



**COUNTY GOVERNMENT OF
KAJIADO**

THE COUNTY TREASURY

**2023 COUNTY BUDGET REVIEW AND
OUTLOOK PAPER**

*“Strengthening Economic Recovery for a Transformed and
Sustainable Kajiado”*

October, 2023

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FOREWARD

The 2023 Kajiado County Budget Review and Outlook Paper (CBROP) have been prepared in accordance with the provisions set in Section 118 of the Public Finance Management (PFM) Act, 2012, and the PFM regulations, 2015. This document offers an in-depth analysis of the fiscal performance for the FY 2022/23, recent economic developments and the anticipated outlook for the financial year 2024/25 and the medium-term.

Throughout the implementation of the FY2022/23 budget, the County has remained steadfast in adhering to the fiscal responsibility principles outlined in Section 107(2) of the PFM Act, 2012. The total budget for the county in FY 2022/23 amounted to Kshs.10.634 billion. The county received an equitable share totaling Kshs.8.591 billion inclusive of balance brought forward, conditional grants amounting to Kshs.149.7 million and Own Source Revenue (OSR) Kshs.905.43 million. The OSR realized included County Funds of Kshs.232.02 million from Health improvement Fund and NHIF.

Allocations for recurrent and development expenditures were set at Kshs.7.441 billion and Kshs.3.192 billion, respectively. A review of the fiscal performance revealed that actual expenditures amounted to Kshs.9.562 billion, translating to an absorption rate of 89.9 percent. The recurrent budget recorded an expenditure of Kshs.7.134 billion, representing an absorption rate of 95.8 percent, while development budget incurred expenditures totaling Kshs.2.428 billion, with an absorption rate of 76.1 percent.

Under the medium term theme of "*Strengthening Economic Recovery for a Transformed and Sustainable Kajiado*," the county government is steadfast in its commitment to improve county's development by executing programs outlined in the 2023-2027 County Integrated Development Plan (CIDP). These programs are strategically prioritized into the following thematic areas: modulated pastoralism, livable towns, mainstreaming climate change, and competitive education.

The estimated resource envelope for FY 2024/25 is projected at Kshs.13.027 billion. This 2023 CBROP will inform the 2024 County Fiscal Strategy Paper (CFSP) and subsequently, the FY 2024/25 budget and the Medium-Term Expenditure Framework. The county remains unwavering in its commitment to expedite county's socio-economic development.

Alais Kisota

CECM FINANCE, ECONOMIC PLANNING AND ICT

ACKNOWLEDGEMENT

The preparation of the 2023 Kajiado County Budget Review and Outlook Paper (CBROP) provides comprehensive assessment of the actual fiscal and non-fiscal performance for FY 2022/23, the recent macro-economic outlook projections, and the aggregate budget ceilings for FY 2024/25 and the Medium-Term. Importantly, the 2023 CBROP will serve as a guide in the preparation of budget proposals and estimates for the FY 2024/25 and aligning them with fiscal objectives and responsibilities to be articulated in the 2024 CFSP.

The development of this 2023 CBROP is the result of collaborative efforts among diverse stakeholders. I would like to extend my sincere appreciation to the Governor of Kajiado County, H.E. Joseph Ole Lenku, and the Deputy Governor Martin Moshisho for their invaluable support and exceptional leadership during the formulation of this document. My gratitude also extends to County Secretary Francis Sakuda, as well as the County Executive Committee Members (CECMs) in charge of various county departments for their unwavering support and invaluable contributions throughout the entire process. Special thanks go to the CECM for Finance, Economic Planning, and ICT for providing guidance during the formulation of this Paper.

Furthermore, I wish to acknowledge the County Assembly and its leadership under the Hon. Speaker Mr. Justus Ng'ussur, along with the honorable members for their insightful advice and oversight. I also extend my appreciation to our esteemed Chief Officers for their unwavering commitment and collaboration during the development of this document. Additionally, I would like to recognize the directors and Sector Working Groups (SWGs) for their tireless efforts and timely submission of departmental reports, which greatly informed the preparation of this Paper.

I wish to express my sincere gratitude to the Director and the entire staff of Budget and Economic Planning for their dedicated efforts in formulating and compiling the 2023 CBROP. Not forgetting to thank the macro working group that reviewed this Paper to ensure that it satisfies the PFM Act, 2012. Finally, I kindly urge all readers to provide constructive feedback that will aid us in enhancing the preparation of future documents.

