption rate for the department of water and Trade at **43.8 percent** and of **54.6 percent** respectively was occasioned by delay in disbursement of conditional grants under the two departments. Table 10 shows a comparative analysis between departmental budgeted and actual expenditure for the period under review:

Table 10: Departmental budget performance

Department	Recurrent	Development	Total	Actual Exp	Variance	Absorption(%)
County Assembly	801,348,339	544,762,151	1,346,110,490	892,058,724	-454,051,766	66.3
Governance, Administration and ICT	739,424,604	62,778,027	802,202,631	726,669,659	-75,532,972	90.6
Finance and Economic Planning	864,756,557	58,973,185	923,729,742	1,159,604,065	235,874,323	125.5
Agriculture, Food Security, Livestock and Blue Economy	336,714,775	411,410,417	748,125,192	551,429,260	-196,695,932	73.7
Water,Irrigation, Environment, Climate Change & Natural Resources	88,208,148	710,782,180	798,990,328	350,269,042	-448,721,286	43.8
Education, Youth Affairs, Gender and Social Services	373,600,166	469,160,827	842,760,993	618,753,853	-224,007,140	73.4
Health and Sanitation	2,253,339,757	499,212,470	2,752,552,227	2,522,694,121	-229,858,106	91.6
Lands, Physical Planning, Housing and Urban Development	222,424,371	197,320,823	419,745,194	301,159,954	-118,585,240	71.7
Public Works, Energy, Roads and Transport	123,554,437	1,194,250,065	1,317,804,502	1,202,857,459	-114,947,043	91.3
Trade, Cooperatives, Enterprise and Industrialization	140,989,793	572,287,035	713,276,828	389,603,286	-323,673,542	54.6
Tourism, Culture, Sports and Arts	128,946,347	153,889,004	282,835,351	224,449,227	-58,386,124	79.4
Total	6,073,307,294	4,874,826,184	10,948,133,478	8,939,548,650	-2,008,584,828	81.7

Source: County Treasury (Accounting services)

Analysis of overall Expenditure Against Budget

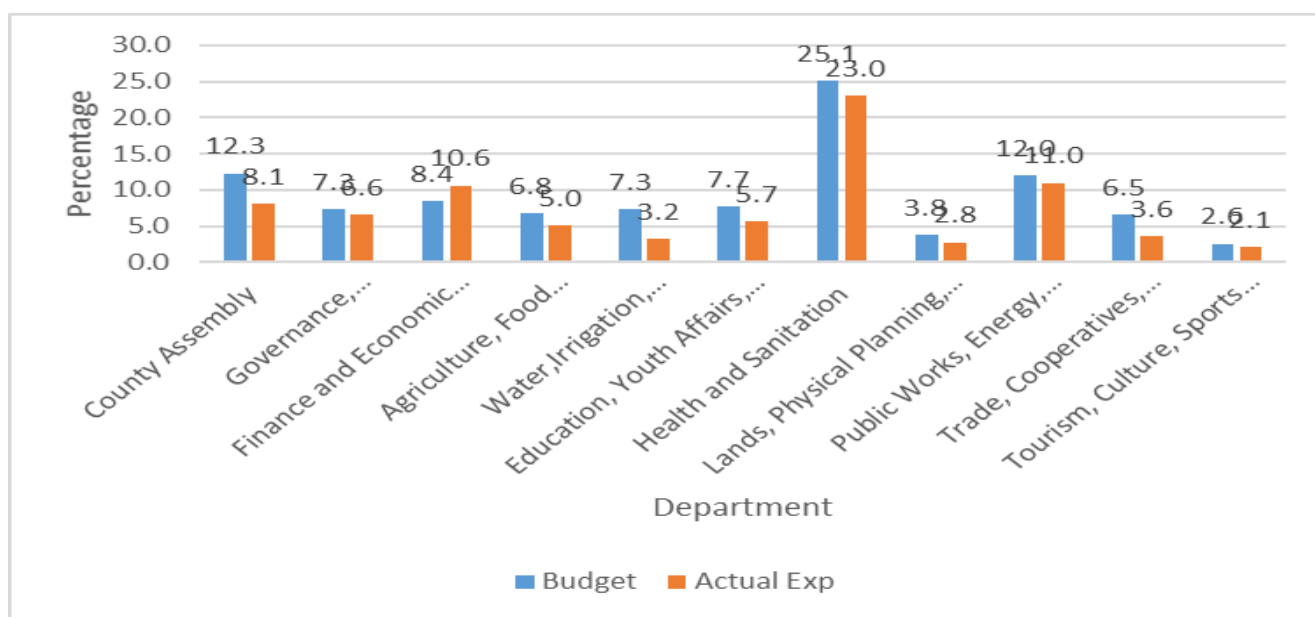


Figure 3: Overall expenditure against budget

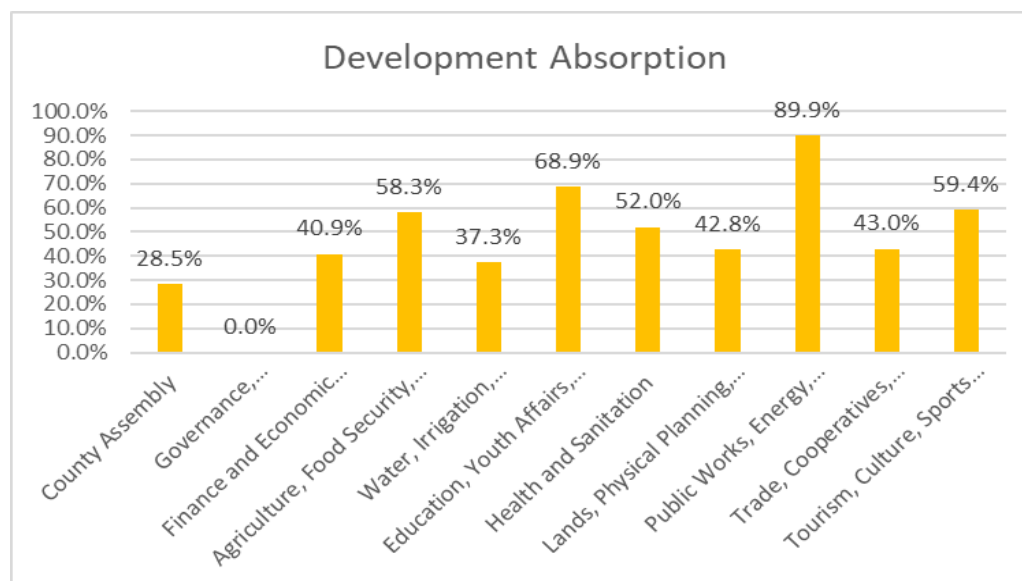
2.2.1.2: Development Expenditure

Actual expenditure on development budget was **Kshs.2,674,325,435** against budget of **Kshs. 4,874,826,184** resulting into **56.7 percent** absorption of development funds. Notably, the low absorption of funds for the department of Governance, Administration and ICT was attributed to delayed completion of construction of the Sub-County offices hence carried forward to FY2025/26. Generally low absorption in other departments is attributed to late procurement of projects, delayed release of grants, erratic disbursement of funds by National Treasury and delayed approval of supplementary budget estimates for FY 2024/25 as captured in table 11;

