



Kitui County Government

**CFSP**

# **KITUI COUNTY FISCAL STRATEGY PAPER**

**2024-2025**



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

## FOREWORD

Kitui County Fiscal Strategy Paper (CFSP) FY 2024/25 builds direct linkages between policies, plans, and budgets, and sets the County Government priority programs to be implemented through the medium-term period 2024/25–2026/27. It provides an overview of recent economic development and outlook as well as expenditure ceilings for County Departments, units, and agencies and detailed guidelines that are aimed at structuring County Government expenditure towards prevalence areas. The programs and policies herein reflect the concerns of the Kitui Citizenry and are anchored under the CIDP 2023-2027, the 16-point governor’s manifesto, and the approved 2024/25 Annual Development Plan.

The theme for development for FY 2024/25 is “*Accelerating Kitui Economic and Social Transformation Agenda (KESTA)*”. Kitui County Government has prioritized programs aimed at increasing household income. This will be through accelerating rural economic development through investment in the productive sectors of the economy, Promotion of savings and investment among the households, and public sector restructuring and reorganization to enhance efficiency and productivity. This document is aligned with the National Treasury’s Budget Policy Statement (BPS) 2024, which outlines the national broad strategic priorities and policy goals that will guide budget preparation for the next fiscal year at the national level. It is mandatory to subject the proposals to public scrutiny in order to ensure transparency and accountability. In this regard, public participation on the paper was held, and the opinions expressed were taken into consideration.

In the FY 2024/25, the total resource envelope of **Kshs 12,712,996,653** comprises of the equitable share **Kshs 10,990,205,956**, Own Revenue **Kshs 600,000,000** and Grants **Kshs 1,122,790,697**. Of the total revenue projection, **86** percent of the revenues represent the equitable share while county generated revenues and grants represents **5** percent and **9** percent respectively of the total projected revenues.

The County Ministries will develop their programmes concept notes to support the development outcomes envisioned in this County Fiscal Strategy Paper in order to implement FY 2024/25 annual budget estimates. In this regard, all sectors will ensure that their program-based budgets are supported by concept notes and that their expenditures are outcome-oriented. Every ministry will strengthen its resource mobilization strategy for effective revenue collection and financial management to ensure effective service delivery. This will be accomplished by establishing realistic revenue targets, dependable policies, and laws to support Public Private Partnerships (PPPs) and National Government Development Partners (NGDPs) in funding the key flagship and strategic interventions prioritized in the Vision 2030 and CIDP 2023-2027 for the country’s socioeconomic transformation. The County Government proposes allocating more resources to programs and projects addressing water supply challenges, access to affordable and high-quality health care, urbanization and infrastructure development, particularly in the road sector.

Finally, I express my gratitude to the leadership of H.E. the Governor, Dr. Julius Malombe, EGH, H.E. the Deputy Governor, the entire County Executive Committee members, and all Chief Officers and accounting officers for respective County Spending entities for their support and input.

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

## **ACKNOWLEDGEMENT**

The FY 2024/25 County Fiscal Strategy Document was created in accordance with Section 117 of the Public Finance Management Act of 2012. It describes the present situation of the economy, gives a fiscal prognosis for the medium term, and identifies the established strategic priorities and policy goals, as well as a description of the Government spending plans, as the foundation for the FY2024/25 budget. Over the Medium-Term Expenditure Framework (MTEF), 2024/25-2026/25, the government will continue to manage public resources prudently.

The preparation of the CFSP for FY 2024/25 was a collaborative effort of various Government Departments, Government partners, members of the public, and other stakeholders. We are grateful for their contributions. We thank all spending units, Ministries, Government Departments, and Agencies for providing information on time.

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# BACK GROUND INFORMATION

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

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

# 1.0 INTRODUCTION

## 1.1 Overview

1. The County Fiscal Strategy Paper (CFSP) FY 2024/25 has been prepared by taking cognizance of the 2024/2025 economic outlook and the sixteen-development agenda namely: Agriculture, Water, Health, Education, Urban Development, Roads and Construction, Trade and Investments, Micro Small and Medium Enterprises (MSMEs), Co-Operation Societies, Tourism and Hospitality, Women, Youth and PWDs, Environment, Energy, Information and Communication; and Security.

2. To achieve the goals and prioritized projects by the public, the CFSP gives the implementation framework which is aligned to the Vision 2030, the 4<sup>th</sup> Medium Term Plan, the United Nations Sustainable Development Goals (SDGs), national government policies and guidelines as communicated through various circular's, the 2024/ 2025 Budget Policy Statement (BPS), the County Integrated Development Plan (CIDP) 2023-2027 and the County's Annual Development Plan for FY 2024/25.

3. The implementation of the FY 2022/23 budget which is presented by County Budget Review and Outlook Paper (CBROP) 2023 has played a key reference in 2024/25 FY strategic paper. The CBROP indicated significant improvement in the absorption rate of development funds from 86% to 88.8%. This implies that the County has witnessed an economic growth. This information is crucial in informing future performance projection and the choice of broad fiscal parameters.

4. The fiscal strategy paper has considered the public participation forums conducted across all county wards and memorandums submitted by special groups, faith-based organizations, non-governmental organizations and individuals.

5. In the FY 2024/25 CFSP recommendations, the County Government will capacity build on Public Financial Management (PFM) to improve financial governance which determines the county general achievements on the objectives of fiscal discipline and sound financial management. With improvement in financial management, resources are coupled with clarity of vision and strategic planning, the County will ensure to achieve improved service delivery, create more conducive business environment, jobs to the youth and wealth creation for better livelihoods of our people.

6. The CFSP proposes deliberate efforts to be undertaken to grow the local revenue base, seal all leakages while at the same time develop new and innovative ways of generating additional revenue. To stimulate the full realization of the five agenda manifesto, the County Government will aggressively seek the support of development partners, while at the same time identifying projects and activities with the highest potential to generate food and wealth.

7. The County Government will continue using programme-based budgeting with the view to formulating and prioritizing expenditure plans and budgets within the available



resource envelope; with public participation being the hallmark of the development of this Fiscal Strategy Paper as well as in the development of the Annual Budget. In doing so, both ownership and sustainability of the programmes and projects identified and implementation will be assured.

## **1.2 Strategic Commitment**

8. During the FY 2024/25, the County Government of Kitui commits to continue rolling out various programs, projects, and activities with the highest potential for high economic and social impact over the medium term. These development interventions will be in line with the sixteen-pillar County development agenda. Great emphasis will be put on food production, the provision of clean water, wealth creation and value addition in crop products, livestock, agribusiness, and empowerment programs. The strategic interventions are outlined in the following sections: -

### **Water & Irrigation**

9. The County is among the semi-arid areas in Kenya where rainfall is usually minimal throughout the two seasons across the year. Both the national government and the County government are implementing programmes to boost the availability of clean water for domestic and agricultural use.

10. According to the Kenyan population census of 2019, Kitui county has a population of 1,136,187, of which 55% have access to clean and safe drinking water, with the rest of the population (45%) relying on unimproved sources like open wells in several seasonal rivers within the county.

11. In provision of clean water for domestic and the agricultural use, the ministry in FY 2024/25 will promote provision of water through Drilling and/or Equipping of Boreholes, Construction/desilting of Mega earth dams, Construction/desilting of medium earth dams, Construction/desilting of small earth dams/pans, Construction/Extension of water pipelines including Spring Water Supplies, Construction of Sump Well Water Supplies (Sand/sub-surface dams with uptake wells, infiltration galleries and distribution lines), Borehole hybridization- Conversion of public water points from genset to solar-powered engines, Water Supplies maintenance, repairs & rehabilitations, Subsidies to Water Service Providers (WSPs), Kiambere -Mwingi Water & Sanitation Company (KIMWASCO) & Kitui Water & Sanitation Company (KITWASCO), Capacity building of water management committees, Cash For Assets (CFA) Water Pipeline Extension, Promote cluster irrigation schemes, Construction Sand dams, Construction of farm Ponds and Promote Solar Powered Irrigation

12. Kitui County is water deficient despite the potential presented by the seasonal runoff and streams and the unexploited groundwater and the need to further develop the potential sources in order to serve more people and undeserved areas.

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

13. Roads and transport are the key enabler in economic development in the County with most of the main roads not tarmacked. To unlock the county economic potential, the ministry will work closely with national government to improve the road status across the County and invest more on road construction, maintenance and repairs of both rural access roads and urban roads to improve connectivity and enable farmers and traders to access markets for their products and commodities faster and cheaper.

14. In FY 2024/2025, the county will procure road machinery and equipment's, maintenance of the equipment's to enhance the road constructions and repairs.

15. The County Government will undertake Road Maintenance Fuel Levy (RMFL), Construction and maintenance of roads, box culverts, slabs and drifts, In-house grading 1,200km - 30km per Ward), Road maintenance (In-house Road opening and widening-dozing) 200km - 5km per Ward, Cash For Assets (CFA) Programme - Bush and Road Clearance and Purchase of Heavy Plant Machinery (1 Grader).

16. Transport and boda boda department will Construct 40No. Boda boda Shades with Kiosk, Train 1,000No. Boda boda riders and issue them Smart Driving Licenses, Purchase and Issue safety riding gears and prepare boda-boda Policy

## **Health & Sanitation**

17. In FY2024/25, the Ministry will continue to enhance preventive and curative healthcare provision and healthcare access across the County in provision of drugs and improvement of infrastructure across all health facilities.

To increase the access to quality, timely and responsive health care services, the ministry will undertake various projects. Under the Department of Medical Services, the ministry will implement various projects including Facility Improvement Fund (FIF), Integrated Health Management Information System in the hospitals, Construction of a kitchen at Kyuso sub-county hospital, Completion and operationalization of kitchen at Migwani sub-county hospital, Construction of Kyuso general theatre, Continuation of construction of perimeter wall and chain-link Fencing at Mwingi level 1V hospital, Continuation of construction of perimeter wall and chain-link Fencing at KCRH, Continuation of construction of stalled Kitui County referral hospital Amenity/ Surgical Ward, Initiate Construction of Nzamba Kitonga Memorial Hospital, Continuation of Construction of renal centre KCRH, Continuation of construction of stalled Maternity/ pediatric ward at KCRH, Continue Construction of medical/female ward at Mwingi Level IV hospital, Renovations of primary health facilities (level 2 and 3), Completion of Mutomo OPD block, upgrading of Sosoma dispensary to a level 3B, Completion of Musava dispensary, Initiate construction of Mwakini dispensary, Continuation of upgrading of Mbitini health centre to a level 3B, Continuation of Upgrading of Kanziko health centre to a level 3B, Initiate upgrading of Katse health centre to a level 3B, Continuation of Upgrading of Endau dispensary to a level 3B, Continuation of Upgrading of Tiva dispensary to a level 3B, Construction/operationalization of dispensaries

at katumbi, Ngwate, Gatoroni, Kimela, Kilimu, Nguutani/Katuyu/Mukauni, Kangondi, Nzunguni-kasang'o, Kathithu, Thitha, Kamanyi, Tuvaani, Kwa Song'e, Musovo, Thua, Kimangao, Mwambuni and Completion of Kauwi Sub-County Hospital theatre (Walkway, water tank installation, gas cubicles, drainage and electrical works)

18. In Public Health and Sanitation department the ministry will pay stipend allowances for the 2470 (Community Health Promoters) CHPs, Completion and equipping of KCRH and Mwingi level IV mortuaries, Procurement of cold chain equipment, Procurement of paqua lab (water quality analysis), Construction of toilets for primary healthcare facilities, purchase of 2 coolers for Kyuso mortuary.

19. Under Drugs and Medical Supplies department, the ministry will undertake various projects including procurement of pharmaceuticals and non-pharmaceuticals, Equipping Laboratory Units in 5 hospitals with: semi-automated biochemistry analyser each at Kshs. 1,300,000. The facilities are: Mutomo, Nuu, Zombe, Kanyangi and Kyuso hospitals for all round diagnosis, Equipping Laboratory Units in 4 hospitals with: Semi automated hematology analyser The facilities are: Kauwi, Mutomo, Katulani, Nuu, Zombe, Ikanga, Kanyangi and Kyuso hospitals for all round diagnosis, Equipping of 2 hospitals with bio safety cabinets. These include KCRH, Mwingi level iv hospital and Zombe sub-county hospital for screening of TB and other contagious diseases; Purchase of two microscopes for Mutitu hospital, Mwitika health dispensary; Purchase of laundry machine for KCRH (electrolux washer 45kgs) to replace the obsolete one; Purchase of dental chair for KCRH to replace the current obsolete dental chair; Equipment to operationalize three completed maternity units (Malalani health centre, Nguni health centre, , Kauma health centre; equipping and furnishing of new Outpatient Department (OPD)/ casualty Department for Kitui County referral hospital; Purchase of medical equipment for rehabilitation departments in KCRH, Mwingi Level IV Hospital , Ikutha, Migwani, Kanyangi, Mutitu, kyuso and Kauwi for occupational therapy and physiotherapy; Purchase of medical equipment for rehabilitation departments , Mwingi Level IV Hospital for orthopaedic technology; equipping of surgical/amenity ward at mwingi level IV hospital enhance healthcare delivery in the facility; Purchase of three incubators for Mwingi level iv hospital (1), KCRH(1), Tseikuru(1); Purchase of 10 CPAP machines for five newborn units each 1 machines (KCRH, Mwingi level iv, Kanyangi, Kauwi, Tseikuru); Equipping of 8 primary health facilities one per sub-county based on priority needs with essential basic equipment (Blood Pressure Machines, Thermometers, Pulse Oximeters, Adult weighing scale, Newborn weighing scales and Stethoscopes, etc); Procurement of delivery beds for Nguni health centre and Tseikuru hospital; Purchase of voltage stabilizers 50KVA at Kanyangi, Zombe, Mutitu, Katulani and Kyuso hospitals; Upgrading medical stores (shelving, ceiling, tiling, airconditioning) at Kyuso, Mwingi level iv, Migwani and Mutitu hospitals; Continuation of construction of a medical store at Mwingi level IV hospital and Completion of construction of a medical store KCRH.

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

20. In the FY 2024/25, the County ministry will promote the improvement of business environment and promote active investment climate through Maintenance of livestock markets, Maintenance of market infrastructure to facilitate 24-hour economic activities, Development and improvement of a policy for trade and markets, Establishment of dumping sites and waste bins in the markets, organize an agricultural and trade fair, Market Security Lights and verifying weighing scales and acquisition of Weights and Measures equipment for Fair trade practice.

21. In the FY 2024/25, the Cooperative will promote formation & registration of new cooperative societies, training cooperatives on value addition and processing, carry out market research & disseminate research findings. The ministry will continue Co-operators Training, Supervision of Society Elections and Attending Cooperative Societies General & Management Committee Meetings; Conduct Cooperative societies governance training workshops, Inspection Of cooperative Societies and Conduct cooperative audits

22. In the FY 2024/25, the county Branding & Marketing department will enhance branding of all ongoing county projects including branding of the County Industrial Parks, Branding roll-up banners for all ministries, install county-branded light boxes to be used to generate advertising revenues, Active participation in various sales and marketing activities to create product and services awareness

23. In the FY 2024/25, Industry & Investment department will operationalize of the County's Economic and Investment Zones (EIZs), undertake County Aggregation and Industrial Parks (CAIPs) programme, conduct investor conference forum, Development and establish Value Chains (Cereals and Pulses, Horticulture, Livestock, Apiculture, Textile and Apparel and Forestry).

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

24. The County has experienced change in Climate for the last five years hence the ministry will enhance tree growing and forest conservation in order to increase the forest cover throughout the county. In the FY 2024/25, the ministry will increase tree tree growing, forest and woodland conservation and farmer training and awareness.

25. In the FY 2024/25, the ministry will streamline Climate Change adaptation and mitigation through operationalize Kitui County Climate Change Fund (KCCCF) by allocating 1.5% of the County Development budget to climate adaptation and mitigation projects; Promotion of environmental conservation in forested and protected areas, tree growing, Tree Nursery Establishments and enhanced community afforestation.

26. In the FY 2024/25, the ministry will promote the conservation of water catchment areas and rehabilitation of degraded ecosystems. Institute measures for building community resilience against climate change through community led adaptation strategies. Promote sustainable waste management within the communities through trainings on Reduce,

Recycling, Reuse (3Rs), training of communities on installation of clean cook stoves, uptake of renewable energy to mitigate climate change, uptake of sustainable biomass and biogas technology.

27. To boost income levels and livelihoods for our community members, the ministry will undertake Cash For Assets Programme (CFA) - Tree Growing.

28. In the FY 2024/25, the ministry will perform mapping, documenting, training and capacity building of artisanal and small-scale miners on value addition of gemstones and other minerals as a climate change adaptation measure. Conduct training and capacity building workshops on climate change mainstreaming of the CCU and other officers.

29. In FY 2024/25, the ministry will undertake environmental management programme, publish and distribute educational and awareness creation materials and media campaigns, Utilize benchmarking for exposure to best practices in environmental sensitization.

30. In the FY 2024/25, the ministry will promote rural electrification of institution and households in partnership with REREC and Kenya power, Installation of solar security light in the upcoming markets in the county, Maintenance solar security light in the upcoming markets in the county, Installation of solar powered water pumping systems.

31. In the FY 2024/25, the ministry will develop awareness, information, and education to communities in mineral rich areas of the county, establish and capacity build community liaison committees in Kanziko, Mui basin, Ikutha/Athi, mbandwani, Ngaai, and Twimuma.

### **Agriculture & Livestock**

32. In the FY 2024/25, the county ministry will strive to increase agricultural production, boost food and nutrition security through promotion of food crop production pests and disease management in fruits farming in order to increase food productivity and profitability. The ministry will promote horticultural production in kitchen gardens to produce nutrient dense vegetables hence improved nutrition uptake.

33. In the FY 2024/25, the ministry will support National value chain development programme (NAVCDP), Emergency Locust Response Project (ELRP), promote Agri-Preneur skills (SMEs) hence enhanced livelihood and resilience.

34. To Improved agricultural productivity, in the 2024/2025 FY, the Ministry will promote soil and water conservation (Levelling Kits procured and distributed), subsidized tractor ploughing/Ripping across all the wards. The ministry will promote extension and Advisory services programme in order to Improve extension skills of extension staff.

35. In the FY 2024/25, the ministry will Host Kitui Agricultural show and trade fair for Increased farming technologies and improving the capacity of ATC to provide quality services to farmers and customers. The ministry will also support the Kenya Agricultural business Development Project (KABDP).

36. In Livestock development, the ministry will support Aquaculture Development, Dam stocking, livestock extension and Advisory services programme hence Improve extension skills of extension staff

37. To Improved livestock productivity and profitability, in the FY 2024/25, the ministry will Poultry breed improvement, Goat breeds improvement, Dairy cattle breeds improvement, establish 2,500 acres of pasture, increased livestock pasture, to promote beekeeping hence increased honey and other hive products. The ministry will enhance rabbit keeping and provide vaccination services

### **Lands, Housing and Urban Development**

38. The ministry responsibility is to ensure sustainable development in the county through effective land administration and management through physical planning, land survey and mapping, land documents and information management and dissemination, and utilization of GIS technology.

39. To achieve the responsibility in FY 2024/25, the ministry will prepare draft supplementary Valuation roll to capture changes due to increased value, new subdivisions and new plots. In liaison with the county assembly educate the public on the role of the ministry of lands in land management in the county.

40. In FY 2024/25, the ministry will operationalization of the land registry and conduct market stakeholders meeting, delineation of market boundaries and ground picking of data in respective markets followed by validation exercise.

41. In promotion of urban sanitation, the ministry will renovation of Ikutha Town public toilet, construction of a 4-door pit latrine at the Ministry of Lands Office compound and prepare Integrated urban development Plans for upcoming urban areas

42. Across the urban centers, in FY 2024/25, the ministry will Install, repair and maintain 300 integrated solar energy street lights in upcoming urban areas. To have improved mobility and walkability, the ministry will implement Dustless Towns programme as well as install cabro paved walkways and parking slots in the upcoming urban areas.

43. The ministry will Construct and desilt 600M storm water drainage Channels in the upcoming urban areas, installation of assorted dust bins at the upcoming Urban Areas, improve the Mutomo dumpsite access road (Grading and Gravelling); planting of trees along the urban roads and urban open spaces.

## 2.0 RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

### 2.1 Overview

44. The global economy is experiencing challenges arising from global supply chain disruptions due to heightened geopolitical tensions, weakening demand particularly in China and Eurozone, elevated global interest rates on account of inflationary pressures limiting access to credit and exacerbating debt servicing costs and significant losses and damages due to frequent extreme weather events increasing fiscal pressures. As such, global growth is projected to slow down to 3.0 percent in 2023 and 2.9 percent in 2024 from 3.5 percent in 2022 which is below the historical (2000-2019) average of 3.8 percent (**Table 1**).

45. Additionally, most currencies in emerging market and frontier economies weakened against the U.S. Dollar, mainly due to the tightening of U.S. monetary policy. Inflation in advanced economies has continued to ease, reflecting effects of monetary policy tightening and lower energy prices. Nevertheless, core inflationary pressures remained elevated.

**TABLE 1: GLOBAL ECONOMIC PERFORMANCE**

Economy	Growth (%)			
	Actual	Actual	Projected	Projected
	2021	2022	2023	2024
World	6.3	3.5	3.0	2.9
Advanced Economies	5.4	2.6	1.5	1.4
<i>Of which: USA</i>	5.9	2.1	2.1	1.5
<i>Euro Area</i>	5.3	3.3	0.7	1.2
Emerging and Developing Economies	6.8	4.1	4.0	4.0
<i>Of which: China</i>	8.4	3.0	5.0	4.2
<i>India</i>	9.1	7.2	6.3	6.3
Sub-Saharan Africa	4.7	4.0	3.3	4.0
<i>Of which: South Africa</i>	4.7	1.9	0.9	1.8
Nigeria	3.6	3.3	2.9	3.1
Kenya*	7.6	4.8	5.5	5.5

Source: IMF World Economic Outlook, October 2023. \*National Treasury Projection

46. Advanced economies are projected to record a slower growth of 1.5 percent in 2023 and 1.4 percent in 2024 from 2.6 percent in 2022 mainly driven by lower growth in the Euro Area. The slowdown in growth in the advanced economies is as a result of aggressive monetary policy tightening that has contributed to a significant deterioration of global financial conditions.

47. Growth in the emerging market and developing economies is projected to decline relatively modestly, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, although with notable shifts across regions. In sub-Saharan Africa, growth is projected to decline to

3.3 percent in 2023 from 4.0 percent in 2022 reflecting worsening climate change related shocks, inflationary and exchange rate pressures, and domestic supply issues, including, notably, in the electricity sector.

Growth in the region is expected to rebound to 4.0 percent in 2024, picking up in four fifths of the sub-Saharan Africa's countries, and with strong performances in non-resource intensive countries.