Lekina Tutui

CHIEF OFFICER – FINANCE, ECONOMIC PLANNING AND ICT

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ACRONYMS

AGPO	Access to Government Procurement Opportunities
CBROP	County Budget Review and Outlook Paper
CBR	Central Bank Rate
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
Covid-19	Corona Virus Disease 2019
ECDE	Early Childhood Development Education
e-CIMES	Electronic County Integrated Monitoring and Evaluation System
FGM	Female Genital Mutilation
FY	Financial Year
GBV	Gender Based Violence
GDP	Gross Domestic Product
GoK	Government of Kenya
ICT	Information Communication Technology
KCSAP	Kenya Climate Smart Agriculture
MTEF	Medium Term Expenditure Framework
NHIF	National Health Insurance Fund
OGVN	Office of the Governor and Deputy Governor
OSR	Own Source Revenue
PFMA	Public Financial Management Act
PWD	Persons with Disability
SWG	Sector Working Group

Legal Basis for the Preparation of 2023 County Budget Review & Outlook Paper (CBROP)

The CBROP is prepared in line with the Public Finance Management Act, 2012 Section 118. The act states that:

1. The County Treasury shall prepare and submit the Paper to the County Executive Committee for approval by 30th September of each financial year.

County Budget Review and Outlook Paper shall include:

- a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - c) Information on any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
 - d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.
2. The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
3. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall:
- a) Arrange for the Paper to be laid before the County Assembly; and
 - b) Publish and publicize the paper as soon as practicable

I. INTRODUCTION

1.0 Objective of the 2023 County Budget Review and Outlook Paper

1. The 2023 County Budget Review and Outlook Paper (CBROP) provide a comprehensive assessment of the fiscal performance in the FY 2022/23 concerning the budget allocations for that fiscal year. It serves as a foundation for reviewing current financial year policies and exploring the impact of fiscal performance on the financial objectives set out in the Public Finance Management Act, 2012, and the County Fiscal Strategy Paper (CFSP).
2. Furthermore, this review serves as a roadmap for implementing the FY 2023/24 budget, potentially requiring adjustments to fiscal parameters by updating or revising estimates. It also establishes the groundwork for developing the FY 2024/25 budget and the Medium-Term Expenditure Framework (MTEF).
3. The 2023 County Budget Review and Outlook Paper (CBROP) is a crucial legal document that will underpin the development of medium-term policy priorities in the 2024 County Fiscal Strategy Paper (CFSP). Additionally, it assesses key macroeconomic indicators at the global, regional, and national economic and financial levels and their potential implications for the county's economy.
4. In light of this, the 2023 CBROP outlines fiscal measures in both revenue generation and expenditure management to be undertaken by the county government in aligning with the planned strategic priorities. These priorities are in sync with the International and regional development plans, the Kenya Vision 2030, and the national government Bottom-Up Economic Transformation Agenda (BETA). They are also consistent with the 2023-2027 County Integrated Development Plan (CIDP).
5. The subsequent sections of this document are structured as follows: Chapter 2 provides a retrospective analysis of fiscal performance during FY2022/23, Chapter 3 outlines recent economic developments and future outlook, and Chapter 4 presents the proposed framework for resource allocation. Chapter 5 provides the conclusion and way forward on the review and outlook provided in the CBROP.

II. REVIEW OF COUNTY FISCAL PERFORMANCE FOR THE FY 2022/23

2.0 Overview

6. This section provides the detailed analysis of the county's actual performance in both revenue and expenditure relative to the budgeted targets and appropriations. It also provides the justifications for the achieved performance as well as the strategies to be implemented to improve future performance.
7. The total revised revenue target for the FY 2022/23 is Kshs.10.634 billion. This was to be financed from four revenue sources. They include Kshs.7.955 billion from equitable share (74.8 percent of total revenue), Kshs.636.4 million of balance brought forward from the previous financial year (6.0 percent of total revenue), Kshs.298.7 million of conditional grants (2.8 percent of total revenue) and Kshs.1.744 billion of own source revenue (16.4 percent of total revenue).
8. The total revised expenditure appropriations for the FY 2022/23 is Kshs.10.634 billion. The expenditure appropriations comprised of Kshs.7.441 billion of recurrent expenditure (70 percent of total expenditure) and Kshs.3.192 billion of development expenditure (30 percent of total expenditure). The recurrent expenditure is further divided into Kshs.4.628 billion of Personnel Emoluments (PE) and Kshs.2.814 billion on Operations & maintenance (O&M).

2.1 FY 2022/23 Aggregate Fiscal Performance

9. The total revenue recorded for FY 2022/23 is Kshs.9.646 billion which is 91 percent performance against the target revenue for the period. This represents a growth in revenue by Kshs.667.1 million (7.43 percent) from the previous year. The equitable share remained constant, own source revenue increased by 71.5 percent while conditional grants decreased by 29.75 percent from the previous period. The percentage performance against target revenue for equitable share, own source revenue and conditional grants are 100 percent, 50.92 percent and 50.09 percent respectively.