Table 11: Departmental Development budget performance

Department	Budget A	Actual Expenditure B	Variance C=(B-A)	Absorption D=(B/A)*100
County Assembly	544,762,151	155,002,521	-389,759,630	28.5%
Governance, Administration and ICT	62,778,027	0	-62,778,027	0.0%
Finance and Economic Planning	58,973,185	24,123,121	-34,850,064	40.9%
Agriculture, Food Security, Livestock and Blue Economy	411,410,417	239,657,747	-171,752,670	58.3%
Water, Irrigation, Environment, Climate Change & Natural Resources	710,782,180	265,338,562	-445,443,618	37.3%
Education, Youth Affairs, Gender and Social Services	469,160,827	323,116,844	-146,043,983	68.9%
Health and Sanitation	499,212,470	259,836,113	-239,376,357	52.0%
Lands, Physical Planning, Housing and Urban Development	197,320,823	84,479,288	-112,841,535	42.8%
Public Works, Energy, Roads and Transport	1,194,250,065	1,073,957,122	-120,292,943	89.9%
Trade, Cooperatives, Enterprise and Industrialization	572,287,035	246,036,422	-326,250,613	43.0%
Tourism, Culture, Sports and Arts	153,889,004	91,355,649	-62,533,355	59.4%
Total	4,874,826,184	2,762,903,389	-2,111,922,795	56.7%

Analysis of Development Expenditure



2.1.1.2: Recurrent Expenditure

a) Personnel Emolument

The actual expenditure on PE during the period under review was **Kshs. 3,402,983,007** against a budgetary allocation of **Kshs.3,550,256,735**. The expenditure constituted **95.9 percent** of budgetary allocation to PE for the said period. Table 12 shows a comparative analysis of the departmental budgeted and actual expenditures on recurrent.

Table 12: PE budget performance

Department	PE	Actual	Variance	Absorption
	A	B	C=(B-A)	D=(B/A)*100
County Assembly	392,612,548	330,320,412	-62,292,136	84.1%
Governance, Administration and ICT	473,932,973	461,178,028	-12,754,945	97.3%
Finance and Economic Planning	381,382,674	371,118,533	-10,264,141	97.3%
Agriculture, Food Security, Livestock and Blue Economy	226,812,392	220,708,196	-6,104,196	97.3%
Water, Irrigation, Environment, Climate Change & Natural Resources	29,464,572	28,671,593	-792,979	97.3%
Education, Youth Affairs, Gender and Social Services	202,533,965	197,083,174	-5,450,791	97.3%
Health and Sanitation	1,616,683,280	1,573,173,527	-43,509,753	97.3%
Lands, Physical Planning, Housing and Urban Development	77,977,706	75,879,094	-2,098,612	97.3%
Public Works, Energy, Roads and Transport	40,491,695	39,401,943	-1,089,752	97.3%
Trade, Cooperatives, Enterprise and Industrialization	65,531,734	63,768,080	-1,763,654	97.3%
Tourism, Culture, Sports and Arts	42,833,196	41,680,427	-1,152,769	97.3%
Total	3,550,256,735	3,402,983,007	-147,273,728	95.9%

Source: County Treasury (Accounting services)

b) Operations and Maintenance

Actual expenditure on O&M in FY 2024/25 was **Kshs.2,773,662,254** against budgetary provision of **Kshs. 2,523,050,559**. The expenditure constituted **109.9 percent** absorption on allocation to O&M for the said period. Table 13 show a comparative analysis of the departmental budgeted and actual expenditures on O&M.

Table 13: O&M budget performance

Department	Budget	Actual	Variance	Absorption
County Assembly	408,735,791	406,735,791	(2,000,000)	99.5
Governance, Administration and ICT	265,491,631	265,491,631	(0)	100.0
Finance and Economic Planning	483,373,883	764,362,411	280,988,528	158.1
Agriculture, Food Security, Livestock and Blue Economy	109,902,383	91,063,316	(18,839,067)	82.9

Department	Budget	Actual	Variance	Absorption
Water,Irrigation, Environment, Climate Change & Natural Resources	58,743,576	56,258,887	(2,484,689)	95.8
Education, Youth Affairs, Gender and Social Services	171,066,201	98,553,835	(72,512,366)	57.6
Health and Sanitation	636,656,477	689,684,482	53,028,005	108.3
Lands, Physical Planning, Housing and Urban Development	144,446,665	140,801,572	(3,645,093)	97.5
Public Works, Energy, Roads and Transport	83,062,742	89,498,394	6,435,652	107.7
Trade, Cooperatives, Enterprise and Industrialization	75,458,059	79,798,784	4,340,725	105.8
Tourism, Culture, Sports and Arts	86,113,151	91,413,151	5,300,000	106.2
Total	2,523,050,559	2,773,662,254	250,611,695	109.9

2.2 Review of Fiscal Performance against Fiscal Strategy Paper FY2024/25

The County Fiscal Strategy Paper (CFSP)-2024 informed the preparation of the FY2024/25 budget as required by the provisions of Public Finance Management Act (PFMA), 2012. Strategic priorities in the budget are therefore drawn from the CFSP with minimal variations across all sectors to address emerging issues. These priorities are anchored on three broad pillars namely: Enablers Pillar, Social Pillar and Economic Pillar. Table 14 provides analysis of CFSP allocation against the actual budget and the resultant deviation.