## 2.2 Domestic Economic Developments

48. Despite the challenging environment, the Kenyan economy is demonstrating resilience with growth performance well above the global and SSA average. In the first three quarters of 2023, the economic growth averaged 5.6 percent (5.5 percent Q1, 5.5 percent Q2 and 5.9 percent Q3). This growth was primarily underpinned by a rebound in the agricultural activities which grew by an average of 7.0 percent in the first three quarters of 2023 compared to a contraction of 1.8 percent during the same period in 2022. All economic sectors recorded positive growth rates in the first three quarters of 2023, though the magnitudes varied across activities (**Table 2**).

**TABLE 2: SECTORAL GDP PERFORMANCE**

Sectors	Annual Growth Rates		Quarterly Growth Rates					
	2021	2022	2022 Q1	2022 Q2	2022 Q3	2023 Q1	2023 Q2	2023 Q3
<b>1. Primary Industry</b>	<b>0.5</b>	<b>(1.0)</b>	<b>(0.4)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>5.9</b>	<b>8.0</b>	<b>6.4</b>
1.1. Agriculture, Forestry and Fishing	(0.4)	(1.6)	(1.7)	(2.4)	(1.3)	6.1	8.2	6.7
1.2. Mining and Quarrying	18.0	9.3	23.8	16.6	(4.5)	3.3	5.2	1.1
<b>2. Secondary Sector (Industry)</b>	<b>6.8</b>	<b>3.5</b>	<b>4.4</b>	<b>4.2</b>	<b>3.0</b>	<b>2.4</b>	<b>1.7</b>	<b>2.9</b>
2.1. Manufacturing	7.3	2.7	3.8	3.6	1.8	2.0	1.4	2.6
2.2. Electricity and Water supply	5.6	4.9	3.2	5.6	6.0	2.5	0.8	1.9
2.3. Construction	6.7	4.1	6.0	4.5	3.5	3.1	2.6	3.8
<b>3. Tertiary sector (Services)</b>	<b>9.6</b>	<b>6.7</b>	<b>8.5</b>	<b>7.7</b>	<b>5.7</b>	<b>5.9</b>	<b>5.9</b>	<b>6.9</b>
3.1. Wholesale and Retail trade	8.0	3.8	4.9	4.1	3.6	5.7	4.2	4.8
3.2. Accommodation and Restaurant	52.6	26.2	40.1	44.0	16.9	21.5	12.2	26.0
3.3. Transport and Storage	7.4	5.6	7.7	7.2	5.1	6.2	3.0	2.8
3.4. Information and Communication	6.1	9.9	9.0	11.2	11.8	9.0	6.4	7.3
3.5. Financial and Insurance	11.5	12.8	17.0	16.1	9.6	5.8	13.5	14.7
3.6. Public Administration	6.0	4.5	6.2	3.8	3.4	6.6	3.8	4.2
3.7. Others	10.8	5.2	6.7	5.5	4.7	4.8	4.9	6.3
of which: Professional, Admin & Support Services	7.1	9.4	13.1	10.9	9.0	7.3	5.5	9.5
Real Estate	6.7	4.5	6.0	5.0	4.0	5.2	5.8	6.2
Education	22.8	4.8	4.6	4.4	3.9	3.0	4.0	4.7
Health	8.9	4.5	5.7	4.4	3.7	5.4	5.0	5.1
Taxes less subsidies	11.9	7.0	9.5	6.1	7.3	5.3	4.0	2.8
<b>Real GDP</b>	<b>7.6</b>	<b>4.8</b>	<b>6.2</b>	<b>5.2</b>	<b>4.3</b>	<b>5.5</b>	<b>5.5</b>	<b>5.9</b>

Source of Data: Kenya National Bureau of Statistics.

49. **Agriculture:** In the first three quarters of 2023, the agriculture sector rebounded strongly following improved weather conditions and the impact of fertilizer and seed subsidies provided to farmers by the Government. The sector grew by 6.1 percent in the first



quarter, 8.2 percent in the second quarter and 6.7 percent in the third 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.

50. **Services:** The services sector continued to sustain strong growth momentum in the first three quarters of 2023 growing by an average of 6.2 percent (5.9 percent in the first quarter, 5.9 percent in the second quarter and 6.9 percent in the third quarter). The robust performance was reflected in the notable growth of information and communication (driven by increases in wireless internet and fiber- to-home subscriptions), wholesale and retail trade, accommodation and food services (driven by recovery in tourism), financial and insurance (due to strong private sector credit growth, increased yield on investment and increased return on deposits by commercial banks) and real estate (supported by sustained expansion of the construction industry).

51. **Industry:** In the first three quarters of 2023, the industrial sector remained positive and recorded growths of 2.4 percent in the first quarter, 1.7 percent in the second quarter and 2.9 percent in the third quarter compared to growths of 4.4 percent, 4.2 percent and 3.0 percent, respectively in similar quarters in 2022. Growth in the sector was supported by increased activities in the construction sector mainly reflected in the increased consumption of cement and imports of bitumen, iron, and steel. 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.

### ***Inflation outcomes***

52. Inflation had remained above the Government target range of  $5\pm 2.5$  percent from June 2022 to June 2023. In order to anchor inflation expectations, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.50 percent in May 2022 to 10.50 percent in June 2023 and further to 12.50 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 ensured that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range. This policy action was complemented by Government interventions and favourable weather conditions that increased food supply. Consequently, inflation eased gradually to 6.6 percent in December 2023 from a peak of 9.6 percent in October 2022 and has been within the target range for the first half of FY 2023/24 (**Figure 1**). However, inflation has remained sticky in the upper bound of the Government's target range since July 2023 due to relatively higher energy prices.

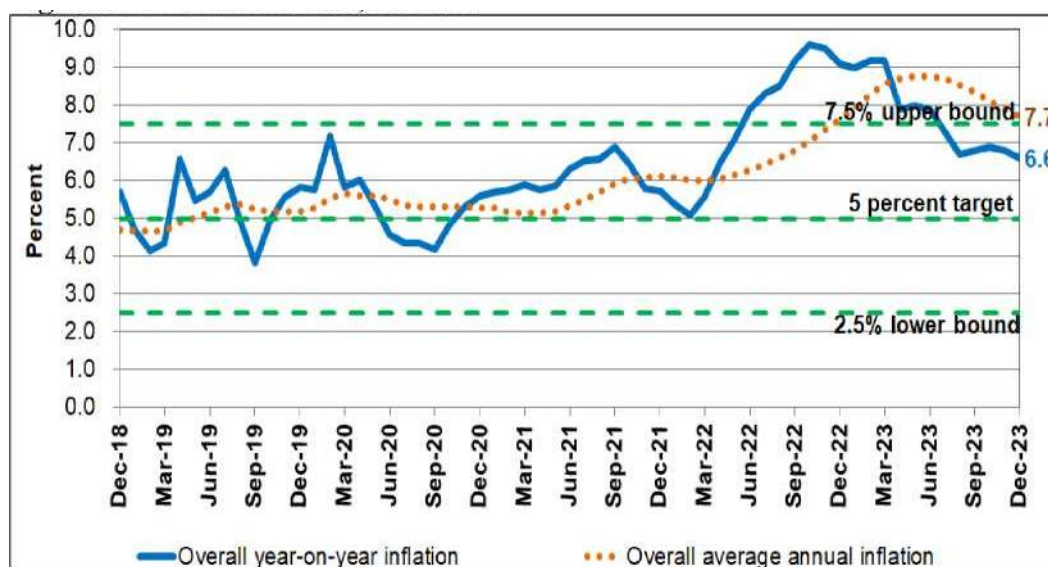
53. Food inflation remained the dominant driver of overall inflation in December 2023. However, it declined to 7.7 percent in December 2023 from a peak of 15.8 percent in October 2022 supported by general decline in international food prices, government

interventions through zero rating of select food commodities, and improved weather conditions that enhanced production of fast-growing food items, thus moderating their prices. Nonetheless, sugar prices remained elevated driven by domestic and global factors.

54. Fuel inflation declined to 13.7 percent in December 2023 from 15.5 percent in November 2023, driven by a downward adjustment in pump prices by the Energy and Petroleum Regulatory Authority (EPRA). However, fuel inflation has remained elevated reflecting the impact of higher international oil prices, depreciation in the shilling exchange rate and gradual withdraw of the fuel subsidize from September 2022 and the upward adjustment of electricity tariff from April 2023. 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).

55. Core (non-food non-fuel) inflation remained stable at 3.4 percent in December 2023, from a peak of 4.4 percent in March 2023. The decline is attributed to the tight monetary policy and muted demand pressures.

**FIGURE 1: INFLATION RATE, PERCENT**



Source of Data: Kenya National Bureau of Statistics

### ***Monetary and Credit Developments***

56. Broad money supply, M3, grew by 21.1 percent in the year to November 2023 compared to a growth of 5.3 percent in the year to November 2022 (Table 3). The primary source of the increase in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system and resilient domestic credit. The increase in NFA mainly reflected the improvement in commercial banks' foreign assets.

57. Net Domestic Assets (NDA) registered a growth of 10.7 percent in the year to

November 2023, compared to a growth of 14.6 percent over a similar period in 2022. The growth in NDA was mainly supported by an increase in domestic credit particularly resilient private sector credit and net lending to government. Growth of domestic credit extended by the banking system to the Government declined to a growth of 14.4 percent in the year to November 2023 compared to a growth of 15.2 percent in the year to November 2022.

**Table 3: Money and Credit Developments (12 Months to November 2023, Ksh billion)**

				Change		Percent Change	
	2021 November	2022 November	2023 November	2021-2022 November	2022-2023 November	2021-2022 November	2022-2023 November
<b>COMPONENTS OF M3</b>							
1. Money supply, M1 (1.1+1.2+1.3)	1,822.0	1,902.0	2,012.5	80.0	110.5	4.4	5.8
1.1 currency outside banks (M0)	238.6	252.2	272.7	13.6	20.5	5.7	8.1
1.2 Demand deposits	1,496.6	1,560.6	1,632.7	64.0	72.1	4.3	4.6
1.3 Other deposits at CBK	86.8	89.2	107.1	2.4	17.9	2.7	20.1
2. Money supply, M2 (1+2.1)	3,435.3	3,537.3	3,906.3	102.0	369.0	3.0	10.4
2.1 Time and savings deposits	1,613.3	1,635.3	1,893.8	22.01	258.5	1.364	15.8
<b>Money supply, M3 (2+3.1)</b>	<b>4,234.0</b>	<b>4,460.2</b>	<b>5,402.6</b>	<b>226.2</b>	<b>942.4</b>	<b>5.3</b>	<b>21.1</b>
3.1 Foreign currency deposits	798.7	922.9	1,496.3	124.2	573.4	15.6	62.1
<b>SOURCES OF M3</b>							
<b>1. Net foreign assets (1.1+1.2)</b>	<b>581.4</b>	<b>276.0</b>	<b>771.8</b>	<b>(305.3)</b>	<b>495.8</b>	<b>(52.5)</b>	<b>179.6</b>
1.1 Central Bank	710.4	531.7	497.1	(178.7)	(34.5)	(25.2)	(6.5)
1.2 Banking Institutions	(129.0)	(255.7)	274.6	(126.6)	530.3	(98.2)	207.4
<b>2. Net domestic assets (2.1+2.2)</b>	<b>3,652.7</b>	<b>4,184.2</b>	<b>4,630.8</b>	<b>531.5</b>	<b>446.6</b>	<b>14.6</b>	<b>10.7</b>
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	4,797.6	5,425.2	6,186.8	627.6	761.6	13.1	14.0
2.1.1 Government (net)	1,684.4	1,940.4	2,220.7	256.0	280.4	15.2	14.4
2.1.2 Other public sector	84.9	79.3	111.6	(5.5)	32.3	(6.5)	40.7
<b>2.1.3 Private sector</b>	<b>3,028.3</b>	<b>3,405.5</b>	<b>3,854.5</b>	<b>377.2</b>	<b>448.9</b>	<b>12.5</b>	<b>13.2</b>
2.2 Other assets net	(1,145.0)	(1,241.1)	(1,556.0)	(96.1)	(315.0)	(8.4)	(25.4)

Source of Data: Central Bank of Kenya

58. Growth in private sector credit from the banking system remained resilient partly reflecting improving business conditions and demand for working capital. Credit advanced to the private sector grew by 13.2 percent in the year to November 2023 compared to a growth of 12.5 percent in the year to November 2022 (**Figure 2**). Strong credit growth was observed in finance and insurance, agriculture, transport and communications and manufacturing. Growth in private sector credit is expected to remain relatively stable, supported by, among other factors, resilient economic activity, and the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs.

**FIGURE 2: PRIVATE SECTOR CREDIT**

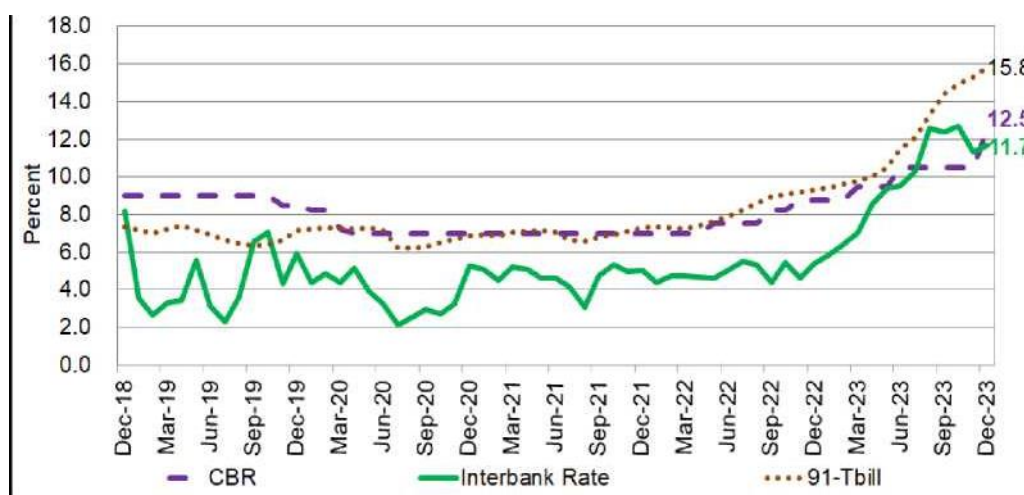


Source of Data: Central Bank of Kenya

**Interest Rates Developments**

59. Short-term interest rates increased in December 2023, partly reflecting the tight monetary policy stance and liquidity conditions in the money market. The interbank rate increased to 11.7 percent in December 2023 compared to 5.4 percent in December 2022 while the 91-day Treasury Bills rate increased to 15.8 percent compared to 9.3 percent over the same period (**Figure 3**). The introduction of the interest rate corridor around the CBR (set at  $CBR \pm 250$  basis points by the MPC in August 2023) has aligned the interbank weighted average rate to the Central Bank Rate and thereby improving the transmission of the monetary policy.

**FIGURE 3: SHORT TERM INTEREST RATES, PERCENT**



Source of Data: Central Bank of Kenya

60. Commercial banks average lending and deposit rates increased in the year to October

2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 14.2 percent in October 2023 from 12.4 percent in October 2022 while the average deposit rate increased to 9.1 percent from 7.0 percent over the same period. Consequently, the average interest rate spread declined to 5.1 percent in October 2023 from 5.4 percent in October 2022.

### *External Sector Developments*

61. The current account deficit improved to USD 4,196.5 million (4.2 percent of GDP) in November 2023 compared to USD 6,012.3 million (5.4 percent of GDP) in November 2022. The current account balance was supported by an improvement in the trade balance account and resilient remittances (**Table 4**).

62. In the year to November 2023, exports contracted by 2.9 percent mainly due to a decline in horticultural exports particularly cut flowers despite an improvement in receipts from tea, chemicals and manufactured exports. The increase in receipts from tea exports reflects higher prices attributed to lower global supply due to drought amid resilient demand from traditional markets while the increase in manufactured exports receipts reflects strong regional demand.

63. On the other hand, imports declined by 11.4 percent in the 12 months to November 2023, mainly reflecting lower imports of infrastructure related equipment, manufactured goods, oil, and chemicals. Oil prices remain elevated on account increased geopolitical fragmentation and global oil supply cuts by major oil exporters particularly Saudi Arabia and Russia. As a result, the trade account balance improved by USD 2,015.0 million to a deficit of USD 10,002.2 million in November 2023.

**TABLE 4: BALANCE OF PAYMENTS (USD MILLION)**

	Year to November 2023					Actuals as a Percent of GDP	
	Nov-21	Nov-22	Nov-23	Change	Percent Change	Nov-22	Nov-23
<b>Overall Balance</b>	<b>(1,005.0)</b>	<b>1,802.8</b>	<b>1,321.4</b>	<b>(481.3)</b>	<b>(26.7)</b>	<b>1.6</b>	<b>1.3</b>
<b>A) Current Account</b>	<b>(5,637.6)</b>	<b>(6,012.3)</b>	<b>(4,196.5)</b>	<b>1,815.9</b>	<b>30.2</b>	<b>(5.4)</b>	<b>(4.2)</b>
<i>Merchandise Account (a-b)</i>	(10,669.5)	(12,017.2)	(10,002.2)	2,015.0	16.8	(10.8)	(10.1)
a) Goods: exports	6,699.7	7,472.9	7,258.5	(214.4)	(2.9)	6.7	7.3
b) Goods: imports	17,369.2	19,490.1	17,260.7	(2,229.4)	(11.4)	17.5	17.4
<i>Net Services (c-d)</i>	876.9	1,290.4	768.2	(522.2)	(40.5)	1.2	0.8
c) Services: credit	4,792.2	6,466.9	5,641.8	(825.0)	(12.8)	5.8	5.7
d) Services: debit	3,915.4	5,176.5	4,873.7	(302.8)	(5.8)	4.7	4.9
<i>Net Primary Income (e-f)</i>	(1,823.9)	(1,742.6)	(1,988.7)	(246.1)	(14.1)	(1.6)	(2.0)
e) Primary income: credit	62.0	40.6	103.4	62.7	154.3	0.0	0.1
f) Primary income: debit	1,885.9	1,783.2	2,092.0	308.8	17.3	1.6	2.1
<i>Net Secondary Income</i>	5,979.0	6,457.0	7,026.2	569.2	8.8	5.8	7.1
g) Secondary income: credit	6,116.5	6,519.5	7,150.5	631.0	9.7	5.9	7.2
h) Secondary income: debit	137.5	62.5	124.3	61.8	98.9	0.1	0.1
<b>B) Capital Account</b>	<b>196.8</b>	<b>144.5</b>	<b>133.7</b>	<b>(10.8)</b>	<b>(7.4)</b>	<b>0.1</b>	<b>0.1</b>
<b>C) Financial Account</b>	<b>(5,828.8)</b>	<b>(4,329.1)</b>	<b>(3,030.6)</b>	<b>1,298.6</b>	<b>30.0</b>	<b>(3.9)</b>	<b>(3.1)</b>

Source of Data: Central Bank of Kenya

64. Net receipts on the services account declined by USD 522.2 million to USD 768.2 million in November 2023 compared to a similar period in 2022. This was mainly on account of a decline in receipts from transport despite an increase in receipts from tourism as international travel continues to improve. Net Secondary income remained resilient owing to an increase in remittances which amounted to USD 4,174.6 million in the 12 months to November 2023, and were 3.8 percent higher compared to a similar period in 2022.

65. The capital account balance declined by USD 10.8 million to register a surplus of USD 133.7 million in November 2023 compared to a surplus of USD 144.5 million in the same period in 2022. Net financial inflows slowed down but remained vibrant at USD 3,030.6 million in November 2023 compared to USD 4,329.1 million in November 2022. The net financial inflows were mainly in the form of other investments, financial derivatives, and direct investments. Portfolio investments registered a net outflow during the period.

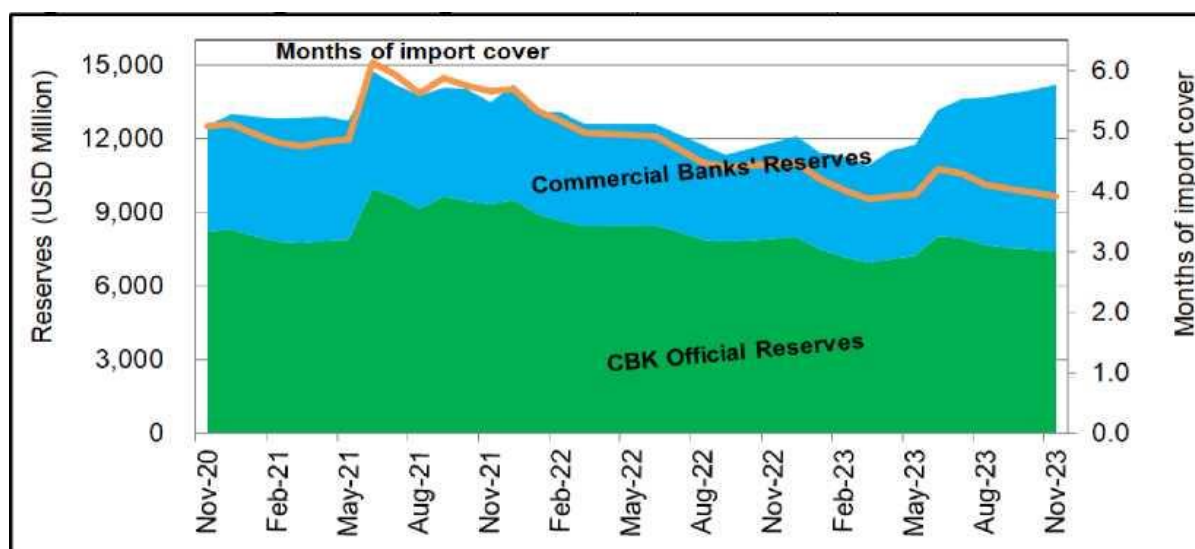
66. The overall balance of payments position slowed down to a surplus of USD 1,321.4 million (1.3 percent of GDP) in November 2023 from a surplus of USD 1,802.8 million (1.6 percent of GDP) in November 2022.

#### ***Foreign Exchange Reserves***

67. The banking system's foreign exchange holdings remained strong at USD 14,211.1 million in November 2023, an improvement from USD 12,084.7 million in November 2022. The official foreign exchange reserves held by the Central Bank stood at USD 7,397.6 million compared to USD 7,969.5 million over the same period (**Figure 4**). Commercial banks holdings improved to USD 6,813.5 million in November 2023 from USD 4,115.2 million in November 2022.

68. The official reserves held by the Central Bank in November 2023 represented 4.0 months of import cover as compared to the 3.9 months of import cover in November 2022. It, however, fulfilled the requirement to maintain it at a minimum of 4.0 months of imports cover to provide adequate buffer against short-term shocks in the foreign exchange market.