10. The total expenditure for the period under review was Kshs.9.562 billion. This represents a growth of Kshs.786.04 million (8.96 percent) from the previous period. The total expenditure reported was Kshs1.071 billion lower than the target expenditure for the period. The proportionate composition of the actual expenditure by economic classification are as follows; 99.42 percent of PE, 90.04 percent of O&M, and 76.1 percent of development expenditure.

Table 1: Aggregate Fiscal Performance FY 2021/22 – 2022/23

	2021/22 FY		2022/23 FY						
	Approved Estimates	Actual Performance	Approved Estimates	Actual Performance	Deviation	Growth	% Growth	% Actual Performance	% to County Revenue/Expenditure
REVENUE SUMMARY									
GOK Transfer/Equitable Share	7,954,768,229	7,954,768,229	7,954,768,229	7,954,768,229	0	0	-	100.00	82.47
Balance B/F	283,399,846	283,399,846	636,381,461	636,381,461	0	352,981,615	124.55	100.00	6.60
Conditional Grants	1,188,789,664	212,951,940	298,651,710	149,599,629	149,052,081	(63,352,311)	(29.75)	50.09	1.55
Own Source Revenue and County Funds	1,595,132,700	527,943,689	1,743,946,728	905,429,461	838,517,267	377,485,772	71.50	51.92	9.39
Own Source Revenue	1,534,312,700	502,541,249	1,563,211,620	673,405,960	889,805,660	170,864,711	34.00	43.08	6.98
County Funds	60,820,000	25,402,440	180,735,108	232,023,501	(51,288,393)	206,621,061	813.39	128.38	2.41
TOTAL	11,022,090,439	8,979,063,704	10,633,748,128	9,646,178,780	987,569,348	667,115,076	7.43	91%	100.00
EXPENDITURE SUMMARY									
Compensation of Employees	4,280,395,788	3,722,713,010	4,627,748,166	4,600,809,466	26,938,700	878,096,456	23.59	99.42	48.11
Operations and Maintenance	3,171,328,112	2,556,142,983	2,823,747,348	2,533,569,139	290,178,209	(22,573,844)	(0.88)	89.72	26.50
Acquisition of Assets	3,570,366,539	2,529,357,437	3,182,252,614	2,427,962,637	754,289,977	(101,394,800)	(4.01)	76.30	25.39
TOTAL	11,022,090,439	8,808,213,430	10,633,748,128	9,562,341,242	1,071,406,886	754,127,812	8.56	89.92	100.00

Source: Kajiado County Treasury

2.2 County Own Source Revenue Performance

11. The total Own Source Revenue (OSR) collected in FY 2022/23 was Kshs.905.4 million against a revised target of Kshs.1.744 billion representing a 51.9 percent performance. The OSR collection for FY 2022/23 represented a 71.5 percent increase from the Kshs.527.9 million collected in FY 2021/22. The improvement in OSR collections for FY 2022/23 is attributed the revenue mobilization strategies implemented including improved revenue administration and change to a better revenue collection system.
12. Analysis of the OSR streams indicates that various streams had significantly higher contribution to the collections than others. The revenue streams with the highest contribution to the total OSR collected include: Single Business Permits (SBP) (Kshs.147.4 million); Land rates (Kshs.95.2 million); Sand, gravel & ballast extraction fees (Kshs.94.4 million); Mineral royalties (Kshs.56.8 million) and Building plan approval fees (Kshs.56.8 million). County funds recorded an actual collection of above the set target: Kajiado County Health Improvement Fund (HIF) (Kshs.124.9 million), NHIF reimbursements (Kshs.107.1 million). The HIF allows health facilities to manage the funds they generate to improve facility operations.
13. Quarterly OSR analysis indicates that the third quarter has consistently reported the highest collection in the period under review and the previous financial years. The significantly higher performance in the third quarter is attributed to increased collections for single business Permit (SBP) when permit renewals fall dew after the end of the calendar year.
14. Sectoral analysis of revenue performance shows that the highest revenue collection was collected from the Agriculture, Rural and Urban Development Sector (Kshs.388.8 million); General Economic and Commercial Affairs Sector (Kshs.171.7 million); and Energy, Infrastructure and ICT Sector (Kshs.123.1 million).