Table 14: Analysis of CFSP allocation versus the Budget

Department	Ceiling CFSP=B	Budget Estimates=C	Variances=(C-B)
County Assembly	2,542,621,648	2,729,034,197	186,412,549
Governance, Administration and ICT	996,601,953	755,702,631	-240,899,322
Finance and Economic Planning	866,124,295	1,202,718,267	336,593,972
Agriculture, Food Security, Food, Livestock & Blue Economy	866,560,564	693,879,477	-172,681,087
Water, Irrigation, Environment, Climate Change & Natural Resources	489,529,084	509,099,479	19,570,395
Education, Youth Affairs, Gender & Social Services	593,844,683	618,345,475	24,500,792
Health and Sanitation	2,542,621,648	2,729,034,197	186,412,549
Lands, Physical Planning, Housing and Urban Development	240,200,533	216,543,879	-23,656,654
Public Works, Energy, Roads and Transport	704,252,653	1,402,046,158	697,793,505
Trade, Cooperatives, Enterprise and Industrialization	309,287,322	631,347,183	322,059,861
Tourism, Culture, Sports, ICT and Arts	296,487,745	305,080,685	8,592,940
Total	10,448,132,128	11,792,831,628	1,344,699,500

2.2.1 Enablers Pillar

This pillar consisted of Governance, Administration and ICT; Public Works, Energy, Roads and Transport; Lands, Physical Planning, Housing and Urban Development and the County Assembly sectors. To implement the priorities in this pillar in the CFSP-2024, it was allocated **Kshs.2,604,799,433** while in the budget the allocation was **Kshs.3,402,403,158** resulting into a positive variance of **Kshs.797,603,725**. This variance has been attributed to emerging priorities in the County Assembly and Roads, Public Works, Energy and Transport sectors as well as ceiling set by County Allocation on Revenue Act (CARA)-2024 on recurrent expenditures for Governance and

Administration sector. The sectoral priorities and changes in allocations in CFSP and budgetary estimates are as captured below:

County Assembly

The sector executes its mandate around the following programmes: Legislation and Representation, Legislative Oversight and General administration, planning and support services.

In the CFSP 2024, the sector's key priority areas were: Construction of the County Assembly Complex, upgrade of the Biometric Attendance and Access Control, development and upgrade of the Committee Members' Attendance and Allowance Management and Hansard system installing a Solar Power Back-up supply for the Hansard system, upgrading of LAN, improvements of the ward offices' infrastructure.

To implement the above priorities, the sector was allocated **Kshs.1,015,348,339** comprising **Kshs.825,348,339** and **Kshs.190,000,000** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs. 1,028,110,490** comprising **Kshs. 801,348,339** and **Kshs.226,762,151** for recurrent and development expenditures respectively, leading to a positive variance of **Kshs. 12,762,151** attributed to additional development priorities which emerged during budgeting.

Governance, Administration and ICT

The sector executes its mandate around the following programmes: County Executive Administration, County Public Service Board, and Coordination of devolved units, Human Capital Management, Monitoring and Evaluation, Office of the County Attorney, Communication & Public Relations and ICT. The key priority areas for the sector in the CFSP 2024 were: Kenya Devolution Support Project (KDSP) II, construction of Sub County offices (2No.), construction of ward offices (5No.)

Strengthening of Information and communication services to improve county visibility, establishing village councils and disaster response centres, Leveraging on ICT as a key pillar in service delivery, Capacity and skills development/improvement, Publication of county bills and legislations, Review and signing of MOUs and agreements, Out of court settlements, Ensured that there is a Functional and a Productive Public Service, Enhanced Human Resource management within the County

To implement the above priorities in the CFSP, the sector was allocated **Kshs.996,601,953** comprising **Kshs.604,838,916** and **Kshs.40,158,992** for recurrent and development respectively. During budgeting

the allocation was **Kshs.755,702,631** comprising **Kshs.739,424,604** and **Kshs.16,278,027** for recurrent and development expenditure respectively, leading to a negative variance of **Kshs. 240,899,322** which is attributed to the reorganization and costing of the sectoral priorities.

Lands, Physical Planning, Housing and Urban Development

The sector coordinates implementation of the following programmes: General Administration, Planning and Support Services; Physical planning; Land surveying and mapping; Housing and Urban Development. The sector's key priority areas in the CFSP 2024 were, Establishment of GIS lab estimated, Implementation of Spatial Plan (Blue Economy zoning plans, Regulations on Land Subdivisions and Development Control Policy), Preparation of valuation roll, Processing of title deeds for public land, Preparation of affordable Housing Master Plan and 3D model, Designing Lake Kanyaboli/Eco-City, Storm water drainage at Usenge.

To implement the above priorities in the CFSP 2024, the sector was allocated **Kshs.240,200,533** comprising **Kshs.170,705,253** and **Kshs.69,495,280** for recurrent and development respectively. During budgeting, the sector was allocated **Kshs.216,543,879** comprising **Kshs.123,087,776** and **Kshs.93,456,103** for recurrent and development expenditures respectively, leading to a negative variance of **Kshs. 23,656,654** which has been attributed to priority shift to other sectors.

Public Works, Energy, Roads and Transport

The sector is mandated to: Construct and Maintain County roads and bridges; offer technical supervision of all County Public Works; regulate County Public Transport including ferries, jetties, airstrips, harbours; offer quality assurance in the built environment; put in place strategies to provide environment friendly sources of energy; Standards Control and Maintenance of County Buildings. The sector's key priorities in the CFSP 2024 were: Maintenance of existing roads (grading and gravelling, bush clearing and maintenance of culverts) ,Road Maintenance Levy Fund (RMLF)-Grant, Co-Funding Component Last Mile Electricity Connectivity @ Kes 5m per Subcounty, Phased of upgrading to Bitumen standard-Usenge market ring road, Phased of upgrading to Bitumen standard-Akala market ring road, Phased of upgrading to Bitumen standard-Ndori market ring road, Phased of upgrading to Bitumen standard-Sega market ring road, Maintenance of 2 jetties (Asembo Bay and Usenge).

To implement the above priorities in the CFSP 2024, the sector was allocated **Kshs.704,252,653** comprising **Kshs.196,855,437** and **Kshs.507,397,216** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs.1,402,046,158** comprising **Kshs.133,554,437** and **Kshs.1,268,491,721** for recurrent and development expenditures respectively,

leading to a positive variance of **Kshs.697,793,505** attributed to development priorities which emerged within the sector during budgeting.