**FIGURE 4: FOREIGN EXCHANGE RESERVES (USD MILLION)**



Source of Data: Central Bank of Kenya

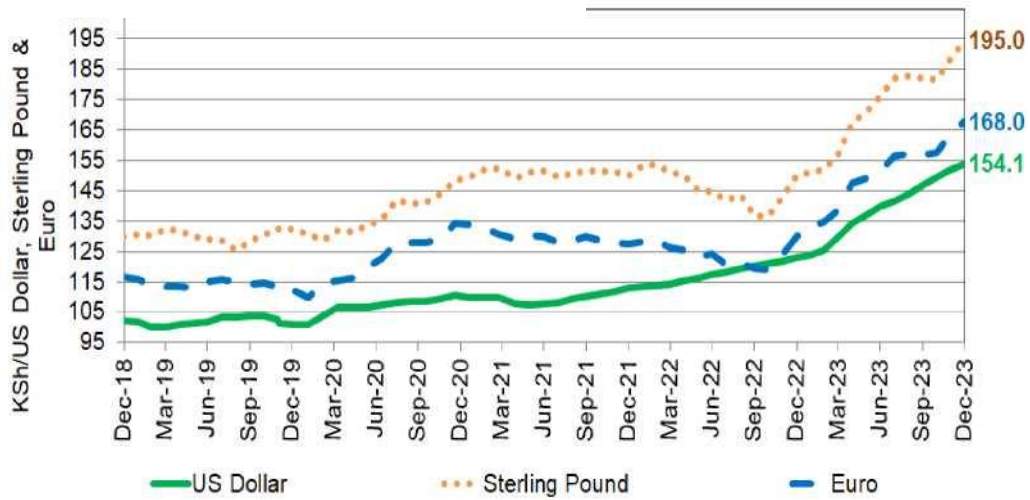
### ***Exchange Rate Developments***

69. Kenya like several other countries is experiencing foreign exchange challenges due to the rise of US interest rates. In December 2023, the Kenya Shilling weakened by 25.3 percent against the US Dollar, 30.2 percent against the Sterling Pound and 29.2 percent against the Euro, compared to a similar period in 2022.

70. The Kenya Shilling against the US Dollar exchanged at an average of Ksh 154.1 in December 2023 compared to an average of Ksh 122.9 in December 2022. Against the Euro, the Kenya shilling weakened to exchange at Ksh 168.0 in December 2023 compared to Ksh 130.0 in December 2022 while against the Sterling Pound the Kenyan Shilling also weakened to exchange at Ksh 195.0 compared to Ksh 149.8, over the same period (**Figure 5**). The Kenyan Shilling was supported by increased remittances, adequate foreign exchange reserves and strong exports receipts.

71. The Government has taken measures to stabilize the foreign exchange market which include resuscitating the inter-bank forex market and the Government-to- Government petroleum supply arrangement. This arrangement is mainly intended to address the US Dollar (USD) liquidity challenges and exchange rate volatility caused by the global dollar shortage and spot market reactions that was driving volatility and a false depreciation that was a scarcity value as well as market distortion.

**Figure 5 Kenya Shillings Exchange Rate**



Source of Data: Central Bank of Kenya

### **Capital Markets Developments**

72. Activity in the capital markets slowed down in December 2023 compared to December 2022 as advanced economies tightened their monetary policy amid inflationary pressures. The NSE 20 Share Index declined to 1,509 points in December 2023 compared to 1,676 points in December 2022 while Market capitalization declined to Ksh 1,432 billion from Ksh 1,986 billion over the same period (**Figure 6**).



**FIGURE 6: PERFORMANCE OF THE NAIROBI SECURITIES**



Source of Data: Nairobi Securities Exchange

## 2.3 Fiscal Performance

73. Budget execution during the first five months of FY 2023/24 progressed relatively well with revenues recording a growth of 13.2 percent in November 2023 compared to a growth of 10.6 percent in November 2022. Total revenue recorded a shortfall of Ksh 98.7 billion with ordinary revenue missing the November 2023 target by Ksh 98.2 billion and Ministerial Appropriation in Aid (AiA) recording a shortfall of Ksh 0.5 billion. Revenue performance is anticipated to improve over the course of the fiscal year, mainly supported by the improved revenue administration by the Kenya Revenue Authority.

74. Similarly, overall expenditures were below target by Ksh 335.7 billion in November 2023 on account of below target disbursements towards; recurrent expenditures by Ksh 166.7 billion, development expenditure by Ksh 106.1 billion, and County Governments by Ksh 62.8 billion. The below target performance in expenditures is largely explained by the shortfalls in revenue performance (Table 5).

**TABLE 5: FISCAL PERFORMANCE AS AT 30<sup>TH</sup> NOVEMBER, 2023(KSH BILLION)**

	Nov-22		Nov-23			
	<i>Ksh. Billion</i>				<i>% of GDP</i>	
	Prel. Act.	Target	Prl. Act.	Deviation	Target	Prl. Act.
<b>A. Total Revenue including External Grants</b>	897.1	1,116.7	1,016.4	(100.3)	6.9	6.3
<b>Total Revenues (1+2)</b>	893.8	1,110.2	1,011.5	(98.7)	6.9	6.3
1. Ordinary Revenue	786.5	977.1	878.9	(98.2)	6.1	5.4
Import duty	54.9	68.8	56.2	(12.6)	0.4	0.3
Excise duty	108.9	133.1	116.1	(17.1)	0.8	0.7
Income tax	342.5	457.0	380.4	(76.6)	2.8	2.4
VAT	222.1	263.9	266.1	2.2	1.6	1.6
Other Revenue	58.1	54.3	60.1	5.8	0.3	0.4
2. Ministerial Appropriation in Aid	107.3	133.2	132.7	(0.5)	0.8	0.8
o/w RDL	16.8	14.2	13.7	(0.4)	0.1	0.1
3. External Grants	3.3	6.5	4.9	(1.6)	0.0	0.0
<b>B. Total Expenditure and Net Lending</b>	1,093.8	1,496.4	1,160.8	(335.7)	9.3	7.2
1. Recurrent Expenditure	822.8	1,087.5	920.8	(166.7)	6.7	5.7
2. Development	149.0	238.6	132.4	(106.1)	1.5	0.8
3. County Allocation	122.1	170.4	107.5	(62.8)	1.1	0.7
4. Contingency Fund	-	-	-	-	-	-
<b>C. Balance Exclusive of Grants</b>	(200.0)	(386.2)	(149.2)	236.9	(2.4)	(0.9)
<b>D. Grants</b>	3.3	6.5	4.9	(1.6)	0.0	0.0
<b>E. Balance inclusive of Grants (Cash basis)</b>	(196.7)	(379.7)	(144.4)	235.3	(2.4)	(0.9)
Discrepancy	23.0	-	(11.6)	(11.6)	-	(0.1)
<b>F. Total Financing</b>	219.7	379.7	132.7	(247.0)	2.4	0.8
1. Net Foreign Financing	39.0	0.9	(23.4)	(24.3)	0.0	(0.1)
2. Net Domestic Financing	180.7	378.8	156.2	(222.7)	2.3	1.0
<b>Nominal GDP (Fiscal Year)</b>	14,002.5	16,131.5	16,131.5	-	100.0	100.0

Source of Data: National Treasury

## Revenue Performance

75. Revenue collection to November 2023 recorded a slightly higher growth of 13.2 percent compared to a growth of 10.6 percent in November 2022. This revenue performance is partly explained by rising cost of living which has negatively affected the business environment. As at end November 2023, the cumulative total revenue inclusive of Ministerial Appropriation in Aid (A-i-A) was Ksh 1,011.5 billion against a target of Ksh 1,110.2 billion recording a shortfall of Ksh 98.7 billion.

76. Ordinary revenue for the period to November 2023 was Ksh 878.9 billion against a target of Ksh 977.1 billion translating into a shortfall of Ksh 98.2 billion despite recording a growth of 11.7 percent. All broad tax categories of ordinary revenue save for Value Added Tax (VAT) fell short of the respective targets during the review period. Income tax recorded a shortfall of Ksh 76.6 billion, Excise taxes of Ksh 17.1 billion and Import duty of Ksh 12.6 billion. Value Added Tax (VAT) and other revenue were above target by Ksh 2.2 billion and Ksh 12.0 billion.

77. Ministerial A-i-A inclusive of the Railway Development Levy amounted to Ksh 132.7 billion in November 2023 against a target of Ksh 133.2 billion recording a shortfall of Ksh 0.5 billion.

## Expenditure Performance

78. Total expenditure and net lending in the period to November 2023 amounted to Ksh 1,160.8 billion against a target of Ksh 1,496.4 billion, translating to a shortfall in expenditure of Ksh 335.6 billion. This was largely on account of below target disbursement towards recurrent expenditure by Ksh 166.7 billion, development expenditure by Ksh 106.1 billion and below targets disbursement to County Governments of Ksh 62.8 billion (**Table 2.5a**).

79. The below target recurrent expenditure as at November 2023 was on account of below target payments on domestic interest (Ksh 51.8 billion), operations and maintenance (Ksh 83.7 billion), pensions (17.0 billion), external interest (Ksh 6.2 billion) and below target contributions to civil service pension fund of Ksh 7.3 billion. Development expenditures were below target by Ksh 106.1 billion on account of below target disbursement towards domestically financed programmes by Ksh 91.1 billion and foreign financed programmes by Ksh 13.1 billion. Disbursement to County Governments was below target by Ksh 62.8 billion.

80. Fiscal operations of the Government by end of November 2023 resulted in an overall deficit including grants of Ksh 144.4 billion against a projected deficit of Ksh 379.7 billion. This deficit was financed through net domestic borrowing of Ksh 156.2 billion and net foreign repayment of Ksh 23.4 billion.

## 2.4 Fiscal Policy

81. The medium-term fiscal policy approach seeks to support the Government's Bottom-Up Economic Transformation Agenda through continued implementation of a growth responsive fiscal consolidation plan that slows the yearly increase in the public debt and puts in place an efficient liability management strategy without affecting the provision of services to the public. In addition, the Government will put in place measures to broaden the revenue base and

rationalize expenditures in order to reduce the fiscal deficits. Consequently, revenue collections are expected to rise to 20.2 percent of GDP in FY 2027/28 from 19.0 percent of GDP in the FY 2023/24 while total expenditures are projected to reduce to 23.7 percent of GDP from 24.2 percent of GDP over the same period. Implementation of the reforms on revenue and expenditure is expected to result in reduction in the fiscal deficit including grants from Ksh 785.0 billion (4.9 percent of GDP) in the FY 2023/24 to Ksh 771.0 billion (3.1 percent of GDP) in the FY 2027/28 (Table 6).

**TABLE 6: FISCAL FRAMEWORK (KSH BILLION)**

	FY 2021/22	FY 2022/23		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
	<i>Actual</i>	<i>Revised Estimates</i>	<i>Prel. Act.</i>	<i>PROJECTIONS</i>				
<b>TOTAL REVENUE</b>	<b>2,199.8</b>	<b>2,478.6</b>	<b>2,360.5</b>	<b>3,070.6</b>	<b>3,435.0</b>	<b>3,833.1</b>	<b>4,376.5</b>	<b>4,978.4</b>
Ordinary revenue	1,917.9	2,145.4	2,041.1	2,624.6	2,948.1	3,294.2	3,775.7	4,305.8
Ministerial Appropriation in Aid	281.9	333.2	319.4	445.9	486.9	538.9	600.8	672.6
<b>TOTAL EXPENDITURE AND NET LENDING</b>	<b>3,027.8</b>	<b>3,366.6</b>	<b>3,221.0</b>	<b>3,902.9</b>	<b>4,188.2</b>	<b>4,553.0</b>	<b>5,170.0</b>	<b>5,823.1</b>
Recurrent	2,135.3	2,367.7	2,311.6	2,760.1	2,859.3	3,026.5	3,403.7	3,799.9
Development	540.1	560.5	493.7	717.8	877.8	1,068.7	1,209.3	1,427.9
County Transfer	352.4	436.3	415.8	423.9	446.1	452.9	552.0	590.3
Contingency Fund	-	2.0	-	1.2	5.0	5.0	5.0	5.0
<b>BALANCE EXCLUDING GRANTS</b>	<b>(828.0)</b>	<b>(887.9)</b>	<b>(860.5)</b>	<b>(832.3)</b>	<b>(753.2)</b>	<b>(719.9)</b>	<b>(793.5)</b>	<b>(844.8)</b>
Grants	31.0	41.7	23.1	47.4	49.3	53.2	68.6	73.8
<b>BALANCE INCLUSIVE OF GRANTS</b>	<b>(797.0)</b>	<b>(846.2)</b>	<b>(837.4)</b>	<b>(785.0)</b>	<b>(703.9)</b>	<b>(666.7)</b>	<b>(724.9)</b>	<b>(771.0)</b>
Adjustment to cash basis	11.9	-	37.0	-	-	-	-	-
<b>BALANCE INCLUSIVE OF GRANTS(cash basis)</b>	<b>(785.1)</b>	<b>(846.2)</b>	<b>(800.4)</b>	<b>(785.0)</b>	<b>(703.9)</b>	<b>(666.7)</b>	<b>(724.9)</b>	<b>(771.0)</b>
<i>Discrepancy</i>	<i>(37.3)</i>	-	<i>(30.1)</i>	-	-	-	-	<i>(0.0)</i>
<b>TOTAL FINANCING</b>	<b>747.8</b>	<b>846.2</b>	<b>770.3</b>	<b>785.0</b>	<b>703.9</b>	<b>666.7</b>	<b>724.9</b>	<b>771.0</b>
Net Foreign Financing	142.5	362.7	310.8	362.2	326.1	103.7	230.8	217.5
Net Domestic Financing	605.3	483.6	459.5	422.7	377.7	563.0	494.1	553.5
<b>Nominal GDP (Fiscal year)</b>	<b>12,698.0</b>	<b>14,521.6</b>	<b>14,274.4</b>	<b>16,131.5</b>	<b>18,015.2</b>	<b>20,002.3</b>	<b>22,180.5</b>	<b>24,594.5</b>
<i>As a share of GDP</i>								
<b>TOTAL REVENUE</b>	17.3	17.1	16.5	19.0	19.1	19.2	19.7	20.2
Ordinary revenue	15.1	14.8	14.3	16.3	16.4	16.5	17.0	17.5
Ministerial Appropriation in Aid	2.2	2.3	2.2	2.8	2.7	2.7	2.7	2.7
-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE AND NET LENDING</b>	23.8	23.2	22.6	24.2	23.2	22.8	23.3	23.7
Recurrent	16.8	16.3	16.2	17.1	15.9	15.1	15.3	15.5
Development	4.3	3.9	3.5	4.4	4.9	5.3	5.5	5.8
County Transfer	2.8	3.0	2.9	2.6	2.5	2.3	2.5	2.4
Contingency Fund	-	0.0	-	0.0	0.0	0.0	0.0	0.0
-	-	-	-	-	-	-	-	-
<b>BALANCE EXCLUDING GRANTS</b>	(6.5)	(6.1)	(6.0)	(5.2)	(4.2)	(3.6)	(3.6)	(3.4)
Grants	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3
<b>BALANCE INCLUSIVE OF GRANTS</b>	(6.3)	(5.8)	(5.9)	(4.9)	(3.9)	(3.3)	(3.3)	(3.1)
Adjustment to cash basis	0.1	-	0.3	-	-	-	-	-
<b>BALANCE INCLUSIVE OF GRANTS(cash basis)</b>	<b>(6.2)</b>	<b>(5.8)</b>	<b>(5.6)</b>	<b>(4.9)</b>	<b>(3.9)</b>	<b>(3.3)</b>	<b>(3.3)</b>	<b>(3.1)</b>
<i>Discrepancy</i>	<i>(0.3)</i>	-	<i>(0.2)</i>	-	-	-	-	<i>(0.0)</i>
<b>TOTAL FINANCING</b>	5.9	5.8	5.4	4.9	3.9	3.3	3.3	3.1
Net Foreign Financing	1.1	2.5	2.2	2.2	1.8	0.5	1.0	0.9
Net Domestic Financing	4.8	3.3	3.2	2.6	2.1	2.8	2.2	2.3
<b>Nominal GDP (Fiscal year)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source of Data: National Treasury

### Domestic Revenue Mobilization

82. The Government will implement a mix of tax administrative and tax policy measures in order to boost revenue collection efforts by the Kenya Revenue Authority (KRA) to over Ksh 4.0 trillion in the medium term thereby supporting economic activity. In particular, the Government will focus on domestic resource mobilization efforts that include:

- i) Implementation of the Finance Act 2023 that targets to boost revenue collection. This will lead to a tax effort of 16.3% of GDP in FY 2023/24;
- ii) Implementation of the National Tax Policy to improve the tax system's administrative effectiveness, offer uniformity and clarity in tax laws, and control tax expenditures;
- iii) Implementation of the Medium-Term Revenue Strategy (MTRS) for the period FY 2024/25 - 2026/27 to further strengthen tax revenue mobilization efforts to 20.0% of GDP over the medium term;
- iv) Focus on non-tax measures that MDAs can raise through the services they offer to the public e.g. Ministry of Land, Immigration and citizen services among others; and
- v) Strengthening of Tax Administration by KRA through scaling up use of technology to seal leakages; enhancements of iTax and Integrated Customs Management System (iCMS); and use of e-TIMS (Tax Invoice Management System).

### ***Expenditure Reforms***

83. The Government will sustain efforts to improve efficiency in public spending and ensure value for money by: i) eliminating non priority expenditures; ii) rationalizing tax expenditures; iii) scaling up the use of Public Private Partnerships financing for commercially viable projects; iv) digitizing of asset reporting through operationalization of IFMIS asset module by all MDAs; and iv) rolling out of an end - to - end e-Government Procurement (e-GP) System to the National and County Governments in the FY 2024/25 where all public procurement and assets disposal transactions are undertaken online and are fully compliant with the Public Procurement and Asset Disposal Act of 2015 and its attendant Regulations 2020. The developed e-GP system will be interfaced with the Integrated Financial Management Information System (IFMIS) to process payments of contracted suppliers. Currently, the Government is piloting the new e-GP system in twelve (12) MDAs. Once the system is implemented, it is expected to promote savings of about 10-15 percent of the total Government procurement expenditure, value for money, efficiency, transparency, audit trail and enhance good governance in our public procurement.

84. In order to increase efficiency and effectiveness of the public spending, the Government will continue to implement Public Investment Management Regulations that aim to streamline initiation, execution and delivery of public investment projects. Ministries shall be required to finalize ongoing projects before commencing new projects in order to reduce the Government's exposure on stalled projects. Additionally, all PIM approved projects shall be required to factor environmental and climate related risks including carbon emission and disaster risk management as part of project appraisal. Going forward, the National Government will commence rolling out the PIM Regulations to County Governments. Further, the Government will roll out the Public Investment Management Information System (PIMIS) to all the Ministries, Departments and Agencies (MDAs). The System is aimed at improving the management of development projects

in the country. All State Departments, SAGAs and SOEs shall be required to list all the projects.

85. To sustain and strengthen the pension reforms, the Government will monitor and completely separate and delink the governance of the Public Service Superannuation Scheme from that of the non-contributory scheme. The Government will also revamp the public service pension administration through digitization and re-engineering of the pension management system, expected to be completed by December 2024. Digitization will streamline processes, improve accuracy, and facilitate timely pensions payments. This also enable better monitoring and management of pension-related matters while re-engineering will complement the digitization by availing an end-to-end Enterprise Resource Planning (ERP) solution that takes advantage of the modern IT technologies.

86. In order to address the challenges faced by Government Owned Enterprises (GOEs), commonly known as Commercial State Corporations, the Government has embarked on the process of privatising and restructuring of these entities. Following the enactment of the Privatisation Act, 2023, the Government will FastTrack the privatisation of GOEs and Government Linked Corporations (GLCs). As part of the process, the Government has identified and proposed eleven (11) entities to be included in the 2023/2024 Privatisation Program, in line with the provisions of the Privatisation Act, 2023. The privatisation is geared towards the Government's efforts for fiscal consolidation and spurring economic development through: Raising additional revenue; Reduction in the demand for Government resources; Improvement of regulatory framework in the economy by unbundling regulatory and commercial functions among some entities; and Improvement of efficiency in the economy by encouraging more participation of the private sector hence make the economy more responsive to market forces; among others.

### ***Deficit Financing Policy***

87. Consistent with the objective of minimizing costs and risks of public debt, the Government will mobilize resources mainly from multilateral and bilateral Development Partners (DPs). Commercial borrowing sources will be utilized as last resort to fund the fiscal deficit and repay maturing external debts. Net domestic financing requirements will be met through the issuance of Treasury bonds in the domestic market.

88. More emphasis will be on maximizing concessional loans while no concessional and commercial external borrowing will be limited to economic enabler projects that cannot secure concessional financing and are in line with the Bottom-Up Transformation Agenda of the Government.

89. In light of increased cost of financing, the Government will continue to monitor the global financial market conditions before accessing the international capital market for any liability management operations. The Government will also explore other alternative sources of financing including climate Fund financing options, Debt for Nature Swaps, Samurai and Panda bonds depending on the prevailing market and macroeconomic conditions.

90. The domestic debt market remains one of central funding source to the Government as it contributes to half of the total required financing needs thus mitigating against external currency risks. The Government will continue to implement reforms that are aimed at deepening,

improving efficiency and diversifying the investor base within the domestic market.

91. Commitment to fiscal consolidation with a view to reducing fiscal deficits remains important to Government in restraining debt accumulation and thus progressively reduce the debt service over the medium-term amidst global shocks on Kenya's economy and its medium-term prospects.

## **2.5 Economic Outlook**

92. The economy is projected to remain strong and resilient in 2023, 2024 and over the medium term supported by the continued robust growth of the services sectors, the rebound in agriculture, and the ongoing implementation of measures to boost economic activity in priority sectors by the Government. As such, the economy is expected to remain strong and expand by 5.5 percent in both 2023 and 2024 (5.5 percent in FY 2023/24 and in FY 2024/25) (**Table 7**).

93. **From the supply side**, this growth will be driven by a strong recovery in the agriculture sector supported by the anticipated adequate rainfall in most parts of the country and a decline in global commodity prices that will reduce the cost of production. Additionally, Government intervention measures aimed at lowering the cost of production such as the ongoing fertilizer and seed subsidy program and provision of adequate affordable working capital to farmers will support growth of the sector.

94. The industry sector will be driven mainly by increased activities in manufacturing and construction subsectors. Manufacturing subsector will be supported by improved availability of raw materials following the recovery in agriculture production and a decline in global commodity prices which will support food processing. Construction subsector will be driven by sustained investment in the Affordable Housing programme, PPP infrastructure projects and the ongoing work on building and maintaining public infrastructure. Electricity and water supply subsector is expected to remain vibrant due to the anticipated increase in demand as the industrial and residential consumption grows.

95. Services sector will be supported by resilient activities in accommodation and restaurant, financial and insurance, information and communication, wholesale and retail trade and transport and storage, among others. Accommodation and restaurant subsector will be supported by the continued increase in tourists' arrivals as international travels recovers following the global economic slowdown and Government's effort to revamp the sector, through promotion of international conference, cultural festivals and promoting wildlife safaris. Transport and Storage subsector will be supported by improvement of critical national and regional trunk roads that have the highest economic impact and adoption of electric vehicles which signals new era of mobility. Activities in information and communication subsector will be supported by laying of additional National Fiber Optic network which will enable the Country to achieve the required national bandwidth to expedite the deployment and development of rural telecommunication services.

96. **On the demand side**, growth will be driven by an improvement in aggregate demand. Aggregate demand will be supported by household private consumption and robust private sector investments coupled with Government investments as the public sector consolidates. This growth

will also be supported by improvement in the external account supported by strong export growth and resilient remittances.