Table 2: County Own Source Revenue Performance FY 2022/23

Sector	Sub-Sector	Revenue Stream	FY 2021/22		FY 2022/232							
			Approved OSR Targets	Actual OSR Performance	Approved OSR Targets	Q1	Q2	Q3	Q4	Actual OSR Performance	% Performance against Approved Target	
Agriculture, Rural and Urban Development	Agriculture, Livestock and Fisheries	Receipts from Sale of Agricultural Goods	36,660,000	14,970,250	32,994,000	5,664,430	10,233,680	11,750,820	5,455,834	33,104,764	100.3	
		Other Cesses (Livestock Cess)	15,356,160	11,376,705	13,820,544	2,014,750	6,462,800	4,109,700	2,604,215	15,191,465	109.9	
		Tender Documents Sale	127,968	-	115,170	-	-	-	-	-	-	-
		Slaughtering Fee	26,529,200	7,664,860	23,876,280	1,641,460	1,530,605	893,720	1,454,900	5,520,685	23.1	
	Lands and Physical Planning	Land Rates	201,783,204	5,381,614	314,804,884	26,081,215	21,783,650	20,828,500	26,459,913	95,153,278	30.2	
		Land Rates penalties	266,600	-	266,600	-	-	-	-	-	-	
		Other Cesses-Lands/Change of user	10,807,964	4,460,500	9,727,168	-	-	-	-	-	-	
		Plot Rents	81,554,500	37,777,444	53,399,050	2,358,283	4,390,557	18,378,598	6,814,083	31,941,521	59.8	
		Sand, Gravel, and Ballast Extraction Fees	217,515,060	81,865,635	171,116,967	22,693,750	27,489,500	26,100,000	18,070,000	94,353,250	55.1	
		Quarry Extraction Fees	32,588,120	20,333,831	29,329,308	-	-	-	-	-	-	
		Mineral Extraction Royalties (Cement, Silica, etc.)	61,252,040	30,870,350	157,771,836	7,192,040	18,556,450	20,631,999	10,420,860	56,801,349	36.0	
		Other Miscellaneous Receipts Lands	4,585,520	-	4,126,968	-	-	-	-	-	-	
		Survey Fee	1,655,586	-	1,490,027	-	-	-	-	-	-	
		SECTOR TOTAL			690,681,922	214,701,189	812,838,802	67,645,928	90,447,242	102,693,337	71,279,805	332,066,312

Sector	Sub-Sector	Revenue Stream	FY 2021/22		FY 2022/232						
			Approved OSR Targets	Actual OSR Performance	Approved OSR Targets	Q1	Q2	Q3	Q4	Actual OSR Performance	% Performance against Approved Target
Energy, Infrastructure and ICT	Roads, Public Works, Energy and Transport	Fees under Traffic Act	1,492,960	1,660,950	1,343,664	-	-	-	-	-	-
		Transit Toll Charges	1,578,360	1,588,291	1,420,524	156,700	292,200	294,505	360,075	1,103,480	77.7
		Other Revenues - Roads	-	-	2,625,480	-	-	-	-	-	-
		Parking Fees - Local Authority Revenue	32,311,920	13,857,100	29,080,728	7,297,200	6,751,950	10,081,471	4,556,112	28,686,733	98.6
		Impounding Charges	1,066,400	-	959,760	-	-	-	-	-	-
		Enclosed Bus Park Fee	27,468,561	28,859,550	24,996,340	1,849,450	1,582,450	1,752,500	700,973	5,885,373	23.5
	Housing and Urban Development	Buildings Plan Approval Fee	288,481,120	66,980,113	250,933,008	11,388,280	14,453,900	17,632,233	13,276,539	56,750,952	22.6
ICT	Sign Boards & Advertisement Fee	40,096,640	18,795,666	36,086,976	2,150,700	5,746,800	20,714,325	2,032,000	30,643,825	84.9	
SECTOR TOTAL			392,495,961	131,741,670	347,446,480	22,842,330	28,827,300	50,475,034	20,925,699	123,070,363	35.4
General Economic & Commercial Affairs	Trade and enterprise Development	Business Permits	280,199,876	132,146,680	241,379,888	5,272,875	5,606,250	120,728,097	15,775,604	147,382,826	61.1
		SBP Penalties	1,358,800	-	1,222,920	-	-	-	-	-	-
		Weights & Measures Fees	8,529,200	-	7,776,280	-	-	-	-	-	-
		Other Miscellaneous Receipts-Trade	287,928	338,520	259,135	-	-	-	-	-	-
		Market Stalls Rent	3,000,000	595,800	2,700,000	211,200	751,000	603,800	1,061,525	2,627,525	97.3
		Market Shelters	24,740,480	21,014,390	30,266,432	6,264,600	5,494,730	6,535,090	3,341,508	21,635,928	71.5