2.2.2 Economic Pillar:

This pillar consisted of Enterprise and Industrial Development; Financial Services; Tourism, Culture and Sports; and Agriculture, Irrigation, Food, Livestock and Fisheries sectors. To implement the priorities in this pillar in CFSP-2024, it was allocated **Kshs.2,338,459,926** while in the budget the allocation was **Kshs.2,833,025,612** leading to a positive variance of **Kshs.494,565,686**. This variance has been attributed to transfer of sports function to Tourism, Culture and Arts sector in economic pillar from social pillar during budgeting and costings of priorities. The sectoral priorities and changes in allocations in CFSP and budgetary estimates are as captured below:

Finance and Economic Planning

The sector implements the following programmes: Financial Services; Economic Planning Services and General Administration, Planning and Support Services. The sectoral key priority areas in the CFSP 2024 were: Enhancing human resource capacity through recruitment, promotion, Emolument and training, Routine operations, maintenance and repair of buildings, equipment and machinery, Revenue automation, Budget and Economic Planning; Resource Mobilization; Internal Audit; Accounting Services; Supply Chain Management; Public Participation and Strategy, Monitoring and Evaluation. The sector envisioned an efficient financial management system; quality planning and research; public policy formulation, coordination and supervision.

To implement the above priorities in CFSP-2023, the sector was allocated **Kshs.866,124,295** which comprises **Kshs.836,845,523** and **Kshs.29,278,772** for recurrent and development expenditures respectively in the fiscal strategy paper. The allocation in the budget was **Kshs.1,202,718,267** comprising **Kshs.1,145,745,082** and **Kshs.56,973,185** for recurrent and development expenditures respectively leading to a positive variance of **Kshs.336,593,972**. This variance has been attributed to reorganization of the priorities and costing within the sector.

Agriculture, Food Security, Livestock and Blue Economy

The sector is organized around the following programmes namely: crop and land management; livestock management and development; fisheries development and animal health.

The sector's key priority in the CFSP 2024 were: Provide for operational tools and equipment; co funding for other partner support (grants) and National Fisheries celebration programmes, Operationalization of Madiany ginnery, completion of Yala and Usonga slaughterhouses, establishment of lakefront surveillance unit and boat, Sub County advisory and extension hubs (6No.), Vaccination and disease control, Fertilizer subsidy, Mechanization services, construction of modern fish market in Misori ,Breed Improvement AI services, Certified seeds subsidy, implementation of ward specific projects, implementation of Aquaculture Business Development Project (ABDP)-Grant, Kenya Livestock Commercialization Project (KELCOP)-Grant, IDA-National Agricultural Value Chain Development Project (NAVCDP)-Grant

To implement the above priorities in the CFSP, the sector was allocated **Kshs.866560564** comprising **Kshs.332156939** and **Kshs.534403625** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs.693,879,477** comprising **Kshs.321,914,775** and **Kshs.371,964,702** for recurrent and development expenditures respectively, leading to a negative variance of **Kshs. 172681087** attributed to reorganization of priorities and transfer of funds from other sectors.

Trade, Cooperatives, Enterprise and Industrialization

The sector implements the following programmes: Trade Development and Promotion; Fair Trade Practices and Consumer Protection; Cooperative Governance and Accountability; Alcoholic Drinks Control; Waste management; General Administration, Planning and Support Services. The sector's key priorities in the CFSP 2024 were: Provide for operational tools and equipment, disbursement of CDF to Cooperative society for improved cooperative sector operations, construction and maintenance of market infrastructure with potential of revenue generation development of County Investment Profile (including Investment conference), acquisition of dumpsite, rehabilitation of 20 stalled cottage industries.

To implement the above priorities in the CFSP, the sector was allocated **Kshs.309,287,322** comprising **Kshs.175,209,989** and **Kshs.134077333** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs.631,347,183** comprising **Kshs.153,989,793** and **Kshs.477,357,390** for recurrent and development expenditures respectively, leading to a positive

variance of **Kshs.322,059,861** attributed to reorganization and costing of priorities within the sector including CAIP

Tourism, Culture, Sports and Arts

The sector executes its mandate around the following programmes: Tourism infrastructure development; Cultural performances and exhibitions; Talent Promotion and Training of tourism industry stakeholders, Sports development. The sectoral priorities in the CFSP were; Provision for operational tools and equipment, completion of Siaya Stadium, development of Migwena Stadium (Design-Architectural and structural), improvement of sports ground (Nyilima, Bondo complex, Akala, Nyilima, Uhembo and Mahaya), County Branding (Installation of Gantry at key entry Points.

To implement the above priorities, the sector was allocated **Kshs.296,487,745** in the CFSP comprising **Kshs.156,987,745** and **Kshs.139,500,000** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs.305,080,685** comprising **Kshs.140,246,347** and **Kshs.164,834,338** for recurrent and development expenditures respectively leading to a positive variance of **Kshs.8,592,940** attributed to shifting of resources to other priorities areas including Piny Luo, Migwena stadium and completion of Siaya Stadium.

2.2.3 Social Pillar

This pillar constituted Health and Sanitation; Education, Youth Affairs, Gender and Social Service; and Water, Environment and Natural Resources. To implement the priorities in this pillar in the CFSP-2024, it was allocated **Kshs.3,625,995,415** while in the budget the allocation was **Kshs.4,109,076,128** leading to a positive variance of **Kshs.483,080,713**. This variance is attributed to priority shift to Water, Environment and Natural Resources and Health sectors from other sectors. The sectoral priorities and changes in allocations in CFSP and budgetary estimates are as captured below:

Water, Irrigation, Environment, Climate Change and Natural Resources

The sector is organized around three programmes of Water resources development and management, Natural resources conservation and management and general administration, planning and support services. The strategic priorities for the sector in the CFSP-2024 were, Provision of other operational tools (1 motor vehicle and 3 motorcycles), equipment, development of water master plan, framework for County tree growing movement, implementation of last mile water connectivity (Ugunja-Sega-

Ukwala) by converting parts of Sigomre-Ugunja, North Ugenya, Ukwala and West Ugenya (Phase 1), revamping of old water schemes estimated at Kshs.63,000,000 (see annex 1), support to SIBOWASCO managed schemes, provision for Pending Bills, WIP and Donor Funds, implementation of ward-based water projects, FLLoCA-County Climate Resilient Grant (CCRG)-Grant.

To implement the above priorities in the CFSP-2024, the sector was allocated **Kshs.489,529,084** comprising **Kshs.75,884,141** and **Kshs.413,644,943** for recurrent and development expenditures respectively. During budgeting the sector was allocated **Kshs.618,345,475** comprising **Kshs.87,628,148** and **Kshs.530,717,327** for recurrent and development expenditures respectively leading to a positive variance of **Kshs.128,816,391** attributed to shift of development priorities from other sectors.

Education, Youth Affairs, Gender and Social Services

The sector's mandate is anchored on the following programmes: County Pre-Primary Education, Vocational Education, Youth Training and Development, County Social Security and Services; General Administration, Planning and Support Services.