97. Consumption will mainly be driven by strong Private consumption which is expected to increase to 78.9 percent of GDP in 2024 from 78.1 percent of GDP in 2023. The easing of inflationary pressures will result in strong household disposable income, which will in turn support household consumption. Government consumption is projected to decline in 2023 and 2024 in line with the fiscal consolidation program.

98. Aggregate investment is projected to remain stable at 19.4 percent of GDP in 2023 and 19.5 percent of GDP in 2024 mainly supported by the private sector. Investment will benefit from focus on public-private-partnership (PPP) projects and improvements in the Foreign Exchange market conditions. Additionally, private investments will be supported by stable macroeconomic conditions coupled with the ongoing fiscal consolidation which will provide the needed confidence for investors. Interventions by the Government through the Hustlers' Fund will strengthen MSMEs thereby correcting market failures for the vast majority of Kenya's at the bottom of the pyramid. This will strengthen the private sector led growth opportunities.

99. Growth over the medium term will also be driven by sustained Government investments in the Affordable Housing programme, PPP infrastructure projects and the ongoing work on building and maintaining public infrastructure. The development spending in the budget will be above 5.0 percent of GDP so as not to impact on growth momentum. The spending supports investments in key projects under the Bottom-Up Economic Transformation Agenda (BETA). Particularly, investments in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials).

100. The current account deficit is projected to improve to 4.4 percent of GDP in 2023 and 4.0 percent of GDP in 2024 compared to 5.1 percent of GDP in 2022. The expected narrowing of the current account deficit is driven by a decline in imports amid lower oil prices, exchange rate adjustment, and further rationalization of capital spending. Additionally, the current account balance will be supported by continued strong remittance inflows.

101. Kenya's exports of goods and services is expected to continue strengthening supported by receipts from tourism, and an increase in receipts from tea and manufactured exports. The strengthening of the dollar against the Shilling is also expected to support export receipts. The expected recovery of Kenya's trading partners and the implementation of Africa Continental Free Trade Area (ACFTA) will enhance demand for exports of Kenyan manufactured products. Additionally, the implementation of crops and livestock value chains, specifically, exports of tea, coffee, vegetables and fresh horticultural produce, among others will support growth in export receipts.

102. In the Balance of Payments Statement, external financing needs will be met mainly by equity inflows and foreign direct investment given the conducive business climate that Government has created particularly the fiscal policy predictability.

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

103. The monetary policy stance is aimed at achieving price stability and providing adequate



credit to support economic activity. With agriculture recovering, the contribution from food prices to headline inflation is expected to decline but pressures from fuel prices are expected to remain in the near term. Overall, inflation is expected to largely remain within the target band of  $5\pm 2.5$  percent in the medium term. This will be supported by muted demand pressures consistent with prudent monetary policy and easing of domestic and global food prices coupled with Government measures to lower cost of production through subsidizing farm inputs and support sufficient supply of staple food items through zero rated imports.

104. In order to ensure that inflationary expectations are well anchored and in line with maintaining external sustainability, the Government will continue to adjust the monetary policy stance decisively as needed, to mitigate the second-round effects, including from international oil price shocks, exchange rate adjustments, and risks from any other future shocks. In addition to inflation objectives, the Central Bank of Kenya (CBK) will ensure that the monetary policy stance and central bank policy operations are mutually consistent at all times with policy, in order to support confidence in macroeconomic stability, meeting Government's financing needs, maintaining Kenya's external sustainability, and ensuring adequacy of foreign exchange reserves.

105. The Government will also support a flexible exchange rate system to act as external shock absorber. To address the challenges of pricing and liquidity, CBK issued the Kenya FX code in March 2023. The code is aligned to best practices adopted in leading jurisdictions and incorporates relevant elements of the Global FX Code. The leading principles include practices on Execution, Governance, and Risk Management and Compliance which foster a robust, fair, open, liquid and appropriately transparent market. This was complemented by concerted efforts to reactivate the interbank FX market. Two foreign exchange inter-dealer brokers are already active in the interbank FX market, supporting price discovery.

106. Over the medium term, CBK will continue implementing reforms outlined in the White Paper on Modernization of the Monetary Policy Framework and Operations. The reforms aim at enhancing the effectiveness of monetary policy and support anchoring of inflation expectations through inflation targeting. In order to enhance monetary policy transmission, CBK adopted a new monetary policy implementation framework and launched the Centralized Securities Depository System (CSD) in 2023.

107. The new framework, adopted in August 2023, which is based on inflation targeting, introduced an interest rate corridor around the Central Bank Rate (CBR) set at  $CBR\pm 250$  basis points. Consequently, monetary policy operations are aimed at ensuring the interbank rate, the operating target, closely tracks the CBR within the corridor. To further improve the operation of the interest rate corridor framework, access to the Discount Window was improved as the applicable interest rate was reduced from the 600 basis points above CBR to 400 basis points above CBR. The Centralized Securities Depository System, the Dhow CSD, which went live on 31<sup>st</sup> July, 2023, is a versatile market infrastructure that will improve monetary policy transmission and implementation and enhance operational efficiency in the domestic debt market, further promoting capital growth, market deepening, expansion of digital access for broader financial inclusion, and positioning Kenya as the preferred financial hub in the region.

108. Additionally, the CBK will continue improving monetary policy formulation and implementation in Kenya by refining macroeconomic modelling and forecasting frameworks,

fine tuning of monetary policy operations around the CBR and improving the communication of monetary policy decisions to make them more effective.

**TABLE 7: MACROECONOMIC INDICATORS AND PROJECTIONS**

	2020	2021	2022	2023	2024	2025	2026	2027
	Act	Prel. Act	Prel. Act	Proj.	BPS 2024	BPS 2024	BPS 2024	BPS 2024
<i>annual percentage change, unless otherwise indicated</i>								
<b>National Account and Prices</b>								
Real GDP	-0.3	7.6	4.8	5.5	5.5	5.5	5.5	5.6
Primary Sector	4.7	0.5	-1.0	6.6	4.2	4.4	4.1	3.9
of which: Agriculture	4.6	-0.4	-1.6	6.9	4.2	4.4	4.0	3.9
Industry	3.2	6.8	3.5	2.5	3.3	3.4	3.3	3.8
Services	-1.8	9.6	6.7	6.2	6.1	6.2	6.6	6.6
GDP deflator	4.9	4.3	6.0	7.2	6.2	5.8	5.8	4.6
CPI Index (eop)	5.6	5.7	9.1	6.3	5.0	5.0	5.0	5.0
CPI Index (avg)	5.3	6.1	7.6	7.7	5.0	5.0	5.0	5.0
Terms of trade (-deterioration)	-5.3	-2.2	0.7	-6.3	1.3	2.5	2.8	3.9
<b>Money and Credit (end of period)</b>								
Net domestic assets	15.9	15.2	14.9	11.7	9.8	9.2	8.6	8.9
Net domestic credit to the Government	26.7	18.9	10.6	7.7	8.4	8.7	7.9	6.7
Credit to the rest of the economy	10.1	12.2	13.2	14.2	14.4	13.6	12.8	14.0
Broad Money, M3 (percent change)	6.9	10.5	13.2	12.3	11.3	11.0	10.9	11.3
Reserve money (percent change)	10.5	4.0	3.2	12.2	11.2	10.8	10.8	11.1
<i>in percentage of GDP, unless otherwise indicated</i>								
<b>Investment and Saving</b>								
<b>Consumption</b>								
Central Government	12.5	12.1	12.3	10.5	9.9	9.2	9.0	9.2
Private	75.4	74.6	75.6	78.1	78.9	77.1	77.1	76.0
<b>Gross Fixed Capital Investment</b>								
Central Government	5.5	4.5	3.8	3.6	4.1	4.6	4.9	5.1
Private	14.2	15.9	15.4	15.8	15.4	15.3	15.0	14.8
<b>Gross National Saving</b>								
Central Government	-3.3	-4.4	-4.1	-4.1	-3.7	-2.3	-1.5	-1.3
Private	18.1	20.0	18.2	19.0	19.3	18.1	17.4	17.2
Exports value, goods and services	9.7	10.8	12.2	13.1	12.8	12.8	12.5	12.7
Imports value, goods and services	17.7	19.9	21.5	21.4	21.4	20.1	19.4	18.9
Current external balance, including official transfers	-4.8	-4.8	-5.1	-4.4	-4.0	-4.1	-4.0	-4.0
Gross reserves in months of next yr's imports	4.6	4.7	4.4	3.6	4.2	4.0	4.0	3.9
Gross reserves in months of this yr's imports	5.6	5.2	3.9	4.0	4.3	4.3	4.3	4.3
<i>fiscal year, in percentage of GDP, unless otherwise indicated</i>								
<b>Central Government Budget</b>								
Total revenue	16.5	16.0	17.3	16.5	19.0	19.1	19.2	19.7
Total expenditure and net lending	24.4	24.6	23.8	22.6	24.2	23.2	22.8	23.3
Overall Fiscal balance excl. grants	-7.9	-8.6	-6.5	-6.0	-5.2	-4.2	-3.6	-3.6
Overall Fiscal balance, incl. grants	-7.7	-8.3	-6.3	-5.9	-4.9	-3.9	-3.3	-3.3
Overall Fiscal balance, incl. grants, cash basis	-7.6	-8.3	-6.2	-5.6	-4.9	-3.9	-3.3	-3.3
Primary budget balance	-3.4	-3.9	-1.6	-0.8	0.7	1.7	1.8	1.5
<b>Public debt</b>								
Nominal central government debt (eop), gross	68.4	68.0	71.4	68.0	64.8	61.7	58.9	56.3
Nominal debt (eop), net of deposits	63.4	64.7	68.0	65.0	62.1	59.3	56.7	54.3
Domestic (gross)	32.8	34.1	33.9	32.6	31.3	31.0	30.2	29.5
Domestic (net)	27.9	30.8	30.5	29.6	28.6	28.6	28.0	27.5
External	35.5	33.9	37.5	35.5	33.6	30.7	28.8	26.8
<b>Memorandum Items:</b>								
Nominal GDP (in Ksh Billion)	10,715	12,028	13,368	15,180	17,083	18,948	21,057	23,304
Nominal GDP (in US\$ Million)	100,658	109,697	113,421	101,978	114,510	126,574	142,044	155,474

Source of Data: The National Treasury

## 2.6 Risks to the Economic Outlook

109. There are downside risks emanating from domestic as well as external sources. On the domestic front, risks relate to unpredictable weather conditions due to the impact of climate change which could adversely affect agricultural production and result in domestic inflationary pressures and food insecurity. Additionally, tight fiscal space due to the impact of the multiple

shocks that have affected the global and the domestic economy might lead to tight liquidity conditions for financing the budget.

110. On the external front, uncertainties in the global economic outlook stemming from the escalating geopolitical fragmentations could result in higher commodity prices which poses a risk to domestic inflation outcomes leading to further tightening of financial conditions. Additionally, weaker global demand due to the slowdown in the global economic recovery could adversely affect Kenya's exports, foreign direct investments and remittances. Continued strengthening of US dollar against other global currencies arising from aggressive monetary policy tightening present significant risks to financial flows and puts pressures on the exchange rate with implication to growth and inflation.

111. The upside risk to the domestic economy relate to early easing of global financing conditions and lower international fuel and food prices, which would strengthen Kenya's external balances. Faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation. The Kenyan Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.

### **3.0 BUDGET FOR FY 2024-25 AND THE MEDIUM TERM**

112. During the FY 2024/2025, the County government will be committed to fiscal discipline by maximizing the revenue collection and allocation in economic and social growth. The goal will be achieved through need-based resource allocation across all sixteen key sectors. The county will put in place key strategies for revenue administration reforms to achieve the set targets in the 2024/2025 FY and the medium-term. Expenditure management will enable the county to effectively implement projects and programs within the budgets and expenditure framework.

#### **3.1 FY 2024/25 Budget Framework**

113. In preparation of CFSP 2024/2025 FY, the county will adopt programmes and projects from the County Integrated Development Plan (CIDP) 2023-2027, ADP (2024/2025), public participation reports, Departmental priorities, programmes and development policies of the County Government. The fiscal plan will be based on the county management reforms in revenue and expenditure management in order to maximize the achievements and projects gains in county spending. The plan will also be developed based on the sixteen county development Agenda and the medium-term plan from National government.

#### **3.2 Revenue Projections**

114. The County government projects to receive an allocation of **Kshs. 12,712,996,653** during the FY 2024/25 constituting an equitable share - **Kshs 10,990,205,956**, Own Source Revenue - **Kshs 600,000,000** and conditional grants - **Kshs 1,122,790,697**. The allocations are indicative as the actual allocation will be provided in the County Allocation of Revenue Act (CARA), 2024. (-Not Yet Out).

115. The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill, 2024, for consideration and enactment as required by the PFM Act, 2012.

**TABLE 5: REVENUE PROJECTIONS FOR FY 2024/2025 AND THE MTEF**

S/No	Source	Actual Revenue 2016/17	Actual revenue 2017/18	Actual Revenue 2018/19	Actual Revenue 2019/20	Actual Revenue 2020/21	Actual Revenue 2021/22	Actual Revenue 2022/23	Projected Revenue Estimates 2023/24	Projected Estimates	
		(Kshs)	(Kshs)	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	2024/25 (Kshs)	2025/26 (Kshs)
<b>1</b>	<b>Equitable share</b>										
	Equitable share	7,841,480,359	8,652,300,000	8,729,200,000	8,830,350,000	8,830,350,000	9,562,452,779	10,393,970,413	10,824,785,855	10,990,205,956	11,153,310,186
	Transfer of Library Services								4,701,081	-	-
	<b>Sub Total Equitable Share</b>	<b>7,841,480,359</b>	<b>8,652,300,000</b>	<b>8,729,200,000</b>	<b>8,830,350,000</b>	<b>8,830,350,000</b>	<b>9,562,452,779</b>	<b>10,393,970,413</b>	<b>10,829,486,936</b>	<b>10,990,205,956</b>	<b>11,153,310,186</b>
<b>2</b>	<b>Grants</b>										
	Free Maternal Healthcare	70,080,000				-					
	Compensation for User Fees Forgone	23,144,996	23,144,997	22,499,906	22,499,906	22,499,906				-	-
	Road Maintenance Fuel Levy	120,484,292	309,636,150	287,290,294	250,655,344					445,098,850	451,704,505
	Grants from World Bank (KDSP)	-	53,665,066		30,000,000	45,000,000				37,500,000	38,056,533
	World Bank (Universal Health)		47,013,831	67,082,450	103,785,962	36,872,242	23,942,835			-	-
	World Bank (Agriculture - Rural Growth)	-	50,609,855	50,078,476	268,608,366	190,631,819	150,349,620	227,100,709	150,000,000	-	-
	World Bank (Emergency Locust Response Project (ELRP))						14,076,914	68,522,528	133,683,244	121,025,000	122,821,116
	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))							67,192,729	250,000,000	151,515,152	153,763,769
	HSSP/HSPS - (DANIDA/IDA)	150,020,244	32,522,346	29,008,126	35,792,500			28,405,688	16,112,250	13,601,250	13,803,104
	County Aggregation and Industrial Parks Programme									250,000,000	253,710,218
	Community Health Promoters									58,050,445	58,911,964
	World Bank loan to Supplement financing of County Health Facilities	-				25,110,000				-	-
	World Bank Credit to Finance Locally - Led							11,000,000	11,000,000	11,000,000	11,163,250

S/No	Source	Actual Revenue 2016/17	Actual revenue 2017/18	Actual Revenue 2018/19	Actual Revenue 2019/20	Actual Revenue 2020/21	Actual Revenue 2021/22	Actual Revenue 2022/23	Projected Revenue Estimates 2023/24	Projected Estimates		
		(Kshs)	(Kshs)	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	2024/25 (Kshs)	2025/26 (Kshs)
	Climate Action Program (FLLoCA)											
	UNFPA (9th Country Programme Implementation)										-	-
	Development of Youth Polytechnics	-	67,576,636	44,141,075	72,588,298						-	-
	Other GOK Grants (Doctors & Nurses Allowance)	88,992,000		-							-	-
	Kenya Urban Support Project - World Bank			232,374,200	166,203,043	92,149,894		2,339,915		-		-
	Kenya Urban Support Project (UIG)- World Bank			41,200,000	8,800,000						35,000,000	35,519,430
	ASDSP			8,946,484	19,410,807	126,367,908	16,926,637	11,636,683	1,292,965		-	-
	KCEP-KRLA										-	-
	FAO					12,329,648					-	-
	GoK Conditional Grant - Covid Fund				488,788,000						-	-
	Pro Poor										-	-
	<b>Subtotal</b>	<b>452,721,532</b>	<b>584,168,881</b>	<b>782,621,011</b>	<b>1,467,132,226</b>	<b>815,092,853</b>	<b>205,296,006</b>	<b>416,198,252</b>	<b>562,088,459</b>	<b>1,122,790,697</b>	<b>1,139,453,889</b>	
		<b>8,294,201,891</b>	<b>9,236,468,881</b>	<b>9,511,821,011</b>	<b>10,297,482,226</b>	<b>9,645,442,853</b>	<b>9,767,748,785</b>	<b>10,810,168,665</b>	<b>11,391,575,395</b>	<b>12,112,996,653</b>	<b>12,292,764,075</b>	
3	<b>Own Revenue</b>											
	<b>County Ministry/ Entity</b>											
	Office of the Governor	-		9,876,970	12,048,730	11,970,550	9,128,100	12,461,000	14,468,391	14,839,376	15,059,605	
	Office of the Deputy Governor								107,173	109,921	111,553	
	Ministry of Water and Irrigation	17,167,612	12,989,871	16,418,764	29,343,230	11,152,488	3,867,163	2,420,250	2,163,121	2,218,585	2,251,511	
	Ministry of Education, Training & Skills Development		-	-		5,395,440	6,030,092	21,014	107,173	109,921	111,553	
	Ministry of Roads, Public Works & Transport	24,958,150	26,196,850	26,925,512	18,417,352	40,536,210	3,468,925	1,690,980	3,457,410	3,546,061	3,598,688	
	Ministry of Health and Sanitation	72,740,757	106,553,358	176,097,641	181,897,534	111,901,160	188,550,071	270,153,643	350,500,826	359,488,027	364,823,142	
	Ministry of Trade, Industry, MSMEs, Innovation &	425,671	428,707	1,046,812	44,752,398	1,284,195	3,963,257	1,746,994	3,268,785	3,352,600	3,402,355	

S/No	Source	Actual Revenue 2016/17	Actual revenue 2017/18	Actual Revenue 2018/19	Actual Revenue 2019/20	Actual Revenue 2020/21	Actual Revenue 2021/22	Actual Revenue 2022/23	Projected Revenue Estimates 2023/24	Projected Estimates	
		(Kshs)	(Kshs)	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	2024/25 (Kshs)
	Cooperatives										
	Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	6,785,460	5,060,700	850,900	2,183,100	1,505,065	1,823,310	525,200	6,182,327	6,340,848	6,434,952
	Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	-	1,095,150	132,500	138,000	26,000	72,000	111,000	214,347	219,843	223,105
	Ministry of Finance, Economic Planning & Revenue Management	106,022,233	91,863,116	126,941,699	62,542,260	83,755,939	64,270,545	80,039,139	87,798,589	90,049,834	91,386,252
	Ministry of Agriculture & Livestock						21,104,722	3,224,055	10,484,458	10,753,290	10,912,878
	Ministry of Lands, Housing & Urban Development						1,480,136	18,302,149	26,070,796	26,739,278	27,136,112
	Kitui Municipality	45,252,270	48,923,181	57,387,816	36,591,889	37,785,490	35,805,225	48,451,197	53,160,532	54,523,622	55,332,800
	Mwingi Town Administration	25,602,970	25,009,194	27,966,066	20,370,670	21,137,774	21,707,796	25,207,847	27,016,074	27,708,793	28,120,016
	<b>Subtotal</b>	<b>298,955,123</b>	<b>318,120,127</b>	<b>443,644,680</b>	<b>408,285,163</b>	<b>326,450,311</b>	<b>361,271,342</b>	<b>464,354,468</b>	<b>585,000,000</b>	<b>600,000,000</b>	<b>608,904,523</b>
	<b>TOTAL</b>	<b>8,593,157,014</b>	<b>9,554,589,008</b>	<b>9,955,465,691</b>	<b>10,705,767,389</b>	<b>9,971,893,164</b>	<b>10,129,020,127</b>	<b>11,274,523,133</b>	<b>11,976,575,395</b>	<b>12,712,996,653</b>	<b>12,901,668,598</b>
	% of Equitable Share	91	91	88	82	89	85	92	90	86	86
	% of Own Resources	3	3	4	4	3	7	4	5	5	5
	% of Grants	5	6	8	14	8	8	4	5	9	9
		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	Revote from previous budget	1,843,914,081	1,319,665,314	880,167,531	526,210,232	1,578,584,301	769,547,038	1,118,001,643	2,012,204,897	-	
	Total Resource Envelope	10,437,071,095	10,874,254,322	10,835,633,222	11,231,977,621	11,550,477,465	10,898,567,165	12,392,524,776	13,988,780,291	12,712,996,653	12,901,668,598

*Source: Ministry of Finance, Economic Planning and Revenue Management, 2024*

### 3.3 Expenditure Projections

116. The county expenditure for FY 2024/2025 is projected to be Kshs **12,712,996,653** which includes Kshs **5,544,239,802** for Personnel Emoluments, Kshs **3,302,422,238** for Operation and Maintenance, and Kshs **3,866,334,613** for development expenditure. The amounts are distributed across all the ministries based on the objectives, programmes and projects of the ministry.

117. In realization of the development agendas, the county departments will review their fiscal plans in both CFSP FY 2024/25 and the annual estimates to minimize on the non-priority programmes and projects.