Sector	Sub-Sector	Revenue Stream	FY 2021/22		FY 2022/232							
			Approved OSR Targets	Actual OSR Performance	Approved OSR Targets	Q1	Q2	Q3	Q4	Actual OSR Performance	% Performance against Approved Target	
		Fee/Barter Market										
SECTOR TOTAL			318,116,284	154,095,390	283,604,655	11,748,675	11,851,980	127,866,987	20,178,637	171,646,279	60.5	
Health	Medical Services and Public Health	Food Preparation Premises Hygenization Services Fee	25,300,000	-	25,300,000	-	895,000	8,204,100	5,593,681	14,692,781	58.1	
		Public Health fees and charges	19,750,000	-	19,750,000	1,849,321	1,359,125	6,194,400	5,747,174	15,150,020	76.7	
		Sewer Use Charge	917,104	1,293,500	825,395	150,000	250,000	210,000	116,600	726,600	88.0	
		Burial Fees	54,141	-	48,727					-	-	
SECTOR TOTAL			46,021,245	1,293,500	45,924,122	1,999,321	2,504,125	14,608,500	11,457,455	30,569,401	66.6	
Education	Education	License Fees -Institutions and groups	539,598	9,000	485,640	-	-	-	-	-	-	
SECTOR TOTAL			539,598	9,000	485,640	-	-	-	-	-	-	
PAIR	County Treasury	Other Cesses	11,628,620	-	10,465,758					-	-	
SECTOR TOTAL			11,628,620	0	10,465,758	-	-	-	-	-	-	
Social Protection, Culture & Recreation Sector	Social Protection	Liquor Licenses -Act Contribution	73,655,500	700,500	61,389,950	10,973,292	1,455,213	-	-	12,428,505	20.2	
		Social Services	0		-	19,500	18,500	3,587,100	-	3,625,100	-	
SECTOR TOTAL			73,655,500	700,500	61,389,950	10,992,792	1,473,713	3,587,100	-	16,053,605	-	
Water, Environmental Protection and Natural Resources	Water Services	Water Kiosks Sales	959,760	-	863,784	-	-	-	-	-	-	
	Environment	Garbage Dumping Fee	213,810	-	192,429	-	-	-	-	-	-	
SECTOR TOTAL			1,173,570	0	1,056,213	-	-	-	-	-	-	
TOTAL COUNTY OSR			1,534,312,700	502,541,249	1,563,211,620	115,229,046	135,104,360	299,230,958	123,841,596	673,405,960	43.1	
County Funds												

Sector	Sub-Sector	Revenue Stream	FY 2021/22		FY 2022/232						
			Approved OSR Targets	Actual OSR Performance	Approved OSR Targets	Q1	Q2	Q3	Q4	Actual OSR Performance	% Performance against Approved Target
Kajiado County Health Improvement Fund/General Hospital Fee			60,820,000	25,402,440	90,343,888	33,740,092	29,171,851	31,495,837	30,503,662	124,911,443	138.3
NHIF reimbursements			-	-	90,391,220	-	-	-	107,112,058	107,112,058	118.5
Total County Funds			60,820,000	25,402,440	180,735,108	33,740,092	29,171,851	31,495,837	137,615,720	232,023,501	128.4
TOTAL COUNTY OSR AND COUNTY FUNDS			1,595,132,700	527,943,689	1,743,946,728	148,969,138	164,276,211	330,726,795	261,457,316	905,429,461	51.9

Source: Kajiado County Treasury

2.3 Strategies to Optimize Own Source Revenue Performance

15. The following issues contributed to the poor performance in generating revenue from internal sources:
 - i. **Outdated Valuation Roll:** The potential for substantial property tax revenue remains unrealized due to the presence of an obsolete valuation roll and the calculation of rates based on undeveloped site values.
 - ii. **Insufficient and Outdated Data:** The ability to assess the county's revenue potential and forecast income is hampered by the lack of adequate and up-to-date information.
 - iii. **Weak Revenue Administration Structures:** Non-compliance and revenue losses occur as a result of ineffective revenue administration systems.
 - iv. **Absence of Tariff and Pricing Guidelines:** There is a lack of clear policies to provide guidance on how fees and charges should be imposed.
 - v. **Mobility Challenges:** The sheer size of the county makes it difficult to efficiently address revenue-related issues.
 - vi. **Limited Resources for Public Participation:** Inadequate resources are available to facilitate meaningful public involvement in legislative processes aimed at the county payers of the revenue.

Strategies to Optimize Own Source Revenue Performance

16. To address the under-performance in own source revenue (OSR), the county government has devised the following strategies to be implemented in the medium term:
 - i. **Enhance Predictability of Fees and Charges:** Improve the clarity of policy direction for investors to establish a more predictable environment for fees and charges.
 - ii. **Update Valuation Roll:** Completely revamp the valuation roll to ensure the county can maximize its own source revenue potential from property taxes.