The key priority areas for the sector in the CFSP were; Provision of other operational tools and equipment (including Bursary Kshs.120,000,000), equipping with Digital equipment ECDE centres, construction of 2 model ECDE centres in Siaya and Bondo Municipalities, establishment of pre-primary feeding programme, completion of ongoing ECDE centres, construction of GBV rescue facility, renovation of Polytechnics/VTC (infrastructure and equipping), completion and equipping of sheltered workshop in Rarieda, preparation of regulation on Siaya Disability Act 2022, supporting trainees through SVTCSG estimated at Kshs.20,000,000, construction of social hall.

To implement the above priorities in CFSP, the sector was allocated **Kshs.593,844,683** comprising **Kshs.362,800,166** and **Kshs.231,044,517** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs.761,696,456** comprising **Kshs.302,325,976** and **Kshs.459,370,480** for recurrent and development expenditures respectively leading to a positive

variance of **Kshs.167,851,773** attributed to reorganization of recurrent expenditures and development priorities which emerged during budgeting.

Health and Sanitation

The sector executes its mandate around three programmes namely: Curative and Rehabilitative services; Preventive and Promotive health care services, General Administration, Planning, Monitoring and Evaluation.

The priority areas for the sector in the CFSP were: Operations and Maintenance (O&M) including health commodities, modernizing Siaya Referral Hospital (SRH) to achieve level 5 facility status by construction of Hospital Complex (MULTI-YEAR PROJECT), construction of casualty and maternity complex at Yala Subcounty, improvement of hospital and installation of back-up generators for Ukwala (to include construction of generator-house), construction and equipping of maternity theatre complex and laboratory at Sigomere, construction and equipping of a mortuary at Rwambwa hospital, establishing MRI equipment at Siaya County Referral Hospital, construction of inpatient complex at Bar Ndege (Multi-year project), Urenga hospital matching funds provision.

To implement the above priorities in the CFSP, the sector was allocated **Kshs.2,542,621,648** comprising **Kshs.224,069,310** and **Kshs.301,928,545** for recurrent and development expenditures respectively. During budgeting, the sector was allocated **Kshs.2,729,034,197** comprising **Kshs.2,306,769,616** and **Kshs.422,264,581** for recurrent and development expenditures respectively leading to a positive variance of **Kshs.186,412,549** attributed to reorganization of both recurrent and development priorities within the sector with a slight shift of resources from other sectors

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Section Three

Recent Economic Developments and Outlook

3.0: Introduction

The chapter outlines recent economic development focusing on the International, Domestic and County scenes. Additionally, the chapter gives a summary of macroeconomic outlook expected to positively or negatively affect national and county socio-economic performance in the foreseeable future.

3.1: Recent Economic Development

3.1.1: International Scene

Only six months ago, a “soft landing” appeared to be in sight: the global economy was stabilizing after an extraordinary string of calamities both natural and man-made over the past few years. That moment has passed. The world economy today is once more running into turbulence. Without a swift course correction, the harm to living standards could be deep. International discord about trade, in particular, has upended many of the policy certainties that helped shrink extreme poverty and expand prosperity after the end of World War II. This year alone, our forecasts indicate the upheaval will slice nearly half a percentage point off the global GDP growth rate that had been expected at the start of the year, cutting it to 2.3 percent. That’s the weakest performance in 17 years, outside of outright global recessions. By 2027, global GDP growth is expected to average just 2.5 percent in the 2020s—the slowest pace of any decade since the 1960s.

The 2025 *Global Economic Prospects report* makes it clear that the poorest countries will suffer the most. By 2027, the per capita GDP of high-income economies will be roughly where it had been expected to be before the COVID-19 pandemic. But developing economies would be worse off, with per capita GDP levels 6 percent lower. Except for China, it could take these economies about two decades to recoup the economic losses of the 2020s. This grim predicament did not arrive by stealth. It has been advertising itself for at least a decade. Growth in developing economies has now been ratcheting downward for three decades in a row—from an average of 5.9 percent in the 2000s to 5.1 percent in the 2010s to 3.7 percent in the 2020s. That happens to track the declining trajectory of

growth in global trade—which has fallen from an average of 5.1 percent in the 2000s to 4.6 percent in the 2010s to 2.6 percent in the 2020s. Investment, meanwhile, has been growing at a progressively weaker pace. But debt is piling up.

In short, many of the forces behind the great economic miracle of the last 50 years—when per capita GDP in developing countries nearly quadrupled and more than 1 billion people escaped extreme poverty—have swung into reverse. Conditions that might have facilitated relatively painless policy corrections have come and gone—the record-low interest rates that prevailed in the first two decades of this century, for example, are now a thing of the past. Through it all, policymakers mostly stood still, hoping that conditions would somehow improve on their own. That was a false hope, but it is never too late to do the right thing. This report outlines three priorities: First, *rebuild trade relations*. The evidence is clear: economic cooperation is better than any of the alternatives—for all parties. Our analysis suggests that if today’s trade disputes were resolved with agreements that halve tariffs relative to their levels in late May, 2025, global growth could be stronger by about 0.2 percentage point on average over the course of 2025 and 2026.

Most developing economies today tend to have far higher tariffs than high-income economies. If their goal is to accelerate growth, their best course of action will be to lower tariffs with respect to *all* trading partners. Converting preferential trade agreements—mainly involving tariffs—into “deep trade agreements” that span the full range of cross-border regulatory policies could also juice GDP growth. Developing economies also have a crucial role to play in restoring a fully functional, rules-based trade system, specifically through the World Trade Organization (WTO).

Predictability cuts trade costs, which in turn boosts GDP growth. Second, *restore fiscal order*. It’s fair to say that the succession of economic shocks in the 2020s has made a mess of government finances in many developing economies. But they were hardly the sole cause: in the era of easy money that preceded the COVID-19 pandemic, governments opted to take too many risks for far too long. The bill is now due: fiscal deficits so far in the 2020s have averaged nearly 6 percent in developing economies, the highest level of this century. Interest costs alone account for about a third of the deficits. In low-

income countries, the budget squeeze has been intensified by a drop in foreign aid, which finances a big share of critical needs such as health care. It should be no surprise that more than half of low-income countries are now either in debt distress or at high risk of it. Developing economies need to expand their fiscal room to maneuver. They have a lot of work to do in this regard, because they collect far less in revenues than high-income economies do—about 25 percent of GDP compared with nearly 40 percent of GDP in the wealthiest economies. They should step up efforts to mobilize greater domestic resources—by broadening the tax base and strengthening tax administration and collection to reduce tax avoidance and profit shifting. They can also reap significant gains by narrowing the focus of costly food and fuel subsidies, channeling them simply toward low-income households. Third, *accelerate job creation*.