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

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

**Table 3** below shows the proposed ceilings per spending entity.



**TABLE 6: KITUI COUNTY GOVERNMENT - CFSP CEILINGS FY 2024/25**

County Ministry	Recurrent Estimates		Total Recurrent Estimates	Development Estimates	Total Budget Estimates	%
	PE	O&M				
Office of the Governor	508,750,023	577,711,907	1,086,461,930	822,555,163	1,909,017,093	15.02%
Office of the Deputy Governor	67,995,241	90,360,065	158,355,306	23,702,808	182,058,114	1.43%
Ministry of Water & Irrigation	92,191,299	47,621,859	139,813,158	556,280,836	696,093,994	5.48%
Ministry of Education, Training & Skills Development	788,141,583	146,443,189	934,584,772	87,981,493	1,022,566,265	8.04%
Ministry of Roads, Public Works & Transport	155,338,312	65,132,012	220,470,324	656,160,581	876,630,905	6.90%
Ministry of Health & Sanitation	2,634,866,339	1,009,711,619	3,644,577,958	177,774,729	3,822,352,686	30.07%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	85,147,508	87,154,436	172,301,944	538,589,631	710,891,575	5.59%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	51,627,213	71,414,131	123,041,344	202,519,447	325,560,791	2.56%
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	69,159,768	51,671,156	120,830,924	53,560,406	174,391,330	1.37%
Ministry of Finance, Economic Planning & Revenue Management	221,180,851	285,669,728	506,850,579	37,500,000	544,350,579	4.28%
Ministry of Agriculture & Livestock	260,189,070	90,320,643	350,509,713	333,504,084	684,013,797	5.38%
Ministry of Lands, Housing and Urban Development	56,983,440	34,485,663	91,469,103	239,543,725	331,012,828	2.60%
County Public Service Board	29,665,152	35,731,506	65,396,658	5,000,000	70,396,658	0.55%
County Assembly Service Board	458,006,357	637,623,643	1,095,630,000	5,000,000	1,100,630,000	8.66%
Kitui Municipality	33,636,755	46,559,814	80,196,569	92,261,711	172,458,280	1.36%
Mwingi Town Administration	31,360,891	24,810,868	56,171,759	34,400,000	90,571,759	0.71%
<b>TOTALS</b>	<b>5,544,239,802</b>	<b>3,302,422,238</b>	<b>8,846,662,040</b>	<b>3,866,334,613</b>	<b>12,712,996,653</b>	<b>100.00%</b>
<b>PERCENTAGES</b>	<b>43.61%</b>	<b>25.98%</b>	<b>69.59%</b>	<b>30.41%</b>	<b>100.00%</b>	

Source: Ministry of Finance, Economic Planning and Revenue Management, 2024

### 3.4 Recurrent Expenditure Projections

Total recurrent expenditure budget in the FY 2024/25 is estimated to be Kshs. **8.84 billion** as compared to Kshs. **8.87 billion** in FY 2023/24 printed budget estimates. The wage bill is projected at Kshs. **5.54 billion** in the FY 2024/25 compared to Kshs. **5.40 billion** in 2023/24 FY thereby increasing by **2.58 %**. The projected wage bill is **43.61** percent of total revenues.

119. The PFM (County Governments) Regulations, 2015, requires that the County Governments maintain employee compensation levels at not more than 35 percent of their total revenue. In the medium term, the County government is committed to ensuring compliance with this fiscal responsibility principle.

### 3.5 Development Expenditure Projections

120. In the FY 2024/25, the overall development expenditure is expected to be Kshs. **3.866** billion. This accounts for **30.41** percent of the overall budget, which is in line with the fiscal responsibility requirement of allocating at least 30 percent of the budget to development expenditure.

### 3.6 Overall Deficit and Financing

121. To avoid deficits that have no clear plan on how they will be funded, the County Government has allocated resources for spending that are corresponding to the revenues expected in the FY 2024/25. The County budget shall be financed through transfer from the National Government and local revenue collected from fees, charges, rates, grants, among others as allowed by the governing legal framework. The FY 2024/25 fiscal framework is therefore fully financed.

### 3.7 Risks to the 2024/25 County budget framework

122. The risks to the fiscal framework for the FY 2024/25 include:

- a. Over reliance on national government transfers is a risk that undermines the County's fiscal autonomy. Coupled with the unpredictability on account of the delays in release of the resources, this poses a great risk to proper implementation of the County's budget. This can be curbed by measures to increase local revenue collection by the County Government. The monies mobilized can be used to cushion the County in the times that the National Government delays in exchequer releases.
- b. The County's frequent failures to meet the revenue target due to unforeseen factors is another risk to the fiscal framework for the FY 2024/25. This remains a major challenge as it can generate pending bills and cause general cash flow problems or even cause undue demand for borrowing. To counter this, the County will put in structural reforms aimed at sealing loopholes in revenue realization, revenue enhancement measures while ensuring there are efficient and cost-effective methods of collecting the revenues.
- c. Another risk is the County's high wage bill that stands at **43.61 %**. Even though recruitment of new staff in the county has been put on hold, there have been ongoing promotions for departmental staff. Furthermore, the County is waiting for proposed recommendations under the CARPs programme and the SRC's job evaluation exercise.

The lack of clear guidelines for clarity, harmony of operations and delay by the National Government in finalizing the CARPS exercise has been a drawback. It is expected that once the exercise is completed, the National Treasury will allocate enough funds for implementation of the recommendations, which may include staff compensation in the event of rationalization. However, in a bid to lower the wage bill, the County Government has been laying off Casual workers who have been largely contributing to the ballooned wage bill. Further, the County anticipates the retirement of a big number of workers who have attained the legal retirement age. This will automatically lower the wage bill, considering the fact that the positions will be revised to ensure retainment of only crucial/necessary positions. s

- d. Duplication of functions in some areas that are still contentious between the National and County Governments that risk generating intergovernmental conflicts, wasteful spending and financing gaps that could adversely affect implementation of the County's fiscal framework is another risk that needs to be mitigated through dialogue and consensus building.
- e. Delays in passing of crucial bills by the County Assembly could also affect budget implementation. This can be mitigated by ensuring political goodwill through harmonious working relationship between the County Assembly and the Executive. This will lead to timely approval of crucial policy and budget documents without much conflict.

### **3.8 Fiscal Structural Reforms**

#### **3.8.1 Revenue mobilization**

123. The County government will put in place measures to meet its revenue target as this will enable the County to implement its development programmes. The County has so far implemented various reforms aimed at sealing revenue leakage loopholes. This will be facilitated through completion of the automation of systems and revenue collection. By so doing, all payments in the County will be made electronically and in return administrative costs are expected to significantly reduce. Also, this will minimize leakages and expand access to payment points, which will improve on accountability.

124. The County Government will adopt other key strategies amongst them; mobilization of additional revenue by strengthening enforcement and expansion of the revenue base. This will continue to remain the key focus in the next FY. The County will focus on land and property tax as the most appropriate and equitable source of revenue to finance development and provision of essential services. To this effect, the County will finalize and implement the Valuation Roll completed recently in order to widen the tax base. These, and other measures laid down for implementation are contained in a Revenue Enhancement plan by County Treasury.

#### **3.8.2 Expenditure Management**

125. The County will continue to use Integrated Financial Management System (IFMIS) as the system for processing payments. On implementation of projects, the County will continue to undertake capacity building initiatives to properly support other Departments. Consultations with the County Budget and Economic Forum (CBEF) will be deepened on all matters of planning, budgeting and financial management. Audit Committees have so far been formed and fully

operational. Such consultations also ensure that there is transparency, accountability, and adherence to the PFM Act on budget making process.

126. The County Government will use participatory approach on project identification. Projects will be identified at the ward level based on community needs in each ward. This will be approved by the County Assembly and implemented by the County Executive in compliance with the law. The County services are expected to be brought closer to residents which will go a long way in deepening devolution.

127. The County Government will continue with civic education programmes to enhance awareness and facilitate proper flow of information. Increased cooperation between the County Government and the County Assembly will ensure there is efficient running of County government thereby improving service delivery.

128. In order to contain recurrent and non-essential spending, the County will focus on the following areas of intervention:

- a) Foreign and domestic travel will be limited to essential travels
- b) Limiting training to the need basis and essential/critical.
- c) Issuance of circulars and strict enforcement of cost reduction measures to all County Departments.
- d) Implement a strict commitment control system to reduce the stock of pending bills.

### **3.9 Guiding Principles in Resource Allocation**

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

130. The requirement that the County public debt shall never exceed twenty (20) percent of the County government's total revenue at any one time. The county will not be incurring any debt; The County Government wages shall be contained at thirty-five (35) percent of the County government's total revenue in the medium term; the approved expenditures of a County assembly will be as per senate's recommendations, the County government actual expenditure on development shall be at least thirty percent.

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

137 The proposed MTEF adheres to the fiscal responsibility principles outlined by law: The development expenditures have been projected at 30 percent of the County budget against an obligatory minimum of 30 percent. Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases. The County does not intend to borrow in the FY 2024/25 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue.

### **3.11 Resource Sharing Guidelines**

138 Allocation of Departmental ceilings over the medium term has been informed by these guidelines. In the recurrent expenditure category, nondiscretionary expenditures take first charge. This includes payment of Salaries and wages projected at **43.61** percent of the expected total revenue receipts. Other recurrent expenditures that include operations and maintenance account for **25.98** Percent of the projected total revenue. Development expenditure takes **30.41** percent of the total revenue available. Development expenditures have been shared out on the basis of the CIDP priorities and strategic interventions identified in various forums. Also included in the criteria used for apportioning the capital budget is ongoing projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County. The projected Departmental expenditure ceilings are summarized in the **Table 7** on Medium Term Departmental ceilings.

**Table 7: Medium Term Ceilings per County Ministry / Spending Entity, 2023/24-2025/26 (Kshs)**

Spending Entity	Projected Estimates 2023/24 (A)	% of the Total Budget 2023/24	Projected Estimates 2024/25 (B)	% of the Total Budget 2024/25	Change from the 2023/24 Budget (B-A)	% Change from the 2023/24 Budget	Projected Estimates 2025/2026	% of the Total Budget 2025/26
Office of the Governor	2,561,148,253	18.31	1,909,017,093	15.02	-652,131,160.30	-51%	1,937,348,569.36	15.02%
Office of the Deputy Governor	235,259,259	1.68	182,058,114	1.43	-53,201,145.13	-4%	184,760,014.87	1.43%
Ministry of Water	894,527,831	6.39	696,093,994	5.48	-198,433,836.77	-16%	706,424,635.49	5.48%
Ministry of Education, Training & Skills Development	1,046,577,114	7.48	1,022,566,265	8.04	-24,010,849.08	-2%	1,037,742,039.08	8.04%
Ministry of Roads, Public Works & Transport	692,512,172	4.95	876,630,905	6.90	184,118,733.07	14%	889,640,871.36	6.90%
Ministry of Health	3,713,365,328	26.55	3,822,352,686	30.07	108,987,358.38	9%	3,879,079,730.01	30.07%
Ministry of Trade, Industry, Msmes, Innovation & Cooperatives	476,571,418	3.41	710,891,575	5.59	234,320,156.75	18%	721,441,825.00	5.59%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	257,242,828	1.84	325,560,791	2.56	68,317,962.79	5%	330,392,396.53	2.56%
Ministry of Culture, Gender, Youth, Ict, Sports & Social Services	249,656,567	1.78	174,391,330	1.37	-75,265,237.20	-6%	176,979,449.05	1.37%
Ministry of Finance, Economic Planning & Revenue Management	663,695,933	4.74	544,350,579	4.28	-119,345,354.13	-9%	552,429,215.66	4.28%
Ministry of Agriculture & Livestock	1,207,341,046	8.63	684,013,797	5.38	-523,327,249.35	-41%	694,165,157.25	5.38%
Ministry of Lands, Housing & Urban Development	209,087,968	1.49	331,012,828	2.60	121,924,859.99	10%	335,925,346.71	2.60%
County Public Service Board	79,333,803	0.57	70,396,658	0.55	-8,937,145.00	-1%	71,441,405.73	0.55%
County Assembly	1,409,872,841	10.08	1,100,630,000	8.66	-309,242,841.00	-24%	1,116,964,307.99	8.66%
Kitui Municipality	192,453,209	1.38	172,458,280	1.36	-19,994,929.00	-2%	175,017,711.11	1.36%
Mwingi Municipality	100,134,723	0.72	90,571,759	0.71	-9,562,964.00	-1%	91,915,922.80	0.71%
<b>Total</b>	<b>13,988,780,293</b>	<b>100</b>	<b>12,712,996,653</b>	<b>100</b>	<b>-1,275,783,640</b>	<b>-100%</b>	<b>12,901,668,598</b>	<b>100%</b>

*Source: Ministry of Finance, Economic Planning and Revenue Management, 2024*

### 3.12 Prudent Management of Fiscal Risks

#### 3.12.1 Pending Bills

139. The County Government after August 2022 general elections formed the Kitui County Pending Bills Review Committee, 2022, to verify all pending bills claims. The Committee received claims totalling **Kshs. 2,560,718,639.00**. Out of these **Kshs. 1,431,226,010.00** was cleared for payment and **Kshs.1,129,492,629.00** was not cleared pending further verification, valuation and validation by the Pending Bills Review & Advisory Team.
140. Out of the cleared bills, **Kshs. 864,095,216.00** has been paid so far, and upon further verification and valuation, **Kshs. 91,530,710.00** out of the bills subject to verification, valuation and validation (**Kshs. 1,129,492,629.00**), totaling **Kshs 955,625,926.00**.
141. Consequently, the total unsettled bills cleared by the committee amount to **Kshs. 567,130,794.00** (i.e., Court Decrees and Awards – **Kshs 391,051,827.00** and bills for works, goods, and services - **Kshs 176,078,966.00**). A total of **Kshs 1,037,961,919.17** being part of **Kshs. 1,129,492,629.00** worth of bills not cleared by the Pending Bills Review Committee but subject to further verification, valuation and validation by the Pending Bills Review and Advisory Team is still pending. Therefore, the total unpaid pending bills as at February, 2024 amounts to **Kshs 1,605,092,713.00**.

**TABLE 8: PAYMENT STATUS OF PENDING BILLS AS AT FEBRUARY, 2024**

<b>Category</b>	<b>Claim Amount</b>	<b>Actual Paid</b>	<b>Variance</b>
Lot 1 2013-2016			
<i>Grand Total Lot 1 (2013-2016)</i>	<i>307,425,968.00</i>	<i>231,206,895.00</i>	<i>76,219,073.00</i>
<i>Grand Total Lot 2</i>	<i>233,808,008.00</i>	<i>168,476,495.00</i>	<i>65,331,513.00</i>
<i>Grand Total Lot 3</i>	<i>356,360,552.00</i>	<i>321,832,172.00</i>	<i>34,528,380.00</i>
<i>Total Bills for Works, Goods, and Services Cleared by PBRC</i>	<i>897,594,528.00</i>	<i>721,515,562.00</i>	<i>176,078,966.00</i>
Total Bills for Court Decrees and Arbitral Awards	<i>533,631,481.00</i>	142,579,654.00	<i>391,051,827.00*</i>
<b>Sub Total</b>	<b><i>1,431,226,010.00</i></b>	<b>864,095,216.00</b>	<b><i>567,130,794.00</i></b>
Bills subject to verification, valuation and validation	1,129,492,629.00	<i>91,530,710.00</i>	<i>1,037,961,919.00</i>
<b>Grand Total</b>	<b>2,560,718,639.00</b>	<b>955,625,926.00</b>	<b><i>1,605,092,713.00</i></b>

*Source: Ministry of Finance, Economic Planning and Revenue Management, 2024*

\* The total outstanding balance for Court Decrees and Arbitral Awards bills amounts to **Kshs. 391,051,827.00**. However, the County got an interest waiver amounting to **Kshs. 98,975,833.40** leaving an outstanding balance of **Kshs. 292,075,993.60**.

*It is important to note that as further bills are verified, valued and validated by the Pending Bills Review and Advisory Team, the amount payable will continue to change.*

142. The FY 2024/2025 County Fiscal Strategy Paper has incorporated pending bills amounting to **Kshs 150,000,000.00 (Table 9)** out of **Kshs 1,037,961,919.17** bills which were to be paid subject to verification, valuation and validation.

**TABLE 9: BUDGETED PENDING BILLS PER MINISTRY**

No	Ministry	Department	Budgeted Pending Bills (Kshs)
1	Energy, Environment, Climate Change, Natural & Mineral Resources	Environment and Forestry	445,014
		Energy, Minerals and Natural Resources	1,712,504
		<b>TOTAL</b>	<b>2,157,518</b>
2	Culture, Gender, Youth, ICT, Sports & Social Services	Culture, Gender and Social Services	32,905
		Youth, Sports, ICT and Initiatives	2,626,501
		<b>TOTAL</b>	<b>2,659,406</b>
3	Finance, Economic Planning & Revenue Management	Finance revenue management and Accounting	332,673
		<b>TOTAL</b>	<b>332,673</b>
4	Trade, Industry, MSMEs, Innovations & Cooperatives	Trade, Industry, MSMEs	9,958,592
		KICOTEC	9,091,039
		<b>TOTAL</b>	<b>19,049,631</b>
	Agriculture and Livestock	Agriculture and Fisheries	745,732
		Livestock Development and Apiculture	304,756
		<b>TOTAL</b>	<b>1,050,488</b>
6	Health and Sanitation	Medical Services	26,922,466
		<b>TOTAL</b>	<b>26,922,466</b>
7	Roads Public Works & Transport	Roads and Public works	37,367,270
		Transport and Boda boda	1,322,462
		<b>TOTAL</b>	<b>38,689,731</b>
8	Education, Training & Skill Development	Basic Education, ECDE and Children facilities	4,737,123
		Polytechnics, Vocational Centres and Home Crafts	66,745



No	Ministry	Department	Budgeted Pending Bills (Kshs)
		<b>TOTAL</b>	<b>4,803,868</b>
9	Water & Irrigation	Water	4,494,650
		<b>TOTAL</b>	<b>4,494,650</b>
10	Land Housing & Urban Development	Land and Housing	1,531,598
		<b>TOTAL</b>	<b>1,531,598</b>
11	Office of the Deputy Governor	Tourism, Hospitality and Game Reserves	1,052,808
		<b>TOTAL</b>	<b>1,052,808</b>
12	Office of the Governor	Public Service and General Administration	31,774,535
		Decentralized units, SEKEB and Intergovernmental Relations	15,480,628
		<b>TOTAL</b>	<b>47,255,163</b>
	<b>GRAND TOTAL</b>		<b>150,000,000</b>

## 4.0 DEPARTMENTAL/ SECTOR PRIORITIES FOR THE FY 2024/2025 COUNTY FISCAL STRATEGY PAPER

### 4.1 OFFICE OF THE GOVERNOR

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
<b>OFFICE OF THE GOVERNOR</b>				
Public Service and General Administration	<b>Personnel Emolument (PE)</b>	<b>To enhance General Administration Planning and Support Services</b>	<b>Operationalize staff emoluments</b>	<b>508,750,023</b>
	Operations and Maintenance (O&M) for Office of the Governor, Human Resource Unit, Enforcement unit, Special Programmes Unit, and Policy and Research	To enhance General Administration Planning and Support Services	Operationalize staff general expenses	110,000,959
	Operations and Maintenance (O&M) for <b>County Secretary's' office</b>	To enhance General Administration Planning and Support Services	Operationalize staff general expenses	35,000,000
	Motor vehicle Insurance	To enhance General Administration Planning and Support Services	Operationalize motor vehicle insurance	40,000,000
	Staff medical cover	To enhance General Administration Planning and Support Services	Operationalize staff medical cover	175,000,000
	Utilities- (Electricity and water bill for the Governors Administration Block).	To enhance General Administration Planning and Support Services	Operationalize utilities for Governors' Administration Block	6,000,000
	Promote socio-economic development in the community	To promote equitable development across the entire County's 40 Wards and 247 villages through implementing small scale infrastructure projects	Community Level Infrastructure Development Programme (CLIDP) 3%	20,700,000
	<b>TOTAL O &amp; M</b>			<b>386,700,959</b>

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates	
	<b>DEVELOPMENT</b>				
	Promote socio-economic development in the community	To promote equitable development across the entire County's 40 Wards and 247 villages through implementing small scale infrastructure projects	Community Level Infrastructure Development Programme (CLIDP) (97%)	669,300,000	
	Promote socio-economic development in the community	To promote equitable development across the entire County's 40 Wards and 247 villages through small scale projects	Community Level Infrastructure Development Programme (CLIDP)- <b>Pending bills</b>	31,774,535	
	Improved service delivery	To ensure a conducive staff working environment	Construction of Enforcement offices and ablution block	2,000,000	
	Improved service delivery	To ensure a conducive staff working environment	Construction of Additional office space	30,000,000	
	Improved service delivery	To ensure a conducive staff working environment	Refurbishment of Governors Administration Block and Kitchen on 1 <sup>st</sup> floor	4,000,000	
	<b>TOTAL DEVELOPMENT</b>				<b>737,074,535</b>
	<b>Total for Public Service Management and General Administration</b>				<b>1,632,525,517</b>
Governor's Service Delivery Unit	Litigation	Representing the County Executive in Court	Maintain a broad panel of competent lawyers	35,000,000	
		Effectively manage County Government case files	Develop a case file management software	1,000,000	
	Law revision	Revision of County laws	Revision of the laws enacted by the Kitui County Assembly	500,000	
	Legislation	Develop County Legislation	Drafting bills for consideration by the County Executive Committee	500,000	
	Advisory	Check the level of Compliance with the relevant legal and regulatory frameworks	Compliance audit for the county executive and provide advisory on measure to be	1,000,000	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			taken to reduce exposure to legal risks	
	To enhance the implementation of development projects in the County	To track the progress of county projects /Programmes in order to ensure compliance with set deadlines.	Tracking programmes for County projects and programmes	2,000,000
			Development of projects/programmes tracking tool	-
	Staff Training and capacity development	To enhance staff skills, knowledge and competences for improved service delivery	Capacity building and training.	1,000,000
	Strategically well planned and executed public Campaigns, publications and Advertisements	Enhance positive image of the government	Documentation of County Projects/programmes	4,000,000
			Publicity of County projects/programmes via various media platforms	
	Enhance Intergovernmental Relations and Economic collaboration among SEKEB Members	Enhanced service delivery through synergy, cooperation and unity of purpose	Operationalize SEKEB Secretariat and support governing structures as provide for in the SEKEB Act 2022	23,000,000
	Optimized workplace functionality through procurement of Office equipment and Furniture	To Equip officers with the right working tools	Procurement of Furniture and office Equipment	1,230,000
	Optimized Telecommunications infrastructure, Services and Technologies	Enhance internal and external communication	Procurement of Furniture and office Equipment i.Establish toll free line ii.Install office Land lines Market the office hotline	1,005,980
	Developed & implemented Comprehensive Customer care policy	To Create strategic guidelines on Customer Service	Drafting, printing and publication of customer care policy	500,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			Enhanced Internal & external communication	4,000,000
	Effectively facilitated Liason activities	To foster seamless communication, collaboration and relationship building between internal and external customers.	CA & CE consultative forum	36,000,000
	Supported County Government Development Agenda.	Fastrack implementation of the Governor's Office agenda	Supporting strategic initiatives while advancing the overall goals and functions of the County Government.	500,000
	Effectively Managed Governor's Diary	To ensure optimal time utilization by prioritizing engagements with Key stake Holders, and seamless coordination of events to support Governor's responsibilities and Objectives.	Governor's Diary Management	500,000
	Governor's Services and Security support programme	Governor's service protocols and guidelines. Coordinate logistical support and security arrangements for Governor's visits.	Support to protocol unit operations	5,000,000
	Other Operation and Maintenance	To ensure effective office administration	Other O& M (Fuel, DSAs, Water and Sewerages, Operational maintenance, Routine maintenance, Purchase of Computers etc.)	7,000,000
	<b>Total Governor's Service Delivery unit (O&amp;M)</b>			<b>123,735,980</b>
Decentralized Unit	O&M	To enhance general Administration and Support Services	Operations and maintenance (O& M) · General Office supplies for 303 administrators ·Supply of staff and casual uniform. Purchase of Computers ·Purchase of office	20,000,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			<ul style="list-style-type: none"> <li>Furniture's for administrators.</li> <li>· Boards, conference, seminars and allowances catering for 303 administrators</li> <li>· Airtime for all the SCAs, DSCAs, WAs and HQ Directors.</li> <li>· Electricity, water and sewerages bills for the constructed Ward offices and Sub County offices.</li> <li>· Refined fuels and Lubricants for transport (to cater for 40 motorbikes for Ward Admins Offices, Sub Counties and HQ motor vehicles, routine vehicle maintenance,</li> </ul>	
			<p><b>Casuals- Market 235 casuals</b></p> <ul style="list-style-type: none"> <li>· Cleaners' engagement (233) casual/market cleaners for 20 days per month @ksh.411 amounting to ksh.1,915,260 Monthly hence ksh. 22,983,120. per annum.</li> <li>· Cleaners' engagement (2) Kabati market; for 30 days per month @ksh.411 amounting to 24,660 Monthly hence ksh. 295,920 per annum.</li> <li>· Employers' contribution on Nssf @ 6% and 1.5% Housing levy) amounting to Ksh.1,745,927</li> </ul>	25,024,968
			Training and Capacity	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			Building of 372 Decentralized Units Staff. For the department to be able to train a quarter of its staff (93), it requires ksh. 9,300,000. Hence the said amount budgets for 1/8 of the staff (46)	4,650,000
			Civic Education (Advertising, awareness and Publicity Campaigns)	4,700,000
			Rents and Rates - Non-Residential (To cater for VAs and Ward Admns offices rent for ksh. 1,544,400 quarterly thus 6,177,600 – bound to change after expiry of the contracts hence new rates expected.	7,300,000
			Operationalization of Kitui County Alcoholic Drinks Control Act 2014 (to cater for Liquor licensing board and sub-county committees)	5,600,000
			<b>Sub-total O&amp; M – Recurrent</b>	<b>67,274,968</b>
	Security Improvement	To Enhance Community Safety by Implementing Modern Security Measures through collaborating with National Government (reduce response times, ensuring the safety and security of residents)	Construction of three (3) police stations (Tseikuru, Nuu and Kanziku) @ ksh. 32,490,107. · Block 3No @ ksh. 11,422,409 · OCS quarters 3No @ ksh. 4,309,921	25,000,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			<ul style="list-style-type: none"> <li>· Deputy OCS 3No@ ksh. 2,736,653</li> <li>· Junior staff quarters (2 of 4 units) 3No@ ksh. 8,460,276</li> <li>· Fence and gate 3No@ ksh. 2,892,817</li> <li>· Pit latrine 3No@ksh. 1,192,423</li> </ul>	
	Security Improvement	To Ensure Timely Completion by Expediting the construction processes to complete the police stations	<p><b>Completion of five (5) ongoing police stations Mutha (Konakaliti), Voo/Kyamatu (Imumba), Endau/Malalani (Twambui), Ngomeni (Mandongoi), and Nguni (Katumba)</b></p> <p><b>WORKS NOT DONE</b></p> <ul style="list-style-type: none"> <li>· <b>Konakaliti</b> Junior staff B ksh. 4,230,138 OCS ksh. 4,309,921 Deputy OCS ksh. 2,736,653</li> <li>· <b>Mandongoi</b> Junior staff B ksh. 4,230,138 OCS ksh. 4,309,921 Deputy OCS ksh. 2,736,653</li> <li>· <b>Twambui</b> Junior staff B ksh. 4,230,138 OCS ksh. 4,309,921 Chain link ksh. 2,892,817</li> <li>· <b>Imuumba</b> Junior staff B ksh. 4,230,138 OCS ksh. 4,309,921 Deputy OCS ksh. 2,736,653 Chain link ksh. 2,892,817</li> <li>· <b>Katumba</b></li> </ul>	25,000,000



Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			Junior staff B ksh. 4,230,138 OCS ksh. 4,309,921 Deputy OCS ksh. 2,736,653 Solar lightening ksh. 1,474,608 Chain link ksh. 2,892,817	
	Service Delivery Improvement	To Improve Local Governance by Completing the construction of ward administrators' offices in the specified location to enhance local governance and administrative efficiency	Completion of Ward Administrators offices	20,000,000
			Pending Bills	15,480,628
	<b>Sub-total Development</b>			<b>85,480,628</b>
<i>Total Decentralized Unit</i>				<i>152,755,596</i>
<i>P.E</i>				<i>508,750,023</i>
<i>O&amp;M</i>				<i>577,711,907</i>
<i>Development</i>				<i>822,555,163</i>
<i>Total Office of the Governor</i>				<i>1,909,017,093</i>

## 4.2 OFFICE OF THE DEPUTY GOVERNOR

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	<b>P.E</b>			<b>67,995,241</b>
	<b>O &amp; M</b>			<b>90,360,065</b>
Department of Performance Contracting Disaster & Emergency Services	Operationalization of Emergency Response Centre	To create a well-coordinated, efficient, and effective system for managing emergencies and protecting the safety and well-being of the affected population.	Phase II development of the Emergency Response Centre	1,000,000
	ICT infrastructure at the Emergency Response Centre	To build a resilient and effective ICT infrastructure that plays a pivotal role in coordinating and managing emergency response activities.	Installation of ICT infrastructure at the emergency response centre	1,000,000
	Response to Emergencies	To ensure a prompt, coordinated, and effective response to emergencies to minimize the impact on life, property, and the environment.	Respond to emergencies and offer support services	8,350,000
<b>Total</b>				<b>10,350,000</b>
Department of Tourism, Hospitality and Game reserves	Tourism Infrastructure development	To complete and operationalize Mutomo Reptile park	- Construction Finishes on snake house floor and ceiling -Construction of ablution block -Stocking of reptiles and operationalisation of the park -Gate completion , windows and doors -Construction of crocodile pen	6,500,000
		Kalundu Eco-Park additional Recreation Facilities	-Establish animal Orphanage -Nature trails and Landscaping. -Fencing Children play ground	1,000,000
		To develop Ikoo valley, Yanzuu Rock and Nzambani rock niche tourism products	-Purchase of land parcel and Construction of Bazaar view	1,000,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			point -Installation of conferencing shades structures, -Toilets and water provision at Yanzuu rock Retreat centre -Fencing to secure tourism parcel of land at Nzambani rock	
	Enhancing Wildlife conservation for tourism growth	To operationalize County Game Reserves and conservancies	-Construction of George Adamson Entrance gate -Renovation of George Adamson and Ikime Camp site -Making of access roads in MNR -Grading of 33 km access road for game drives in Kanyonyoo Wildlife conservancy -Desilting of water pan at Kanyonyoo wildlife conservancy -Construction of Rangers' campsite at Kanyonyoo wildlife conservancy -Initiation for electrical fencing of South Kitui National Reserves' 143km stretch -MOU, Review of management plans, Drafting of conservancies establishment bill(4m) -45 County rangers and wardens specialized training at KWS Training Institution(10m)	2,300,000
			Pending bills	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
				1,052,808
	Promotion of	To enhance quality services in hotels and other hospitality facilities	-Organize 3 hospitality symposium targeting hoteliers, investors and stakeholders in tourism and hospitality sectors. -Hold beauty pageantry- miss tourism event together with annual cultural festival -Formulation of tourism investment policy	1,500,000
<b>Total</b>				<b>13,352,808</b>
<b>RECURRENT TOTAL</b>				<b>158,355,306</b>
<b>DEVELOPMENT TOTAL</b>				<b>23,702,808</b>
<b>MINISTRY'S TOTAL</b>				<b>182,058,114</b>

### 4.3 MINISTRY OF WATER & IRRIGATION

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
General Administration	Personnel Emoluments			92,191,299
	Operation and Maintenance			47,621,859
	<b>Total</b>			<b>139,813,158</b>
<b>Water Department</b>	<b>Improvement of water availability and accessibility</b>	Enhancing accessibility and availability of safe water	Drilling and/or Equipping of Boreholes	52,727,045
			Construction/desilting of Mega earth dams	50,000,000
			Construction/desilting of medium earth dams	30,000,000
			Construction/desilting of small earth dams/pans	25,000,000
			Construction/Extension of water pipelines including Spring Water Supplies	20,000,000
			Construction of Sump Well Water Supplies (Sand/sub-surface dams with uptake wells, infiltration galleries and distribution lines)	70,000,000
			Borehole hybridization- Conversion of public water points from genset to solar-powered engines	15,000,000
	<b>Efficient utilization and management of water supplies</b>	To ensure sustainability and reliable water services	Water Supplies maintenance, repairs & rehabilitations	24,907,301
			Subsidies to Water Service Providers (WSPs), Kiambere - Mwingi Water & Sanitation Company ( <b>KIMWASCO</b> ) &	50,000,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			Kitui Water & Sanitation Company ( <b>KITWASCO</b> ).	
			Pending bills	4,494,650
			Capacity building of water management committees	2,000,000
		To ensure improved livelihoods	Cash For Assets (CFA) Water Pipeline Extension	40,000,000
<b>Total</b>				<b>384,128,996</b>
Irrigation Department	Improvement of water availability and accessibility for food production	Enhancing accessibility and availability of quality water for irrigated agriculture	Promote cluster irrigation schemes	42,151,840
			Construction Sand dams	120,000,000
			Construction of farm Ponds	5,000,000
			Promote Solar Powered Irrigation	5,000,000
<b>Total Irrigation</b>				<b>172,151,840</b>
<b>RECCURENT TOTAL</b>				<b>139,813,158</b>
<b>DEVELOPMENT TOTAL</b>				<b>556,280,836</b>
<b>MINISTRY'S TOTAL</b>				<b>696,093,994</b>

## 4.4 MINISTRY OF EDUCATION, TRAINING & SKILLS DEVELOPMENT

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates		
Ministry of Education, Training & Skills Development	P.E			788,141,583		
	OM	Early Childhood and Education Development	-To improve working environment	146,443,189		
			-To improve working environment	56,443,189		
		To increase the rate of access, transition and retention of learners from financially disadvantaged backgrounds through school bursary support	Education support programme (Pro-poor) 75%	90,000,000		
	Basic Education, ECDE and Childcare facilities		- Improve teaching and learning environment in ECDE centres in all 40 wards	-To improve hygiene and sanitation in ECDE centres	4,000,000	
				-To build capacity of ECDE teachers	5,823,575	
				ECDE Furniture	3,600,000	
				To increase the rate of access, transition and retention of learners from financially disadvantaged backgrounds through school bursary support	Education support programme (Pro-poor)- pro-poor infrastructure support programme 25%	30,000,000
					Pending bills	4,737,123
Training and Skills Development		Supply of tools and equipment to VTCs (Identification of needy VTCs, Tendering & awarding, Delivery and inspection)	-Supply of tools and Equipment	6,128,843		
		Monitoring and Evaluation programme for VTC (Regularly carry out Monitoring and evaluation programme in VTCs in the county)	-Provision of Start- up tool kits to VTC graduates	3,000,000		
		Recruitment of VTC Instructors (Advertisement, Recruitment and deployment	-Employment of 12 VTC Instructors	4,500,000		

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
		of VTC instructors)		
		Facelifting of VTCs	Renovation of Vocational Training Centers	2,625,207
		Examination Fees support and certification for VTC Trainees (Payment of national examination fees to NITA/KNEC for VTC Trainees)	Payment of fees for Trade Test for eligible trainees	18,000,000
		Supporting Co- Curricular Activities in VTCs	Implementation of co-curricular activities in VTCs	1,500,000
		Ensuring Quality and Standards	Monitoring and Assessment of Curriculum implement and management VTCs	2,000,000
		Training of VTC staff on Competence Based Education and Training (CBET)	Mounting of workshops for Training Officers, VTC managers and instructors	2,000,000
			Pending bills	66,745
<b>Grand Total</b>				<b>87,981,493</b>
<b>RECCURENT TOTAL</b>				<b>934,584,772</b>
<b>DEVELOPMEN T TOTAL</b>				<b>87,981,493</b>
<b>MINISTRY'S TOTAL</b>				<b>1,022,566,265</b>



## 4.5 MINISTRY OF ROADS, PUBLIC WORKS & TRANSPORT

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programs for FY 2023/2024</b>	<b>Amount</b>
Personnel Emoluments				155,338,312
Operation and Maintenance				65,132,012
Roads Department	Improving Infrastructure within the County	Enhance efficient transport and support effective service delivery through construction, maintenance and rehabilitation of road network in the County.	• Road Maintenance Fuel Levy/ Construction and maintenance of roads, box culverts, slabs and drifts	445,098,850
			Pending Bills	37,367,270
			In-house grading 1,200km - 30km per Ward)	21,192,000
			Road maintenance(In-house road opening and widening-dozing) 200km - 5km per Ward	21,600,000
		Improved livelihoods	Cash For Assets (CFA) Programme - Bush and Road Clearance	40,000,000
<b>SUB TOTAL</b>				<b>565,258,119</b>
Public Works	To achieve sustainable and conducive working environment	Refurbishment and renovation work at Kitui South, Public Work's HQs Offices and Mechanicl & Tranport Offices	Proposed other civil and infrastructural works existing Headquarters offices	4,540,000
	To achieve sustainable and conducive working environment	Construction of Office block at Kitui East(Zombe)	Construction of Roads, Public Works and Transport, HQ Offices	4,540,000
<b>SUB TOTAL</b>				<b>9,080,000</b>
Mechanical services	Improving Infrastructure within the County	Enhance efficient transport and support effective service delivery through construction, maintenance and rehabilitation of road network in the	Purchase of Heavy Plant Machinery (1 Grader)	35,000,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
		County		
<b>SUB TOTAL</b>				<b>35,000,000</b>
Transport and Boda boda	Boda boda Sector Reforms	Capacity Building and Economic Empowerment of people involved in the boda-boda Sector	Construction of No. Boda boda Shades with Kiosk	16,800,000
			Training of 1,000No. Boda boda riders to issuance of Smart Driving Licences	15,700,000
			Purchase and Issuance of safety riding gears to 2,000No. (FY 2024/2025 trained Riders-helmets, reflectors	5,000,000
			Develop Boda-boda Policy	8,000,000
			Pending bills	1,322,462
<b>SUB TOTAL</b>				<b>46,822,462</b>
<b>TOTAL RECURRENT</b>				<b>220,470,324</b>
<b>TOTAL DEVELOPMENT</b>				<b>656,160,581</b>
<b>TOTAL</b>				<b>876,630,905</b>

## 4.6 MINISTRY OF HEALTH

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
Medical services	PE and O&M	To improve quality of healthcare	<b>PE</b>	<b>957,233,489</b>
			<b>O&amp;M</b>	<b>473,751,372</b>
			Casual wages (CHMT)	1,800,000
			Locum for nurses,lab techs and RCOs for level 2 and 3 facilities	10,856,000
			Facility Improvement Fund (FIF)	355,000,000
			DANIDA primary Healthcare funding(60% county funding)- Grant	13,601,250
			County Primary Health Centres funding (health centres and dispensaries funding)	36,055,000
			Refined fuel	3,500,000
			Maintenance of vehicles (ambulances + utility vehicles)/purchase of tyres and tubes	4,500,000
			Staff training (Capacity building)	1,000,000
			Training of health facility management committees	3,000,000
			Printing and Distribution of assorted Registers and Summary tools	4,245,750
			Sub-County Health Management Team support programme	4,000,000
			Hospitality Supplies and Services	1,600,000
Purchase of computers and catriges	1,495,000			
General office supplies	800,000			

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			purchase of office furniture	1,050,000
			Other O&M(Utilities, DSAs, boards and committees , communication-airtime, internet, courier and postal services, etc)	13,210,320
			Pending bills	18,038,052
<b>Total PE and O&amp;M</b>				<b>1,430,984,861</b>
<b>Development</b>				
	Increasing access to healthcare quality, timely and responsive health care services.	To improve quality of healthcare	Integrated Health Management Information System in the hospitals	2,157,207
			Construction of a kitchen at Kyuso sub-county hospital	2,400,000
			Completion and operationalization of kitchen at Migwani sub-county hospital	2,000,000
			Construction of Kyuso general theatre	5,000,000
			Construction of Kyuso female Ward	4,000,000
			Construction of Kyuso male Ward	4,000,000
			Construction of Kyuso Paediatric Ward	4,000,000
			Continuation of construction of perimeter wall and chain-link Fencing at Mwingi level IV hospital (stalled)	3,000,000
			Continuation of construction of perimeter wall and chain-link Fencing at KCRH	3,000,000
			Continuation of construction of stalled Kitui County referral hospital Amenity/ Surgical Ward	6,300,000
		To improve specialized services in the	Continuation of construction of	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
		county	Nzamba Kitonga Memorial Hospital	8,000,000
			Continuation of Construction of renal centre KCRH	10,700,000
	Improving maternal, new born and child health care	To Minimise maternal mortalities and child mortalities in the County	Continuation of construction of stalled Maternity/ pediatric ward at KCRH (stalled)	5,800,000
			Continuation of Construction of medical/female ward at Mwingi Level IV hospital (stalled)	5,000,000
	Increasing access to healthcare quality, timely and responsive health care services.	To improve quality of healthcare	Renovations of primary health facilities (level 2 and 3)	3,000,000
			Initiate upgrading of Sosoma dispensary to a level 3B	2,000,000
			Completion of Musava dispensary	2,000,000
			Initiate construction of Mwakini dispensary	1,000,000
			Continuation of upgrading of Mbitini health centre to a level 3B	2,000,000
			Continuation of Upgrading of Kanziko health centre to a level 3B	2,000,000
			Initiate upgrading of Katse health centre to a level 3B	2,000,000
			Continuation of Upgrading of Endau dispensary to a level 3B	2,000,000
Continuation of Upgrading of Tiva dispensary to a level 3B			2,644,690	
Construction/operationalization of dispensaries at katumbi, Ngwate,gatoroni,Kimela, Kilimu, Nguutani/Katuyu/Mukauni,Kangondi, Nzunguni-kasang'o, Kathithu,Thitha, Kamanyi,Tuvaani, Kwa Song'e, Musovo, Thua, Kimangao, Mwambuni	7,500,000			

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			Completion of Kauwi Sub-County Hospital theatre(Walkway, water tank installation,gas cubicles, drainage and electrical works)	2,000,000
			DANIDA 40% funding	10,044,000
			Pending bills	8,884,414
			<b>Total development</b>	<b>112,430,311</b>
			<b>Total Medical Services</b>	<b>1,543,415,172</b>
Public Health and Sanitation	PE and O&M	To enhance General Administration Planning and Support Services and enhance quality of healthcare services	<b>PE</b>	<b>905,379,774</b>
			<b>O&amp;M</b>	<b>178,979,674</b>
			Refined fuel	3,500,000
			Maintenance of vehicles/purchase of tyres and tubes (Utility vehicles and motorcycles)	4,000,000
			Staff training (Capacity building)	1,500,000
			Sub-County Health Management Team support programme	1,000,000
			Hospitality Supplies and Services	1,600,000
			purchase of computers and cartridges	1,000,000
			General office supplies	500,000
			purchase of office furniture	1,000,000
			Other O&M(Utilities, DSAs, boards and committees , communication-airtime, internet, courier and postal	7,207,429

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates		
			services, commemoration of world health days, etc)			
			Establishment of Primary Care Networks	1,500,000		
			Trade shows and exhibitions	2,000,000		
			Purchase of 5 motorbikes for the 5 sub-counties	2,201,800		
			Printing and Distribution of assorted Registers and Summary tools	1,500,000		
		To improve the nutritional status in the county	Baby Friendly Community Initiative (BFCI- Nutrition promotion activities for under-fives) and malezi bora programme(Vitamin A supplementation and deworming)	1,500,000		
		To reduce the burden of communicable diseases	HIV/ TB support Programme	1,000,000		
		To improve quality and access of healthcare services	Integrated healthcare outreach services	1,000,000		
			Community Health Promoters- Grant	58,050,445		
			Stipend allowances for the 2470 (Community Health Promoters) CHPs	88,920,000		
			<b>Total PE and O &amp; M</b>			<b>1,084,359,448</b>
		<b>Development</b>				
		Increasing access to healthcare quality, timely and responsive health care services.	To improve quality of healthcare	Completion and equipping of KCRH and Mwingi level IV mortuaries	6,200,000	
			To improve quality of healthcare	Procurement of cold chain equipment.	3,000,000	
To improve quality of healthcare	Procurement of paqua lab (water quality analysis)		1,200,000			
To improve quality of healthcare	Construction of toilets for primary healthcare facilities		4,000,000			
To improve quality of healthcare	purchase of 2 coolers for Kyuso					

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates	
			mortuary @500000	1,000,000	
			To improve quality of healthcare	DANIDA support for community health units	3,557,250
			<b>Total Development</b>		<b>18,957,250</b>
			<b>Total Public Health &amp; Sanitation</b>		<b>1,103,316,698</b>
Drugs and Medical Supplies	PE and O&M	To enhance General Administration Planning and Support Services	<b>PE</b>	<b>772,253,076</b>	
			<b>O&amp;M</b>	<b>356,980,572</b>	
			Casual wages	1,200,000	
			Refined fuel	3,000,000	
			Maintenance of vehicles/purchase of tyres and tubes	1,000,000	
			Staff training (Capacity building)	1,500,000	
			Maintenance of medical equipment	8,000,000	
			Printing and Distribution of assorted Registers and Summary tools	500,000	
			Sub-County Health Management Team support programme	1,000,000	
			Hospitality Supplies and Services	1,600,000	
			Purchase of computers and catriges	800,000	
			General office supplies	500,000	
			Purchase of office furniture	1,000,000	
			Other O&M(Uilities, DSAs, , boards and committees , communication-airtime, internet, courier and postal	6,880,572	



Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			services, etc)	
		To improve quality of healthcare	Pharms and non-pharms	330,000,000
<b>Total PE and O &amp; M</b>				<b>1,129,233,648</b>
<b>Development</b>				
	Increasing access to healthcare quality, timely and responsive health care services.			
		To improve quality of healthcare	Equipping Laboratory Units in 4 hospitals with: Semi automated hematology analyser The facilities are: Kauwi,Mutomo,Katulani, Nuu, Zombe, Ikanga, Kanyangi and Kyuso hospitals for all round diagnosis	5,200,000
		To improve quality of healthcare	Equiping of 2 hospitals with bio safety cabinets each at Kshs. 1,500,000. These include KCRH, Mwingi level iv hospital and Zombe sub-county hospital for screening of TB and other contagious diseases	3,000,000
		To improve quality of healthcare	Purchase of 2 microscopes for Mutitu hospital, Mwitika health dispensary each at Kshs. 226,200	452,400
		To improve quality of healthcare	Purchase of laundry machine for KCRH (electrolux washer 45kgs) to replace the obsolete one	4,200,000
		To improve quality of healthcare	Purchase of dental chair for KCRH to replace the current obsolete dental chair	2,000,000
		To improve quality of healthcare	Equipment to operationalize 3 completed maternity units ( <b>Malalani health centre, Nguni health centre, , Kauma health centre</b>	2,000,000
		To improve quality of healthcare	Purchase of medical equipment for rehabilitation departments , Mwingi Level IV Hospital for orthopaedic	2,634,500