- iii. Establish and Maintain a Comprehensive Revenue Database: Develop and regularly update a database that identifies existing and potential sources of revenue to facilitate more accurate revenue forecasting.
- iv. Promote Voluntary Compliance: Encourage voluntary compliance in the payment of fees and charges to boost revenue collection.
- v. Develop and Enforce Tariff and Pricing Policies: Create and implement policies that provide guidelines for the imposition of fees and charges.
- vi. Collaborate with Development Partners for Public Participation: Partner with development organizations to conduct public participation processes targeting ratepayers as part of legislative initiatives.
- vii. Expand Revenue Base: Identify reforms aimed at broadening the revenue base to increase income.
- viii. Strengthen Legal and Institutional Frameworks: Enhance the legal and institutional structures in place to better manage and collect fees and charges.
- ix. Implement Effective Credit Control and Debt Collection Systems: Put in place efficient systems for credit control and debt collection to improve the recovery of fees and charges.

2.4 FY 2022/23 Expenditure Performance

- 17. During the FY 2022/23, the actual expenditure was Kshs.9.562 billion against the budgeted appropriation of Kshs.10.634 billion. This represents an absorption rate of 89.9 percent which was significantly higher compared to 70 percent absorption rate in FY 2021/22. There was under-expenditure by Kshs.1.071 billion which is attributed to the shortfall in revenue collections for the year.
- 18. Total actual recurrent expenditure amounted to Kshs.7.134 billion constituting of Kshs.4.601 billion of Personnel Emoluments (PE) and Kshs.2.533 billion of Operations and Maintenance (O&M). The absorption rates for PE and O&M were 99.4 percent and 90.0 percent respectively. On development expenditure, the total actual expenditure was Kshs.2.428 billion representing an absorption rate of 76.1 percent.

Sectoral Expenditure Performance

19. The county adopts a sectoral approach to planning and budgeting. This is employed to articulate sector-specific development objectives, policy goals, assess sector performance, identify pertinent issues and opportunities, and devise effective strategies. The county sectors organized as per Classification of Functions of Government (COFOG) are: Agriculture, Rural, and Urban Development; Energy, Infrastructure, and ICT; General Economic and Commercial Affairs; Health; Education; Public Administration and International Relations; Social Protection, Culture, and Recreation; and Water Services, Environmental Protection, and Natural Resources.
20. This sectoral approach ensures that each facet of county governance receives focused attention, enabling comprehensive planning and effective allocation of resources to drive development in these specific areas.
21. All the sectors exhibited satisfactory levels of absorption during the review period. Analysis indicated that, Energy, Infrastructure and ICT registered the highest absorption rate of 98.5 percent whereas Social Protection, Culture and Recreation sector recorded an absorption rate of 61.1 percent.

Table 3: Sectoral Expenditure Analysis FY 2022/23

Sector	Sub-sector		CFSP 2022 Ceiling	Budget Estimates Sup II 2022/23	Actual Expenditure 2022/23	Deviation from CFSP	% Deviation from CFSP	Absorption Rate
Agriculture, Rural & Urban Development	Agriculture, Livestock and Fisheries	P.E	165,773,665	162,871,618	161,637,075	(2,902,047)	(1.75)	99.24
		O.M	167,009,183	123,694,639	111,276,293	(43,314,544)	(25.94)	89.96
		DEV	376,108,120	117,865,417	117,010,989	(258,242,703)	(68.66)	99.28
		Sub-Total	708,890,968	404,431,674	390,924,357	(304,459,294)	(42.95)	96.66
	Lands and Physical Planning	P.E	47,196,260	75,362,217	74,999,251	28,165,957	59.68	99.52
		O.M	24,796,912	27,796,938	26,441,692	3,000,026	12.10	95.12
		DEV	23,097,340	30,000,000	30,000,000	6,902,660	-	100.00
		Sub-Total	95,090,512	133,159,155	131,440,943	38,068,643	40.03	98.71
	Housing and Urban Development	O.M	16,006,480	13,006,480	11,080,200	(3,000,000)	(18.74)	85.19
		DEV	53,929,806	53,929,806	19,959,388	-	-	37.01
		Sub-Total	69,936,286	66,936,286	31,039,588	(3,000,000)	(4.29)	46.37
	Kajiado Municipality	P.E	30,369,268	32,120,659	27,775,681	1,751,391	5.77	86.47
		O.M	20,170,802	27,301,168	21,730,608	7,130,366	35.35	79.60
		DEV	57,891,291	7,891,291	7,891,291	(50,000,000)	(86.37)	100.00