Across the world, a historic demographic shift is underway—one that is intensifying the need for jobs in many of the poorest countries. Sub-Saharan Africa’s working age population is forecast to almost double by 2050, growing by more than 600 million, more than any region has ever experienced over a 25- year period. South Asia’s working-age population is expected to expand by nearly 300 million over the same timeframe, and the Middle East and North Africa’s by more than 100 million. Whether these regions succeed or fail in tackling the challenge will determine the outlook for long-term global peace and prosperity.

They will need to accelerate economic growth, upgrade the workforce’s education and skills, and set the stage for labor markets to function efficiently. The global economy today is at an inflection point. The forces that once drove economic convergence and lifted billions out of poverty are now in retreat. But this moment offers a chance to reset the agenda—with renewed global cooperation, restored fiscal responsibility, and a relentless focus on creating jobs. With decisive action, governments across the world can still regain the momentum of poverty reduction—and deliver rising living standards for the next generation.

3.1.2: Domestic Economy

Economic growth was at 5.5 percent in 2024 from 4.9 percent in 2023 mainly supported by a rebound in agriculture, which had faced two consecutive years of output decline owing to prolonged drought.

Other key drivers of 2025 growth included information and communication, transportation and storage, financial and insurance, real estate and accommodation and food service activities sectors. **(Source: The 2024 Mwananchi Budget Guide)**

3.1.3: County Economy

The County operates within the global and national economic framework. The global and national economic dynamics impact both directly and indirectly on county fiscal decisions and operations. National economic growth is a parameter that influences national government transfer to the counties. Therefore, the higher the GDP growth, the more allocation is expected to go to counties. Siaya County's Contribution to the National GDP is estimated at 1.2% with a recorded annual growth rate of 5.6%. The key drivers of the County's economic growth are Agriculture (45%), Manufacturing (5%), Jua Kali (10%), Wholesale and retail Trade (14.7%), Transport and storage (12.4%), Real Estate (1.8%) Construction (1.7%) and financial services (3.6%),

3.2: Medium Term Economic Outlook

3.2.1: Global Growth Outlook

Global growth is slowing due to a substantial rise in trade barriers and the pervasive effects of an uncertain global policy environment. Growth is expected to weaken to 2.3 percent in 2025, with deceleration in most economies relative to last year. This would mark the slowest rate of global growth since 2008, aside from outright global recessions. In 2026-27, a tepid recovery is expected, leaving global output materially below January projections. Progress by emerging market and developing economies (EMDEs) in closing per capita income gaps with advanced economies and reducing extreme poverty is anticipated to remain insufficient. The outlook largely hinges on the evolution of trade policy globally.

Growth could turn out to be lower if trade restrictions escalate or if policy uncertainty persists, which could also result in a build-up of financial stress. Other downside risks include weaker-than-expected growth in major economies with adverse global spillovers, worsening conflicts, and extreme weather events. On the upside, uncertainty and trade barriers could diminish if major economies reach lasting

agreements that address trade tensions. The ongoing global headwinds underscore the need for determined multilateral policy efforts to foster a more predictable and transparent environment for resolving trade tensions, some of which stem from macroeconomic imbalances. Global policy efforts are also needed to confront the deteriorating circumstances of vulnerable EMDEs amid prevalent conflict and debt distress, while addressing long-standing challenges, including the effects of climate change.

3.2.2: Domestic Growth Outlook

The economy is expected to remain vibrant in 2024, growing by 5.5 percent supported by a robust services sector, strong performance in agriculture and a decline in global commodity prices that is expected to reduce the cost of production. This outlook will be reinforced by implementation of policies and reforms under the priority sectors of the Bottom-Up Economic Transformation Agenda (BETA) and improvement in aggregate demand. The macroeconomic environment remains stable with inflation rate declining to 5.1 percent in May 2024 and 5.0 percent in April 2024 from a peak of 9.6 percent in October 2022 and is within target. The decline was largely driven by the easing of food and energy prices, pass-through effects of exchange rate appreciation, the impact of monetary policy tightening and Government interventions aimed at lowering the cost of production.

The Kenya Shilling exchange rate continues to stabilize against major international currencies due to improved market perception following the de-risking of the 2024 Euro bond, tightened monetary policy stance and significant reforms in the interbank foreign exchange market. Fiscal policy seeks to support BETA through continued implementation of a growth responsive fiscal consolidation plan designed towards slowing down public debt without compromising service delivery. The policy targets to progressively reduce the fiscal deficit from 5.7 percent of GDP in FY 2023/24 to 3.1 percent of GDP in FY 2027/28. This will be achieved through broadening the revenue base and containing non-priority expenditures while enhancing social safety nets.

3.2.3: County Growth Outlook

The County is organized in eight sectors with specific mandates to deliver services to the people. To spur development every sector will work aggressively in the FY2024/2025 and the medium term to

achieve the developmental objectives outlined in the CIDP 2023-2027. The fiscal deficit for the FY 2023/24 was attributed to low internal revenues and insufficient equitable share from National government have contributed to increased budget deficits in the County. Fiscal deficit has impacted negatively on county capital investment and savings. In the medium-term period, the government will seek to reduce its budget deficit by undertaking revenue administration reforms and seeking development partner assistance in financing key infrastructure development. Borrowing in the medium term is envisaged to address emerging cashflow and development priorities. Further, the government will seek to reduce recurrent expenditure (O&M) by scaling down non-core expenditures.

The effect of increase in the wage bill is that the fiscal space for development expenditure is crowded with recurrent expenses. The policy suggestions that can be implemented in the short and medium term, to tame the rising wage bill, include a review of recruitment practices and streamlining payroll and control systems (cleaning of payroll) in the county.

The County had a population of nine hundred and ninety-three thousand one eighty-three 993,183 people in 2019 (*KNBS Census Report 2019*). High population growth rate has and will continue to put a great deal of pressure on County government to increase current expenditures rapidly to create jobs for the unemployed. At the same time County government is faced with demands on its capital budgets and need to spend more for development purposes.

In addition, increasing urban population in Siaya, Bondo and Ugunja creates demands for social services: water, housing, education, sewerage, public lighting, roads, health, and fire protection among others. A large mass of unemployed or under-employed who live in these areas do not generate the output or tax revenues which are needed to provide these services. In the medium and long term, the County government will endeavour to create a balance in recurrent and development expenditure to address the issues of population pressure. In addressing labour demands, the government will make investment in labour intensive activities rather than those which are capital intensive. Further, increase in population growth experienced in the County has put pressure on food security more so in urban areas. The County government will invest some of its resources in food and nutrition programmes to address issues of malnutrition and food safety.