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			technology	
		To improve quality of healthcare	Continuation of equipping of surgical/amenity ward at mwingi level IV hospital enhance healthcare delivery in the facility	2,500,000
		To improve quality of healthcare	Purchase of 3 incubators for Mwingi level iv hospital (1), KCRH(1),Tseikuru(1)	3,250,000
		To improve quality of healthcare	Purchase of 10 CPAP machines for five newborn units each 1 machines (KCRH, Mwingi level iv, Kanyangi, Kauwi, Tseikuru)	3,250,000
		To improve quality of healthcare	Equipping of 8 primary health facilities one per sub-county based on priority needs with essential basic equipment (Blood Pressure Machines, Thermometers, Pulse Oximeters, Adult weighing scale, Newborn weighing scales and Stethoscopes, etc)	3,571,948
		To improve quality of healthcare	Procurement of delivery beds for Nguni health centre and Tseikuru hospital @300,000	600,000
		To improve quality of healthcare	Purchase of voltage stabilizers 50KVA at Kanyangi, Zombe, Mutitu, Katulani and Kyuso hospitals each at Kshs. 545,664	3,728,320
		To improve quality of healthcare	Upgrading medical stores(shelving, ceiling, tiling,airconditioning) at Kyuso,Mwingi level iv,Migwani and Mutitu hospitals	5,000,000
		To improve quality of healthcare	Continuation of construction of a medical store at Mwingi level IV hospital	1,300,000
		To improve quality of healthcare	Completion of construction of a medical store KCRH (stalled)	3,700,000
	<b>Total development</b>			

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
				<b>46,387,168</b>
	<b>Total Drugs &amp; Medical Supplies</b>			<b>1,175,620,816</b>
<b>GRAND TOTAL RECURRENT</b>				<b>3,644,577,958</b>
<b>GRAND TOTAL DEVELOPMENT</b>				<b>177,774,729</b>
<b>GRAND TOTAL</b>				<b>3,822,352,686</b>

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

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
Trade & MSMEs	Personal Emoluments (PE)			85,147,508
	Operations and Maintenance (OM)		O & M	87,154,436
	Development of market support infrastructure	To improve business environment and promote active investment climate	Maintenance of livestock markets	3,000,000
			Maintenance of market infrastructure to facilitate 24-hour economic activities	16,000,000
	Promote ease-to-do business culture	To improve business environment and promote active investment climate	Development and improvement of a policy for trade and markets	2,500,000
			Establishment of dumping sites and waste bins in the markets	1,000,000
	Promote ease-to-do business culture	To improve business environment and promote active investment climate	organize an agricultural and trade fair	3,000,000
		To improve business environment and promote active investment climate	Market Security Lights	22,000,000
	Fair trade practices	To enhance fair trade and economic empowerment	verifying weighing scales and acquisition of Weights and Measures equipment for Fair trade practice	2,000,000
			Pending Bills	19,049,631
<b>SUB-TOTAL</b>				<b>68,549,631</b>
COOPERATIVE	Promote Co-operative development; create Market linkages and Enhance value addition through organized co-operatives.	Cooperative education and promotion of new Cooperative societies	Promote formation & registration of new cooperative societies	2,500,000
		Promotion of Cooperative societies	Training cooperatives on value addition and processing	1,500,000
		Cooperative Governance, Formulation of county Cooperative governance, bills, audit and policies.	Co-operators Training	3,000,000
			Supervision of Society Elections	1,500,000
			Attend Cooperative Societies	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			General & Management Committee Meetings	1,000,000
			Conduct Cooperative societies governance training workshops	2,500,000
			Inspection Of cooperative Societies	1,540,000
			Conduct cooperative audits	2,000,000
<b>Sub-Total</b>				<b>15,540,000</b>
<b>Branding &amp; Marketing</b>	Spearhead the overall county branding programmes to safeguard and enhance the image of Kitui County Government through deliberately focused branding activities	To create a strong and easily-recognizable and consistent Kitui County brand Identity	Brand all ongoing county projects with standard county brand colours and architecture including branding of the County Industrial Parks	2,000,000
			Branded roll-up banners for all ministries, highlighting ministry vision. mission and objectives, duties and responsibilities, to be strategically placed at each ministry's main gates	1,500,000
			Install county-branded light boxes to be used to generate advertising revenues	2,500,000
	Marketing all County and county-supported products and services to increase awareness	Create and expand markets awareness for county or county-supported products and services	Active participation in various sales and marketing activities to create product and services awareness	2,000,000
			Information pamphlets to highlight the various county programmes being undertaken and success stories	1,500,000
<b>SUB-TOTAL</b>				<b>9,500,000</b>
<b>Industry &amp; Investment</b>	Operationalization and marketing of the county's six Economic and Investment Zones (EIZs),	Operationalization and marketing of the county's six Economic and Investment Zones (EIZs),	operationalization of the County's Economic and Investment Zones (EIZs)	2,000,000
			Establishment of Industrial parks at	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			the six economic and industrial zones aggregated and established-Matching Fund	150,000,000
			County Aggregation and Industrial Parks ( CAIP) Programme - Grant	250,000,000
	Investment and Industry	Investment and Industry	Conducting investor conference forums	20,000,000
			Consultancy on the County Industrial Parks - Multi year project	20,000,000
			Development and establishment of Value addition of value chains (Cereals and Pulses, Horticulture, Livestock, Apiculture, Textile and Apparel and Forest, Forestry)	2,000,000
			Crusher Valautions equipments and machnies	1,000,000
<b>Sub-Total</b>				
<b>RECCURENT TOTAL</b>				<b>172,301,944</b>
<b>DEVELOPMENT TOTAL</b>				<b>538,589,631</b>
<b>MINISTRY'S TOTAL</b>				<b>710,891,575</b>

## 4.8 MINISTRY OF ENERGY, ENVIRONMENT, FORESTRY, NATURAL & MINERAL RESOURCES

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
Energy, Environment, Forestry, Natural and Mineral Resources	<b>General Administration</b>			
	<b>PE</b>	<b>To enhance general administration Planning and Support Services</b>	<b>Operationalize staff emoluments and other general expenses</b>	<b>51,627,213</b>
	<b>OM</b>	<b>To enhance general administration Planning and Support Services</b>	<b>Operationalize staff emoluments and other general expenses</b>	<b>71,414,131</b>
		To enhance general administration Planning and Support Services	Operationalize staff emoluments and other general expenses	35,914,131
		Operationalization of Kitui County River Basins Sand Utilizations and Conservation Act 2024	Operationalize County Sand Management Committee, Basin Based Co-operatives and site based Community (sand) groups (meetings) and put in place enforcement mechanisms	35,500,000
	<b>Environment and Forestry Department</b>			
Climate Change adaptation and mitigation	Institution and operationalization of Kitui County Climate Change Fund	-Institute and operationalize Kitui County Climate Change Fund (KCCCF) by allocating 1.5% of the County Development budget to climate adaptation and mitigation projects; Promotion of environmental conservation in forested and protected areas, tree growing, -Tree Nursery Establishments and enhanced community afforestation. -Conservation of water catchment areas and rehabilitation of degraded ecosystems.	52,636,701	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			<ul style="list-style-type: none"> <li>-Institute measures for building community resilience against climate change through community led adaptation strategies.</li> <li>-Promotion of Sustainable waste management within the communities through trainings on Reduce, Recycling, Reuse (3Rs)</li> <li>-Promotion and training of communities on installation of clean cook stoves</li> <li>-Promotion of uptake of renewable energy to mitigate climate change.</li> <li>-Promote uptake of sustainable biomass and biogas technology.</li> <li>-Mapping, documenting, training and capacity building of artisanal and small-scale miners on value addition of gemstones and other minerals as a climate change adaptation measure</li> </ul>	
		To ensure improved livelihoods	Cash For Assets Programme (CFA) Tree Growing	40,000,000
		Build community capacities to adapt and cope with adverse impacts of climate variability	<p><b>World Bank Credit to Finance Locally - Led Climate Action Program (FLLoCA)</b> - Conduct training and capacity building workshops on climate change mainstreaming of the CCU and other officers</p> <ul style="list-style-type: none"> <li>-Development of a participatory Risk Assessment Report</li> <li>-Develop a Kitui County Climate Change Action Plan</li> <li>-Develop Ward Planning Committees. 17 in place 23 to be formed</li> <li>-Enhanced resilient amongst communities</li> <li>-Improved access to donor funding</li> <li>-Increased standards of living</li> </ul>	11,000,000



Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	Environmental management and awareness	To enhance community's environmental education and awareness for sustainable development	<ul style="list-style-type: none"> <li>-Environmental education and awareness programme (the programme consists of the commemoration of international environmental events, schools and church outreach activities and general civic education and campaigns)</li> <li>-Publication and distribution of educational and awareness creation materials and media campaigns</li> <li>-Utilize benchmarking for exposure to best practices in environmental sensitization</li> <li>-Mount trainings and workshops for our staff and community groups (youth and women) on environmental conservation</li> </ul>	500,000
			Pending Bills	445,014
	<b>Energy, Natural and Mineral Resources Department</b>			
	Rural electrification of institution	To promote utilization of electricity, alternative/renewable sources of energy within the County	Rural electrification of institution and households in partnership with REREC and Kenya power	40,000,000
			Installation of solar security light in the upcoming markets in the county	27,000,000
			Maintenance solar security light in the upcoming markets in the county	14,000,000
			Installation of solar powered water pumping systems.	4,735,228
	Artisanal and Small Scale mining	Training and skills development for Artisanal & small-scale mining	Training and capacity building of artisanal and small-scale miners on value addition of gemstones and other minerals	800,000
		Establishment of community liaison committees	Development of community liaison committees	2,690,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	Capacity building and awareness creation	Community sensitization in mineral reach areas	To develop awareness, information, and education to communities in mineral rich areas of the county, establish and capacity build community liaison committees in Kanziko, Mui basin, Ikutha/Athi, mbangwani, Ngaaiie, and Twimuma	500,000
	Mineral resources development	Geological data and information	Establishment of Mineral Database	500,000
		Mineral testing and Gemology laboratory	Establishment of mineral testing and gemology laboratory	6,000,000
			Pending Bills	1,712,504
<b>TOTAL DEVELOPMENT</b>				<b>202,519,447</b>
<b>TOTAL RECURRENT</b>				<b>123,041,344</b>
<b>TOTAL</b>				<b>325,560,791</b>

## 4.9 MINISTRY OF CULTURE, GENDER, YOUTH, ICT, SPORTS & SOCIAL SERVICES

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
PE	PE	To Enhance General Administration Planning and Support Services	PE	69,159,768
GENERAL ADMINISTRATION	OM	To Enhance General Administration Planning and Support Services	OM	<b>17,283,584</b>
				<b>86,443,352</b>
<b>CULTURE</b>		<b>o&amp;m</b>		
	Conservation of Culture & Heritage	To Promote and preserve culture	Hosting cultural festival (Exhibitions and performances on Kamba culture)	4,500,000
	Conservation of Culture & Heritage	To Preserve culture	Composing, mastering and copyrighting of the County Signature song by the Kitui Youth Band	850,000
	Conservation of Culture & Heritage	To Preserve culture	Develop the Kitui County Culture and Heritage Policy	<b>500,000</b>
		<b>Sub-Total O&amp;M</b>		<b>5,850,000</b>
		<b>Development</b>		
	Conservation of Culture & Heritage	To Preserve culture	Construction of sump-well and solarisation at <b>Lower Eastern Heritage Centre</b>	10,185,000
		<b>Sub-Total Development</b>		<b>10,185,000</b>
<b>GENDER</b>	Gender and Socio-Economic Empowerment	To Mainstream gender issues	Cascading of gender mainstreaming committee at ward level	1,786,000
	Gender and Socio-Economic Empowerment	To hold national celebration	International Days Celebrated (International women's day, Day for the people with disability celebrated)	1,971,420

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	Gender and Socio-Economic Empowerment	To empower women economically	Socio-economic empowerment for women groups.	1,148,400
	Gender and Socio-Economic Empowerment	To create GBV Awareness	Community GBV Sensitization Programs	<b>1,807,200</b>
		<b>Sub-Total O&amp;M</b>		<b>6,713,020</b>
		<b>Development</b>		
	Gender and Socio-Economic Empowerment			
			Pending Bills	<b>32,905</b>
		<b>Sub-Total Development</b>		<b>32,905</b>
<b>YOUTH</b>	Youth Empowerment	To develop the Kitui County youth, empowerment and Development policy	Youth Empowerment and development Policy	1,376,000
	Youth Empowerment	To conduct Youth training Forums	Conduct trainings on youth employment and leadership	1,118,514
	Youth Empowerment	To commemorate National Celebrations	Celebration of the International Youth Day	1,145,000
	Youth Empowerment	To conduct Youth entrepreneurship and innovation programme	Organize a youth entrepreneurship and innovation challenge within the County (Plug Mtaani)	2,293,658
	Youth Empowerment			
		<b>Sub-Total O&amp;M</b>		<b>5,933,172</b>
		<b>Development</b>		
			Pending Bills	<b>2,626,501</b>
		<b>Sub-Total Development</b>		<b>2,626,501</b>
				8,559,673
<b>ICT</b>	ICT Infrastructure and Development	To purchase ICT networking and	Equip at least 2 VTCs with ICT	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
		Communications Equipment	equipment's at an average cost of 1,600,000 per centre	3,200,000
	ICT Infrastructure and Development	To carry out ICT networking and Communications	Installation of Wi-Fi in vocational training centres	<b>1,134,000</b>
		<b>Sub-Total O&amp;M</b>		<b>4,334,000</b>
		<b>Development</b>		
		To establish a facility for mentorship, coaching and development of innovative talents in the ICT sector	Establishment of Kitui County Innovation Hub (KCIH)	<b>2,216,000</b>
		<b>Sub-Total Development</b>		<b>2,216,000</b>
				6,550,000
<b>SPORTS</b>	Development and Management of Sports Facilities			
	Sports Trainings and Competitions	To carry out County competitions and tournaments in popular sports disciplines to nurture, develop and expose sports talent (including Kenya Youth Inter-county Sports Association – KYISA and Kenya Inter-County Sports and Cultural Association – KICOSCA)	-Participation in Kenya Youth Inter-county Sports Association (KYISA) games in volleyball, football and basketball for both men and women and Kenya Inter-County Sports and Cultural Association (KISOSCA) games for county staff in various sports disciplines. -Both of these will involve scouting for players at sub – county level, camping and actual competition	2,440,000
		To procure and Supply sports equipment such as uniforms, balls, nets and playing boots to active Sports clubs in the County	Procure and distribute sports equipment to Sports clubs in Kitui County	1,729,000
	Sports Trainings and Competitions	To conduct county tournaments in Football, (Talanta Hela) and training of referees/umpires	Competitions in football from ward level to county finals for both men and women aged 19 years and below. Training of Sports administrators	<b>1,639,800</b>

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			(referees/coaches/umpires)	
		<b>Sub-Total O&amp;M</b>		<b>5,808,800</b>
		<b>Development</b>		
		To develop 6 Ward playgrounds	Grading, levelling, chain link fencing, erection of two gates, installation of football goal posts, volleyball posts for boys and girls and construction of 4-door pit latrine	21,000,000
			Purchase land for construction of Kyuso Stadium	2,000,000
			Construction of two stadia (Kyoani & Kivou HE State of the County Address)	<b>10,000,000</b>
		<b>Sub-Total Development</b>		<b>33,000,000</b>
				5,808,800
<b>SOCIAL SERVICES</b>	Community Mobilizations and Social Development	To support Community Children Charitable Institutions (CCCI)	Support to CCCIs with food stuffs and other items	1,728,980
	Community Mobilizations and Social Development	To procure and distribute Assistive Devices for PWDs	PWDs supported with Assistive devices	2,533,000
	Community Mobilizations and Social Development	To support Community Groups	Supply groups with items for income generation	679,600
	Community Mobilizations and Social Development	To conduct Community sensitization programs on AGPO	Trainings and monitoring on AGPO for community groups	807,000
				<b>5,748,580</b>
	<b>Development</b>			
	Community Mobilizations and Social Development	To boost community economic and social cohesion	Purchase land for construction of Kyuso Social Hall	<b>500,000</b>
	Community Mobilizations and Social Development	To boost community economic and social cohesion	construction of Kyuso Social Hall	<b>5,000,000</b>

<b>Department</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2024/2025</b>	<b>Budget Estimates</b>
		<b>Sub-Total Development</b>		<b>5,500,000</b>
<b>TOTAL O&amp;M</b>				<b>51,671,156</b>
<b>TOTAL PE</b>				<b>69,159,768</b>
<b>TOTAL DEVELOPMENT</b>				<b>53,560,406</b>
<b>TOTAL RECURRENT</b>				<b>120,830,924</b>
<b>TOTAL</b>				<b>174,391,330</b>

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

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
General Administration, Planning and Field Support Services	P.E		Operationalize staff emoluments and other general expenses.	221,180,851
	O&M		Operations & Maintenance (O&M)	29,179,678
				250,360,529
		Grants from World Bank (KDSP)	Grants from World Bank (KDSP)	37,500,000
Finance, Revenue Management and Accounting Services			Resource Mobilisation (Revenue Department)	65,676,260
			Audit Services	15,057,200
			Emergency fund	20,000,000
			Staff Car and Mortgage Facility	35,000,000
			Procurement of Goods and Management of Services	12,849,400
			Financial Services	25,374,617
			Pending Bills	332,673
		<b>Finance Department (Accounting, Revenue Management; County Audit and Procurement Divisions) Total</b>		
Economic Planning and			Economic Planning	



<b>Department</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2024/2025</b>	<b>Budget Estimates</b>
Budgeting			Coordination services	36,849,100
			Budget Formulation Coordination and Management	22,056,800
			Regular Monitoring of County projects and programs; Periodic evaluation of County projects	11,294,000
			Development of Updated County Statistical Database	4,000,000
			Development of County Sectoral Plan	8,000,000
		<b>Economic Planning Department (Planning; Budgeting; M&amp;E, and County statistics Divisions) Total</b>		
	<b>Grand Total</b>			<b>256,490,050</b>
<b>Total O&amp; M</b>				<b>285,669,728</b>
<b>TOTAL DEVELOPMENT</b>				<b>37,500,000</b>
<b>TOTAL RECURRENT</b>				<b>506,850,579</b>
<b>TOTAL</b>				<b>544,350,579</b>

## 4.11 MINISTRY OF AGRICULTURE & LIVESTOCK

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates	
PE		To enhance General	Operationalize staff emoluments and other general expenses	260,189,070	
O & M		Administration Planning and Support Services		90,320,643	
	<b>Total</b>			<b>350,509,713</b>	
0102003710 P2: Crop Development and Food Security	Increased agricultural production, food and nutrition security	i) Increasing agricultural output and productivity ii) Reduction of pre- and postharvest crop losses	Promotion of food crop production	12,000,000	
			Promote pests and disease management in fruits farming	3,000,000	
			Promotion of horticulture production	3,000,000	
			To increase agricultural outputs	National value chain development programme (NAVCDP)	151,515,152
			To mitigate against effects of desert locusts	Emergency Locust Response Project (ELRP)	121,025,000
			<b>Sub Total</b>		
0103003710 P3: Agribusiness and Information Management	<b>0103013710 SP3.1: Agribusiness and Market Development, including land development</b>				
	Improved farm income and	To improve land use sustainability	Promote soil and water conservation (Levelling Kits procured and distributed)	90,000	
	profitability	To enhance adoption of tractor ploughing technology	Subsidized tractor ploughing/Ripping	4,619,106	
	<b>Sub Total</b>			<b>4,709,106</b>	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
0103023710 SP 3.2 Agricultural Information Management (Agricultural Extension services)	Increased farmer knowledge and skills	Enhanced extension service delivery	Extension and Advisory services programme	5,000,000
			Improve extension skills of extension staff	1,000,000
			Procure Extension ICT equipment	1,000,000
			Host Kitui Agricultural show and trade fair	15,000,000
			Improving the capacity of ATC to provide quality services to farmers/customers	1,305,938
	<b>Sub Total</b>			<b>23,305,938</b>
0105003710 P5: Fisheries Development and Management	<b>0105013710 SP 5: 1 Aquaculture Development</b>			
	Increased fish production	To enhance skills in fish farming	Aquaculture Development	2,218,400
			Dam stocking	2,480,000
<b>Total Fisheries</b>			<b>4,698,400</b>	
<b>Total Agriculture &amp; Fisheries</b>				<b>323,253,596</b>
<b>Livestock Development and Apiculture</b>	<b>0103003710 P3: Agribusiness and Information Management</b>			
	<b>0103023710 SP 3.2 Agricultural Information Management (Livestock Extension services)</b>			
	Increased farmer knowledge and skills	Enhanced extension service delivery	Extension and Advisory services programme	1,000,000
Improve extension skills of extension staff			200,000	
To Procure and assign transport units			3,000,000	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	<b>Sub-Total</b>			<b>4,200,000</b>
<b>0106003710 P 6: Livestock Resources Management and Development</b>				
<b>0106013710 SP 6.1 Livestock Production and Management</b>				
	Increased livestock productivity	To improve livestock breeds		
			Goat breeds improvement	500,000
			Dairy cattle breeds improvement	500,000
	<b>Sub Total</b>			<b>1,000,000</b>
<b>0106023710 SP 6.2 Livestock Diseases Management and Control</b>				
	Increased livestock productivity and profitability	To improve livestock health	To procure vaccinnes (with Vaccination services).	2,000,000
			To Construct and equip laboratory	2,000,000
			Pending Bills	1,050,488
	<b>Sub Total</b>			<b>5,050,488</b>
<b>Total Livestock and Apiculture</b>				<b>10,250,488</b>
<b>Total Development</b>				<b>333,504,084</b>
<b>Total Recurrent</b>				<b>350,509,713</b>
<b>Grand Total</b>				<b>684,013,797</b>