Sector	Sub-sector		CFSP 2022 Ceiling	Budget Estimates Sup II 2022/23	Actual Expenditure 2022/23	Deviation from CFSP	% Deviation from CFSP	Absorption Rate
		Sub-Total	108,431,361	67,313,118	57,397,580	(41,118,243)	(37.92)	85.27
	Ngong Municipality	P.E	52,197,255	54,528,097	52,807,352	2,330,842	4.47	96.84
		O.M	24,855,292	29,207,300	20,156,925	4,352,008	17.51	69.01
		DEV	56,283,794	6,283,794	6,283,794	(50,000,000)	(88.84)	100.00
		Sub-Total	133,336,341	90,019,191	79,248,071	(43,317,150)	(32.49)	88.03
	Kitengela Municipality	O.M	-	11,201,740	9,924,800	11,201,740	-	88.60
		Sub-Total	-	11,201,740	9,924,800	11,201,740	-	88.60
SECTOR TOTAL			1,115,685,468	773,061,164	698,975,339	(342,624,304)	(30.71)	90.42
Energy, Infrastructure & ICT	Roads, Public Works, Energy and Transport	P.E	71,292,898	105,670,796	105,645,886	34,377,898	48.22	99.98
		O.M	93,324,419	71,292,898	68,796,702	(22,031,521)	(23.61)	96.50
		DEV	430,400,000	390,500,000	387,292,225	(39,900,000)	(9.27)	99.18
		Sub-Total	595,017,317	567,463,694	561,734,813	(27,553,623)	(4.63)	98.99
	ICT	O.M	23,541,121	23,541,121	22,567,456	-	-	95.86
		DEV	20,000,000	7,300,000	5,000,000	(12,700,000)	(63.50)	68.49
		Sub-Total	43,541,121	30,841,121	27,567,456	(12,700,000)	(29.17)	89.39
SECTOR TOTAL			638,558,438	598,304,815	589,302,269	(40,253,623)	(6.30)	98.50
General Economic & Commercial Affairs	Trade and Enterprise Development	P.E	71,261,727	141,774,468	135,002,826	70,512,741	98.95	95.22
		O.M	37,143,532	36,918,427	24,301,914	(225,105)	(0.61)	65.83
		DEV	95,000,000	26,300,000	16,453,800	(68,700,000)	(72.32)	62.56
		Sub-Total	203,405,259	204,992,895	175,758,540	1,587,636	0.78	85.74
	Cooperative Development	O.M	11,330,131	10,680,131	6,706,905	(650,000)	(5.74)	62.80
		Sub-Total	11,330,131	10,680,131	6,706,905	(650,000)	(5.74)	62.80
	Tourism and Wildlife	O.M	2,086,037	2,086,037	1,936,037	-	-	92.81
		Sub-Total	2,086,037	2,086,037	1,936,037	-	-	92.81
SECTOR TOTAL			216,821,427	217,759,063	184,401,482	937,636	0.43	84.68
Health Sector	Medical Services	P.E	1,700,484,823	1,821,730,010	1,821,635,714	121,245,187	7.13	99.99
		O.M	520,018,006	479,221,080	478,675,547	(33,796,926)	(6.50)	99.89
		DEV	330,000,000	270,735,108	61,918,204	(69,264,892)	(20.99)	22.87
		Sub-Total	2,550,502,829	2,571,686,198	2,362,229,465	(1,300,000)	(0.05)	91.86
	Public Health and Sanitation	O.M	90,343,888	46,134,026	44,451,925	(41,209,862)	(45.61)	96.35
		DEV	174,831,612	163,895,156	127,224,712	(10,936,456)	(6.26)	77.63
		Sub-Total	265,175,500	210,029,182	171,676,637	(52,146,318)	(19.66)	81.74
SECTOR TOTAL			2,815,678,329	2,781,715,380	2,533,906,102	(53,446,318)	(1.90)	91.09
Education Sector	Early Childhood Development and Education	P.E	429,952,654	451,018,771	450,534,168	21,066,117	4.90	99.89
		O.M	59,250,672	103,354,672	98,404,974	44,104,000	74.44	95.21
		DEV	300,000,000	315,500,000	235,969,945	15,500,000	5.17	74.79
		Sub-Total	789,203,326	869,873,443	784,909,087	80,670,117	10.22	90.23
	Technical Vocational Training	O.M	6,444,000	6,440,000	6,102,500	(4,000)	(0.06)	94.76
		DEV	58,000,000	20,000,000	14,730,198	(38,000,000)	(65.52)	73.65
		Sub-Total	64,444,000	26,440,000	20,832,698	(38,004,000)	(58.97)	78.79
SECTOR TOTAL			853,647,326	896,313,443	805,741,785	42,666,117	5.00	89.90
Public Administration	Executive Office of the	P.E	102,710,885	109,065,920	109,050,735	6,355,035	6.19	99.99
		O.M	122,371,170	111,371,170	105,025,061	(11,000,000)	(8.99)	94.30