3.3 Risks to the Domestic Economic Outlook

There are downside risks to this macroeconomic outlook emanating from domestic as well as external sources. On the domestic front, the emergence of new Omicron COVID-19 variants may occasion restrictive measures. Other risks relate to lower agricultural output due to potential adverse weather conditions. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures, would put a strain to the fiscal space.

On the external front, the key downside risks include uncertainty about the global outlook, reflecting adverse effects of the war in Ukraine, inflationary risks (from rising prices of food and oil), and supply chain constraints as well as increased global financial markets volatility amid the tightening of monetary policy in advanced economies.

The Government has faced difficult policy trade-offs to secure economic recovery and navigate existing macroeconomic challenges amidst diminishing fiscal space. Among the fiscal measures implemented by Government to minimize the adverse impact of these emerging issues to the Kenyan economy and by extension County economy include, among others:

- Implemented Fertilizer Subsidy
- Housing project
- Hustler Fund
- Expand national tax base
- Universal Health Coverage

Section Four

4.0: Resource Allocation Framework

This section outlines how the County government intends to live within its means by establishing its resource envelop and how it intends to set departmental ceilings.

4.1: Adjustments to the FY2025/26 Budget

As implementation of the FY2025/26 Medium-Term Budget commences, there is need to review the projected revenues in order to take into account the lower-than-expected own source revenue performance of **Ksh. 286,490,684**; non-receipt of conditional grants of **Ksh.421,255,725**; unreconciled rollover of **Ksh.815,592,222** and the reduced equitable share of **Ksh.243,976,979**. Similarly, the roll-over balances of **Ksh. 961,813,235** captured in FY 2025/2026 shall be reconciled and adjusted to reflect the closing balances of **Ksh. 214,031,026** as at 30th June 2025. During the implementation of the FY 2024/2025 budget, there was a shortfall in the personal emolument budget equivalent to **Ksh. 299,644,692**. The shortfall was as a result of pending arrears and staff promotions that were due in the course of the financial year. Therefore, there is need to revise the budget estimates for the FY 2025/2026 by **Ksh.2,814,742,512** through a supplementary budget to address the fiscal deficit.

4.2: Projected Budget for FY 2026/27

The budget plays a central role in transformation by promoting redistribution and directing scarce resources towards catalytic investments in human and physical capital. But the budget depends on the economy to generate the resources to finance these investments. The budget framework for FY2026/27 will therefore focus on the need to complete and operationalise all ongoing projects focusing on impactful projects; reduce pending bills and focus on agriculture led industrialization to create high impact to the citizenry and economy as envisaged in the ‘Nyalore’ manifesto. Some impactful projects that the County has planned for in FY 2026/27 include;

- Promotion of agro based industrialization through commercial and industrial value chains such as cotton, rice, soya beans and ground nuts
- Full implementation of last mile water connectivity
- Implementation of school feeding programme in the ECDE centres

- Equipping and operationalization of model ECD
- Capitation to VTC students
- Adequate stocking of health care commodities (including tracer commodities) in the hospital
- Automation of revenue collection systems and preparation and implementation of Valuation Roll geared towards enhancement of local revenue

4.2.1: Projected Resource Envelop

The FY 2026/27 budget estimates will be financed by revenue from equitable share, Own Source Revenue (OSR), conditional grants from development partners and Appropriation In Aid (AIA). Based on projected national economic growth of 3.0 percent, equitable share has been projected at **Kshs.7,987,113,252** in FY 2026/27 and will increase to **Kshs.8,226,726,649** and **Kshs.8,473,528,449** in FY2027/28 and FY2028/29 respectively.

Own Source Revenue has been projected at **Kshs.781,234,591** in FY 2026/27 and will further increase to **Kshs.804,671,629** and **Kshs.828,811,778** in the FY2027/28 and FY2028/29 respectively. AIA is projected at **Kshs.1,198,765,406** in the FY 2026/27 and projected to increase to **Kshs.1,234,728,371** and **Kshs.1,271,770,222** in FY 2027/28 and FY 2028/29 respectively. Support from development partners in the form of conditional allocation is projected at **Kshs.990,990,537** in FY 2026/27 and projected to stagnate within the medium term. Table 15 captures the projections in the medium term:

Table 15: Projected revenue for FY 2026/27 and medium term

Revenue Stream	Baseline=FY 2025/26	Estimates=FY-2026/27	Projections	
			FY 2027/28	FY 2028/29
Equitable Share	7,754,478,885	7,987,113,252	8,226,726,649	8,473,528,449
Own Source Revenue (OSR)	1,916,155,414	781,234,591	804,671,629	828,811,778
Appropriation In Aid (AIA)	1,198,765,409	1,198,765,409	1,234,728,371	1,271,777,222
Conditional Grants	962,126,735	990,990,537	990,990,537	990,990,537
Total	11,831,526,443	10,958,103,789	11,257,117,186	11,565,100,986

It is worth noting that the projected revenue of **Kshs.10,958,103,789** in FY 2026/27 in this BROP has a negative deviation of **Kshs.2,796,803,087** from **Kshs.13,754,906,876** captured in the CADP 2026/27. The deviation is attributed to over projection of departmental ceiling in the CADP attributed to proposed agreements/frameworks that may not be concluded within the required timelines to allow

for their implementation in FY 2026/27 and should therefore be affirmed and aligned during the preparation of County Fiscal Strategy Paper (CFSP)-2025.

4.2.2: Projected Expenditure in FY 2026/27-2028/29

The following criteria will serve as a guide for allocating resources:

- i. Provision for non-discretionary expenditures like personnel emoluments and health commodities
- ii. Provision for Pending bills both recurrent and development
- iii. Provision for completion and operationalization of ongoing and stalled projects
- iv. Provision for departmental priorities which are linked to programmes in the CIDP 2023-2027 and Nyalore Manifesto.