## 4.12 MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	<b>PE</b>	<b>To enhance General Administration, Planning and support services</b>	<b>PE: Enhanced service delivery</b>	<b>56,983,440</b>
	<b>OM</b>		<b>O&amp;M: Enhanced service delivery</b>	<b>34,485,663</b>
Lands and Housing	Draft Supplementary Valuation Roll	To capture changes in rate able properties to maximize on revenue from Property Rates	Prepare draft supplementary Valuation roll to capture changes due to increased value, new subdivisions and new plots.	1,000,000
	Equipping and updating of County Land registry	To have a modern master registry for all public land within the County	Procurement of; -Safes & cabinets (Fire proof), -Files, -Scanners for digitization of the files. -Operationalization of the registry.	1,900,000
	Support for Land titling and adjudication.	To have plot owners furnished with clear land ownership documents which shall increase the utility of the plots.	-Data collection, preparation of a base map, advertisement, survey works and approval.	4,500,000
	Plot verification	To have plot owners furnished with clear land ownership documents	Public announcement, physical verification, record build up	2,000,000
	Develop 8 Geo referenced market layouts (1 in each of the 8 sub counties).	To have timely and up to date data for making key planning decisions and resolving related land disputes as well as providing a basis for preparation of future physical development plans	Market stakeholders meeting, delineation of market boundaries and ground picking of data in respective markets followed by validation exercise.	2,300,000
			Pending Bills	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
				1,531,598
Urban development	Urban Planning	Enhance land use order and harmony in the upcoming urban areas	Prepare Integrated urban development Plans for upcoming urban areas	8,000,000
	Construction of Civil Works	Enhance Urban security Lighting of our urban areas and promoting 24 our economy hence increased income and enhanced revenue collection.	Installation and repair and maintain 300 integrated solar energy street lights in upcoming urban areas	40,000,000
		To enhance urban mobility and provide a more conducive environment in urban areas	Dustless Towns Programme	100,000,000
		To have improved Mobility and walkability	Installation of cabro paved walkways and parking slots in the upcoming urban areas.	11,500,000
		To have improved transport infrastructure	Walk ways, culverts, Storm water drains in the upcoming urban areas	10,000,000
		Enhance urban infrastructure	Fencing of Kyuso Town buspark & dumpsite	5,000,000
		To have Conducive business environment and improve accessibility to residential areas.	Construction and desilting of 600M stormwater drainage Channels in the upcoming urban areas.	4,000,000
		Solid Waste Management	To promote Urban environmental cleanliness, health and sanitation.	Construction of Transfer stations and installation of assorted dust bins at the upcoming Urban Areas.(Solid Waste Management)
	Improve dumpsite accessibility		Improve the Mutomo dumpsite access road (Grading and Gravelling)	5,000,000
	Town greening/ Beautification programme		Planting of trees along the urban roads and urban open spaces in the 6 Urban areas.	2,812,127
		Kenya Urban Support Project (UIG)- World Bank ( Grant)	Kenya Urban Support Project (UIG)- World Bank ( Grant)	35,000,000
	<b>Sub Total</b>			

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
				<b>239,543,725</b>
<b>TOTAL DEVELOPMENT</b>				<b>239,543,725</b>
<b>TOTAL RECURRENT</b>				<b>91,469,103</b>
<b>TOTAL</b>				<b>331,012,828</b>

## 4.13 COUNTY PUBLIC SERVICE BOARD

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	P.E		PE	29,665,152
	O.M			8,831,506
County Public Service Board	<b>PE and OM</b>	<b>To enhance General Administration Planning and Support Services</b>	<b>Operationalize staff emoluments and other general expenses.</b>	<b>38,496,658</b>
	Efficient Implementation of Values and principles	Promotion of Values and Principles in the County Public Service	-Develop, produce and distribute Values and Principles IEC Materials, -Sensitize public service officers on values & principles, -Monitor compliance with values and principles, -Prepare and submit regular reports on the extent of compliance with values & principles to the county assembly, -Carry out satisfaction surveys.	13,500,000
	Strengthen Human Resource systems and procedures	Efficient procurement and management of human resource services	-Review and advise on departmental structures, -Review and approve job indents/adverts, -Advertise and fill vacant positions, -Develop, harmonize and review schemes of service for all cadres, -Audit casuals to inform rationalization, -Legislative engagements, -Facilitate development of a succession planning policy, training policy, secondment policy and review of KCPSB strategic plan.	5,400,000
	Improve productivity within the county public service	Enhance employee capacity	-Sensitize Cos and HROs on Training policy,	4,000,000



Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			-Approve and authorize long duration training, -Facilitate pre –retirement programmes, -Sensitize county public service on pension’s policy, -Capacity building (Training) for Board members and secretariat.	
	Strengthen discipline procedure	Efficient provision of discipline services within the county	-Review and enhance the discipline procedure manual, -Sensitize county HR Advisory Committee on discipline matters, -Process and finalize discipline cases.	4,000,000
			Pending Bills	
<b>Total</b>				<b>26,900,000</b>
<b>Total O&amp;M</b>				<b>35,731,506</b>
			<b>Development</b>	
			Construction of CPSB offices	5,000,000
<b>TOTAL DEVELOPMENT</b>				<b>5,000,000</b>
<b>TOTAL RECURRENT</b>				<b>70,396,658</b>
<b>TOTAL</b>				<b>70,396,658</b>

## 4.14 COUNTY ASSEMBLY

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
<b>PE</b>				<b>458,006,357</b>
General Administration and Support Services	To ensure effective and efficient coordination of County Assembly services as well as providing adequate and conducive working environment for both members and staff through; construction of modern office block, Training and Development, Purchase of office equipment, and PE & OM	Organize for workshops and seminars to enhance staff capacity	Training and Development	10,000,000
		Purchase of office furniture, computers, and other office equipment	Purchase of office equipment	51,196,548
		Metallic containers for storage of documents and broken items	To procure metallic containers for storage of documents and broken items	3,000,000
		Upgrade Assembly to a Virtual and digital Assembly	To upgrade Assembly to a Virtual and digital Assembly	30,000,000
		Purchase of motor vehicles and motor cycles for the County Assembly headquarters	To procure a Nissan X-trail, Isuzu Mux (7-seater), Toyota Landcruiser (13-seater) Toyota Fortuner, and Motorbike	22,000,000
		Imparting Members with necessary legislative skills to enable them effectively perform their roles	Training and Development	17,000,000
		To ensure effective and efficient coordination of County Assembly services	Recurrent Expenditure	314,866,877
Legislation,	To facilitate members to achieve their core mandate as outlined in the Constitution through; Construction of Speakers	Formulation of Bills	To provide members and staff of county assembly with legislative skills for formulation of bills	25,000,000
Representation and Oversight	Residence, Installation of lift in the chamber, Training and Development, Construction of Recreational facility, Construction of Ward Offices, Putting up a Parking Space, Issuance of car	To purchase at least 10 Motorbikes for use by the ward offices assistants across all the wards in Kitui County	Purchase Motorbikes for Ward Offices	5,000,000
		To ensure effective and efficient coordination of County Assembly services	Recurrent Expenditure	159,560,218
		Enhance speakers' performance	Purchase 5 acres land for	

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	loans and mortgage as well as PE & OM		Construction of Speakers Residence	5,000,000
		O&M		637,623,643
<b>TOTAL DEVELOPMENT</b>				<b>5,000,000</b>
<b>TOTAL RECURRENT</b>				<b>1,095,630,000</b>
<b>TOTAL</b>				<b>1,100,630,000</b>

## 4.15 KITUI MUNICIPALITY

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
Kitui Municipality	Personnel Emolument (PE)	To enhance General Administration, Planning and support services	Operationalize staff emoluments and other general expenses	33,636,755
	Operation and Maintenance (OM)	To enhance General Administration, Planning and support services	Operationalize staff emoluments and other general expense	46,559,814
	Construction Refurbishment of Non-residential Buildings	To create favorable working environment	Fabrication and Installation of two Barrier point at Kunda Kindu bus Entry and Syongila barrier-2	2,000,000
		To enhance revenue collection	Installation of revenue collection booths-4	2,800,000
		To create favorable working environment	Construction of new barrier point along Kitui-Kibwezi road and Renovation of Kiembeni Market Barrier point	3,000,000
	Sustainable Urban management Policy	To have Sustainable urban management and utilization of resources	Review of existing ISUDP, Data collection, Validation workshop, Approval and official launch	3,000,000
	Construction of Civil Works	To have conducive working environment	Installed, Reinstated & Maintained Street/Security lights in Municipality (Solar powered with concrete post)	21,100,000
		To have improved transport infrastructure	Upgrading Roads to Bitumen Standard, Thome wa Akristo - St. Raphael Catholic Pre School-0.5KM	20,000,000
		To have improved Mobility and walkability	Construction of pedestrian walkways from Muslim Primary- Masjid Noor	4,500,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
			Mosque-0.25KM	
		To have improved transport infrastructure	Construction of pedestrian walkways Huduma Centre-Kitui Amenity Gate-300M	6,000,000
		To have improved transport infrastructure	Road opening from Delta to Seku town campus with drift construction-1KM	6,500,000
		To have improved transport infrastructure	Grading and Gravelling Works St. Ursula-Isangwa-Green Africa-Signal Hotel Road-1KM	2,500,000
		To have improved transport infrastructure	Construction of Car parking area from Magunas-Kalundu River Bridge with Drainage Works and construction of Footbridges-0.25KM	12,000,000
	Urban greening and beautification	To Enhance aesthetic value at County Headquarters	Landscape and plant flowers and ornamental shrubs –flower garden along hospital perimeter wall from Huduma Centre to Rubis Petrol Station	2,561,711
		To Enhance aesthetic value at County Headquarters	Grow assorted 1000 shrubs (ornamental) in Kitui town especially along the streets and	500,000
	Sustainable waste management	To enhance Sustainable waste management	Purchase, label and distribute plastic waste receptacles (medium for households and large for business premises)-pilot project	2,800,000
	Specialized Tools and Equipment	To enhance waste collection and disposal	Purchase of Assorted Cleaning Tools and Equipment	1,200,000
		To enhance Emergency Response	purchase of Fire and Emergency Response Unit Assorted Tools and Equipment	1,800,000
				<b>92,261,711</b>

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
<b>TOTAL DEVELOPMENT</b>				<b>92,261,711</b>
<b>TOTAL RECURRENT</b>				<b>80,196,569</b>
<b>TOTAL</b>				<b>172,458,280</b>

## 4.16 MWINGI MUNICIPALITY

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
	<b>P.E</b>		<b>PE</b>	<b>31,360,891</b>
	<b>O&amp;M</b>		<b>O&amp;M</b>	<b>24,810,868</b>
	Construction of Non-residential Buildings	To improve security, ensure extended business hours as well as provision of aesthetics	Street light repairs, rehabilitation and maintenance	3,000,000
		To improve security, ensure extended business hours as well as provision of aesthetics	Erection of 1 high mast floodlights at Stockyard area	3,500,000
		To improve on county own source revenue collection as well as dustless environment	Cabro paving works along nzeluni road	5,000,000
	Construction of Civil Works	To have conducive business environment and improve accessibility to residential areas.	Construction of open storm water drainage along Kitui Teachers Sacco Junction to AIC Township road	3,000,000
		To ensure secured government property	Construction of stone fence at Mwingi Slaughterhouse	4,000,000
		To renovate/upgrade the slaughterhouse	Renovation of waste drainage channels at the slaughterhouse	1,000,000
		To upgrade road for connectivity and accessibility to residential areas.	Construction of slab and drainage works along Pinacle – Level IV Hospital gate road (Phase 2)	4,400,000
		To upgrade road for connectivity and accessibility to residential areas.	Construction of open storm water drains along Mamro Café – Police line road	3,000,000
		Storm water drainage construction/rehabilitation	Construction of open storm water drains along Ideal-Kathonzweni road (phase 2)	3,500,000

Department	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2024/2025	Budget Estimates
		To upgrade road for connectivity and accessibility to residential areas.	Grading and slab construction along Kiberiti – Kwa Mukeni road	4,000,000
			Pending Bills	
<b>TOTAL DEVELOPMENT</b>				<b>34,400,000</b>
<b>TOTAL RECURRENT</b>				<b>56,171,759</b>
<b>TOTAL</b>				<b>90,571,759</b>



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

Open the link below: -

### **1. CIDP III WARD LEVEL PROPOSED PROJECT (2023-2027)-**

[CIDP III PROPOSED PROJECTS. pdf](#)



KITUI CIDP 2023 -  
2027 WARD LEVEL PR

## **ANNEX III: PUBLIC PARTICIPATION FORUM REPORT FOR THE COUNTY FISCAL STRATEGY PAPER 2024/2025**

Open the link below:

### **2. PUBLIC PARTICIPATION REPORT ON CFSP FY2024/2025-**

[KITUI COUNTY CFSP REPORT \(www.kitui.go.ke\)](http://www.kitui.go.ke)



CFSP PPR  
REPORT-2024.2025.pc

### **2 CFSP FY2024/2025 PUBLIC PARTICIPATION STREAM LINKS-**

● Youtube [Youtube Stream Link](#)

● Facebook [Facebook Stream Link](#)

## ANNEX IV: ADVERT FOR THE FY 2024/2025 CFSP PUBLIC PARTICIPATION FORUM



### COUNTY GOVERNMENT OF KITUI

P.O BOX 33-90200, KITUI, TEL: 044-4422041, 4422304,

Email:finance@kitui.go.ke



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

## INVITATION TO PUBLIC PARTICIPATION FORUM ON THE FY 2024/2025 KITUI COUNTY FISCAL STRATEGY PAPER, DEBT MANAGEMENT STRATEGY PAPER 2024, AND MODEL INTERGOVERNMENTAL CONDITIONAL ALLOCATIONS TRANSFER AGREEMENT

Pursuant to Section 125(2) of the Public Finance Management Act, 2012 on public participation in the budget process, the Ministry of Finance, Economic Planning and Revenue Management hereby invites members of the public, civil society groups, private sector, state agencies and all other interested stakeholders to public consultative forum for the following documents: -

#### 1. FY 2024/25 KITUI COUNTY FISCAL STRATEGY PAPER

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

#### 2. KITUI COUNTY DEBT MANAGEMENT STRATEGY PAPER 2024

Section 123 (1) of the Public Finance Management Act, 2012 states "On or before the 28<sup>th</sup> February in each year, the County Treasury shall submit to the county assembly a statement setting out the debt management strategy of the county government over the medium term with regard to its actual liability and potential liability in respect of loans and its plans for dealing with those liabilities".

#### 3. KITUI COUNTY MODEL INTERGOVERNMENTAL CONDITIONAL ALLOCATIONS TRANSFER AGREEMENT

Further, section 191A to E of the Public Finance Management Act, 2012 requires that the National Treasury and County Governments shall enter into intergovernmental agreements for purposes of the additional allocations. In view of this, the Ministry of Finance, Economic Planning and Revenue Management hereby invites members of the public, civil society groups, private sector, state agencies and all other interested stakeholders to public consultative forum for the Model Intergovernmental Conditional Allocations Transfer Agreement in IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP), IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP), World Bank (Emergency Locust Response Project (ELRP), Sweden- Agricultural Sector Development Support Programme (ASDSP) II, World Bank Credit to Finance Locally - Led Climate Action Program (FLLOCA), Kenya Urban Support Programme (KUSP), DANIDA Grant - Primary Health Care in Devolved Context, Roads Maintenance Levy Fund (RMLF), Kenya Devolution Support Programme and County Aggregation and Industrial Parks (CAIPs).

The Public Participation Forum will be held on **Thursday, 15th February 2024 at Kefri Centre – Kitui Town from 10.00am.**

The draft FY 2024/2025 County Fiscal Strategy Paper, County Debt Management Strategy Paper 2024 and Model Intergovernmental Conditional Allocations Transfer Agreement are available on Kitui County Government's website via link [www.kitui.go.ke](http://www.kitui.go.ke). The members of the public, civil society groups, private sector, state agencies and all interested persons or groups are also invited to submit their comments, memoranda and proposals for inclusion in the FY 2024/2025 County Fiscal Strategy Paper and Model Intergovernmental Conditional Allocations Transfer Agreement at the following offices:

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

The public may also submit their views online via the email [planning@kitui.go.ke](mailto:planning@kitui.go.ke) so as to be received on or **before Thursday, 15<sup>th</sup> February, 2024**. The members of the public can also follow the proceedings through a link to be posted on Kitui County Government's website i.e., [www.kitui.go.ke](http://www.kitui.go.ke) and the county's official social media platforms.

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



**COUNTY GOVERNMENT  
OF KITUI**  
P.O. BOX 33-90200, KITUI, TEL: 044-4422041,  
4422304. Email:finance@kitui.go.ke



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

**INVITATION TO PUBLIC PARTICIPATION FORUM ON  
THE FY 2024/2025 KITUI COUNTY FISCAL STRATEGY  
PAPER, DEBT MANAGEMENT STRATEGY PAPER 2024,  
AND MODEL INTERGOVERNMENTAL CONDITIONAL  
ALLOCATIONS TRANSFER AGREEMENT**

Pursuant to Section 125(2) of the Public Finance Management Act, 2012 on public participation in the budget process, the Ministry of Finance, Economic Planning and Revenue Management hereby invites members of the public, civil society groups, private sector, state agencies and all other interested stakeholders to public consultative forum for the following documents: -

**1. FY 2024/25 KITUI COUNTY FISCAL STRATEGY PAPER**

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

**2. KITUI COUNTY DEBT MANAGEMENT STRATEGY PAPER 2024**

Section 123 (1) of the Public Finance Management Act, 2012 states "On or before the 28<sup>th</sup> February in each year, the County Treasury shall submit to the county assembly a statement setting out the debt management strategy of the county government over the medium term with regard to its actual liability and potential liability in respect of loans and its plans for dealing with those liabilities".

**3. KITUI COUNTY MODEL INTERGOVERNMENTAL CONDITIONAL  
ALLOCATIONS TRANSFER AGREEMENT**

Further, section 191A to E of the Public Finance Management Act, 2012 requires that the National Treasury and County Governments shall enter into intergovernmental agreements for purposes of the additional allocations. In view of this, the Ministry of Finance, Economic Planning and Revenue Management hereby invites members of the public, civil society groups, private sector, state agencies and all other interested stakeholders to public consultative forum for the Model Intergovernmental Conditional Allocations Transfer Agreement in IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP), IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP), World Bank (Emergency Locust Response Project (ELRP), Sweden- Agricultural Sector Development Support Programme (ASDSP) II, World Bank Credit to Finance Locally - Led Climate Action Program (FLOCA), Kenya Urban Support Programme (KUSP), DANIDA Grant - Primary Health Care in Devolved Context, Roads Maintenance Levy Fund (RMLF), Kenya Devolution Support Programme and County Aggregation and Industrial Parks (CAIPs).

The Public Participation Forum will be held on **Thursday, 15th February 2024 at Kefri Centre - Kitui Town from 10.00am.**

The draft FY 2024/2025 County Fiscal Strategy Paper, County Debt Management Strategy Paper 2024 and Model Intergovernmental Conditional Allocations Transfer Agreement are available on Kitui County Government's website via link [www.kitui.go.ke](http://www.kitui.go.ke). The members of the public, civil society groups, private sector, state agencies and all interested persons or groups are also invited to submit their comments, memoranda and proposals for inclusion in the FY 2024/2025 County Fiscal Strategy Paper and Model Intergovernmental Conditional Allocations Transfer Agreement at the following offices:

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

The public may also submit their views online via the email [planning@kitui.go.ke](mailto:planning@kitui.go.ke) so as to be received on or before **Thursday, 15<sup>th</sup> February, 2024**. The members of the public can also follow the proceedings through a link to be posted on Kitui County Government's website i.e., [www.kitui.go.ke](http://www.kitui.go.ke) and the county's official social media platforms.

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

## National News

**Crisis** Stress causing physical, mental health problems

# Half of Kenyans are financially stressed, new survey shows

Many say situation made worse by pay that has stagnated for years

BY VINCENT OWING

Nearly half of Kenyans have reported financial stress amid income stagnation since 2019, forcing many to live on debt as the economic situation worsens, a new survey shows.

The Financial Services Monitor by Old Mutual Group reveals that about five out of 10 (48 per cent) Kenyans feel overwhelmingly or highly stressed by their financial situation, with lower-income earners and women feeling much more stressed.

Informal sector workers, who take home less than Sh20,000 monthly are the most stressed, with 53 per cent of them saying they're overwhelmed, compared to 45 per cent of those taking home more than Sh50,000 monthly.

This is against a backdrop of 62 per cent of Kenyans saying their incomes have reduced compared to their pre-Covid earnings and 29 per cent continue to earn the same amount, despite the high inflation and currency depreciation that have eroded consumer purchasing power.

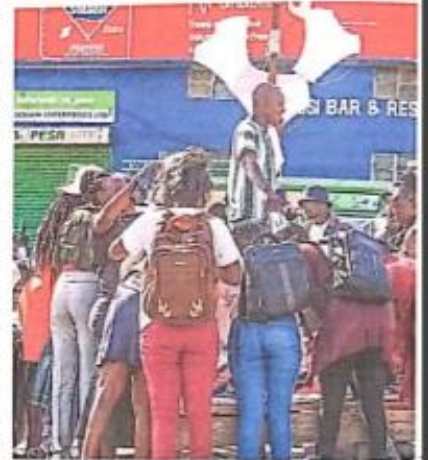
"This means that the majority of these consumers currently have less money in their pockets than they did prior to being impacted by the pandemic," states the report published on Monday.

Based on the survey, several Kenyans fall in the "sandwich generation", meaning that they have both their children and elderly parents relying on them financially, increasing the economic burden on the working class and heightening the stress.

Currently, about 75 per cent have children dependants, while 58 per cent have elders relying on them. Generally, about 46 per cent of Kenyan adults are currently taking care of both their children and their parents, the survey shows.

"The sandwich generation is growing because of two trends: first, life expectancy has moved up, so people are looking after their parents long into their own retirement. Secondly, the children are not getting independent fast enough," said Nanzala Mwasia, chief growth officer at research firm Ipsos.

The financial stress could be brewing a significant health crisis in the country with over two-thirds of those feeling highly or overwhelmingly stressed by their financial situation saying the stress is taking a toll on their



Shoppers look through second-hand clothes at Gikomba Market in Nairobi on February 4. A new survey shows half of Kenyans are suffering financial stress. BILLY OGADA | NATION

physical and mental health, yet many are not covered by any insurance scheme.

According to the research, the financial stress is pushing many Kenyans deeper into debt and reshaping priorities, and several are not planning adequately for retirement and emergencies.

Over the last year at least 41 per cent of Kenyans had to borrow from friends and family to make ends meet, while about 38 per cent had to dip into their savings to pay their bills.

While the majority (40 per cent) of those taking loans from different sources are doing so to stock

or equip their businesses, about 38 per cent are borrowing to meet everyday needs and 23 per cent do it to meet unexpected expenses like school fees, medical needs and household repairs.

At the same time, paying debt is now the third most important financial priority for Kenyans, coming after job or income security and cutting expenses. According to the survey, about 17 per cent of indebted Kenyans are struggling to service their loans, and some are now borrowing to repay debt.

About 74 per cent of Kenyans are also not saving for retirement, even though over 80 per cent acknowledge that it is important. Less than 50 per cent believe that their children will take care of them in old age, while 14 per cent think the government will take care of them.

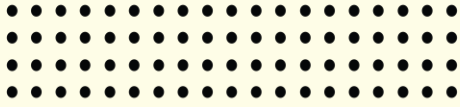
The hard economic times are also encouraging the gig economy with about 22 per cent of Kenyans now turning to side hustles, contract work and second jobs to supplement income.

On the flip side, Kenyans are increasingly appreciating the importance of saving, with emergency savings emerging as the sixth most important financial priority. Majority of people aged below 30 are saving to start a business, while older Kenyans are saving mostly for their children's education.

### AT A GLANCE

#### Kenyans caught up in a debt cycle

According to the Financial Services Monitor by Old Mutual Group, paying debt is now the third most important financial priority for Kenyans, coming after job or income security and cutting expenses. The survey shows that about 17 per cent of indebted Kenyans are struggling to service their loans, and some are now borrowing to repay debt.



# County Fiscal Strategy Paper

## 2024-2025

DEPARTMENT OF ECONOMIC PLANNING  
AND BUDGETING



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