4.2.2.1: Departmental provisional ceilings in FY 2026/27-2028/29

Based on the above criteria of apportioning resources, the County Government resource envelop of **Kshs.10,958,103,876** will be apportioned to recurrent expenditure at Kshs.7,126,598,741 (65.03 percent) and development at **Kshs.3,831,505,048** (34.97 percent). Table 16 below captures the projected expenditure for FY 2026/27 and the medium term

Table 16: Departmental Provisional ceiling for FY 2026/27-2028/29

Vote Title	Recurrent	Development	Total	% of Budget	Projections	
					2027/28	2028/29
County Assembly	786,692,650	100,279,206	886,971,856	8.1	975,669,042	1,073,235,946
Governance Administration and ICT	567,093,734	412,826,960	979,920,694	8.9	1,077,912,763	1,185,704,040
County Attorney	74,358,845		74,358,845	0.7	81,794,730	89,974,202
County Public Service Board	109,125,875		109,125,875	1.0	120,038,463	132,042,309
Finance and Economic Planning	946,277,418	80,000,000	1,026,277,418	9.4	1,128,905,160	1,241,795,676
Agriculture, Irrigation, Food Security, Livestock & Fisheries	301,896,118	410,014,299	711,910,417	6.5	783,101,459	861,411,605
Water, Sanitation, Environment, Climate Change and Natural Resources	98,972,864	461,973,211	560,946,075	5.1	617,040,683	678,744,751
Education, Youth Affairs, Gender and Social Services	396,543,232	441,818,742	838,361,974	7.7	922,198,171	1,014,417,989
Health	2,907,832,913	425,704,594	3,333,537,507	30.4	3,666,891,258	4,033,580,383
Lands, Physical Planning, Housing and Urban Development	143,340,084	124,145,928	267,486,012	2.4	294,234,613	323,658,075
Siaya Municipality	103,192,169	143,006,153	246,198,322	2.2	270,818,154	297,899,970
Bondo Municipality	68,257,978	91,200,000	159,457,978	1.5	175,403,776	192,944,153
Ugunja Municipality	56,846,350	79,832,766	136,679,116	1.2	150,347,028	165,381,730

Vote Title	Recurrent	Development	Total	% of Budget	Projections	
					2027/28	2028/29
Public Works, Energy, Roads and Transport	127,659,934	723,983,214	851,643,148	7.8	936,807,463	1,030,488,209
Trade, Enterprise and Industrialization	289,532,030	211,220,850	500,752,880	4.6	550,828,168	605,910,985
Tourism, Culture, Sports and Arts	148,976,547	125,499,125	274,475,672	2.5	301,923,239	332,115,563
Total	7,126,598,741	3,831,505,048	10,958,103,789	100	12,053,914,168	13,259,305,585
% of Budget	65.03	34.97				

4.2.2.2: Projected Recurrent Expenditure

Recurrent expenditure is projected at **Kshs.7,126,598,741** accounting for 65.03 percent of the total projected revenues for the FY2026/27. Personnel Emolument (PE) is projected at **Kshs.4,241,328,161** at 38.70 percent and Operation and Maintenance at **Kshs.2,885,270,580** at 26.33 percent. Department of Health is projected to get the highest allocation at 40.80 percent due to its recurrent resource requirement specifically human resource which consumes a bigger chunk of their recurrent budget. Department of Finance is projected to receive 13.28 percent of recurrent allocation to facilitate the process of automation of revenue systems, preparation of statutory planning, policy and budgeting documents including facilitating the operations of Audit committee and County Budget and Economic Forum (CBEF). County Assembly is projected to get 11.04 percent of the revenue to facilitate and enhance legislation, representation and oversight functions. Allocations to municipalities (Siaya, Bondo and Ugunja) have also been enhanced to facilitate operations and service delivery with focus on the transferred functions. Table 17 shows the projected departmental recurrent expenditures for FY 2026/27 and medium term:

Table 17: Projected Recurrent Expenditure for FY 2026/27-2028/29

Vote Title	PE 2026/27	O&M 2026/27	Recurrent	% of Budget
County Assembly	404,390,924	382,301,726	786,692,650	11.04
Governance Administration and ICT	545,981,499	21,112,235	567,093,734	7.96
County Attorney	20,008,000	54,350,845	74,358,845	1.04
County Public Service Board	46,470,819	62,655,056	109,125,875	1.53
Finance and Economic Planning	274,244,384	672,033,034	946,277,418	13.28
Agriculture, Irrigation, Food Security, Livestock & Fisheries	190,103,735	111,792,383	301,896,118	4.24
Water, Sanitation, Environment, Climate Change and Natural Resources	38,626,384	60,346,480	98,972,864	1.39

Vote Title	PE 2026/27	O&M 2026/27	Recurrent	% of Budget
Education, Youth Affairs, Gender and Social Services	394,412,925	2,130,307	396,543,232	5.56
Health	2,032,596,830	875,236,083	2,907,832,913	40.80
Lands, Physical Planning, Housing and Urban Development	40,439,068	102,901,016	143,340,084	2.01
Siaya Municipality	30,246,356	72,945,813	103,192,169	1.45
Bondo Municipality	26,000,000	42,257,978	68,257,978	0.96
Ugunja Municipality	20,764,350.00	36,082,000	56,846,350	0.80
Public Works, Energy, Roads and Transport	49,307,732	78,352,202	127,659,934	1.79
Trade, Enterprise and Industrialization	94,328,971	195,203,059	289,532,030	4.06
Tourism, Culture, Sports and Arts	33,406,184	115,570,363	148,976,547	2.09
Total	4,241,328,161	2,885,270,580	7,126,598,741	100.00

5.2.2.3: Projected Development Expenditure

Development expenditure is projected at **Kshs.3,831,505,048** which is 34.97 percent of the total projected revenues for the FY2026/27. Departments of public works, Energy, Roads and Transport; Water, Environment, Climate Change and Natural Resources and Agriculture, Irrigation, Food Security, Livestock and Fisheries is projected to receive 18.90 percent, 12.06 percent and 11.53 percent of total development budget respectively. Table 18 captures the projected departmental development expenditures for FY2026/27 and within the medium term.

Table 18: Projected development expenditures for FY 2026/27-2028/29

Vote Title	Development	% of Budget
County Assembly	100,279,206	2.6
Governance Administration and ICT	412,826,960	10.8
County Attorney		0.0
County Public Service Board		0.0
Finance and Economic Planning	80,000,000	2.1
Agriculture, Irrigation, Food Security, Livestock & Fisheries	410,014,299	10.7
Water, Sanitation, Environment, Climate Change and Natural Resources	461,973,211	12.1
Education, Youth Affairs, Gender and Social Services	441,818,742	11.5
Health	425,704,594	11.1
Lands, Physical Planning, Housing and Urban Development	124,145,928	3.2
Siaya Municipality	143,006,153	3.7
Bondo Municipality	91,200,000	2.4
Ugunja Municipality	79,832,766	2.1
Public Works, Energy, Roads and Transport	723,983,214	18.9
Trade, Enterprise and Industrialization	211,220,850	5.5
Tourism, Culture, Sports and Arts	125,499,125	3.3
Total	3,831,505,048	100