Sector	Sub-sector		CFSP 2022 Ceiling	Budget Estimates Sup II 2022/23	Actual Expenditure 2022/23	Deviation from CFSP	% Deviation from CFSP	Absorption Rate
and International Relations Sector	Governor	DEV	-	10,221,100	10,121,100	10,221,100	-	99.02
		Sub-Total	225,082,055	230,658,190	227,496,896	5,576,135	2.48	98.63
	Public Service & Citizen Participation	P.E	382,617,556	791,522,616	790,143,477	408,905,060	106.87	99.83
		O.M	201,068,261	203,582,221	180,951,338	2,513,960	1.25	88.88
		DEV	-	30,000,000	30,000,000	30,000,000	-	100.00
		Sub-Total	583,685,817	1,025,104,837	1,001,094,815	441,419,020	75.63	97.66
	The County Treasury	P.E	305,556,376	377,861,374	377,654,121	72,304,998	23.66	99.95
		O.M	218,543,373	404,099,243	338,338,163	185,555,870	84.91	83.73
		DEV	1,176,769,848	1,318,440,992	1,094,589,312	141,671,144	12.04	83.02
		Sub-Total	1,700,869,597	2,100,401,609	1,810,581,596	399,532,012	23.49	86.20
	County Assembly	P.E	314,287,789	282,989,884	275,425,134	(31,297,905)	(9.96)	97.33
		O.M	351,859,734	662,856,233	612,188,024	310,996,499	88.39	92.36
		DEV	-	100,000,000	52,255,904	100,000,000	-	52.26
		Sub-Total	666,147,523	1,045,846,117	939,869,062	379,698,594	57.00	89.87
	County Public Service Board	P.E	46,405,512	49,501,174	49,490,543	3,095,662	6.67	99.98
		O.M	39,968,176	60,968,176	35,975,518	21,000,000	52.54	59.01
		Sub-Total	86,373,688	110,469,350	85,466,061	24,095,662	27.90	77.37
	County Attorney	P.E	26,406,663	19,332,288	17,044,865	(7,074,375)	(26.79)	88.17
		O.M	146,531,900	186,581,900	163,213,606	40,050,000	27.33	87.48
Sub-Total		172,938,563	205,914,188	180,258,471	32,975,625	19.07	87.54	
SECTOR TOTAL		3,435,097,243	4,718,394,291	4,241,466,901	1,283,297,048	37.36	89.89	
Social Protection, Culture & Recreation Sector	Gender Affairs	P.E	54,837,281	51,620,764	51,191,580	(3,216,517)	(5.87)	99.17
		O.M	9,238,488	11,738,488	11,154,488	2,500,000	27.06	95.02
		DEV	40,000,000	7,500,000	7,500,000	(32,500,000)	-	100.00
		Sub-Total	104,075,769	70,859,252	69,846,068	(33,216,517)	(31.92)	98.57
	Social Protection	O.M	4,366,600	15,915,006	15,648,871	11,548,406	264.47	98.33
		DEV	71,389,950	68,389,950	5,000,000	(3,000,000)	-	7.31
		Sub-Total	75,756,550	84,304,956	20,648,871	8,548,406	11.28	24.49
	Arts & Culture	O.M	5,086,099	5,086,135	5,028,135	36	0.00	98.86
		Sub-Total	5,086,099	5,086,135	5,028,135	36	0.00	98.86
	Youth and Sports Development	O.M	15,887,665	15,887,665	14,873,415	-	-	93.62
		DEV	30,000,000	4,700,000	30,000	(25,300,000)	(84.33)	0.64
		Sub-Total	45,887,665	20,587,665	14,903,415	(25,300,000)	(55.13)	72.39
	SECTOR TOTAL		230,806,083	180,838,008	110,426,489	(49,968,075)	(21.65)	61.06
Water and Environmental Protection and Natural Resources Sector	Water Infrastructure	P.E	87,213,655	100,777,510	100,771,058	13,563,855	15.55	99.99
		O.M	75,768,540	72,137,556	48,402,435	(3,630,984)	(4.79)	67.10
		DEV	224,574,942	217,500,000	173,844,375	(7,074,942)	(3.15)	79.93
		Sub-Total	387,557,137	390,415,066	323,017,868	2,857,929	0.74	82.74
	Irrigation	O.M	10,442,655	10,492,655	9,075,655	50,000	0.48	86.50
		DEV	30,000,000	-	-	(30,000,000)	(100.00)	-
		Sub-Total	40,442,655	10,492,655	9,075,655	(29,950,000)	(74.06)	86.50
	Environment and Natural Resources	O.M	51,427,759	41,154,243	41,139,952	(10,273,516)	(19.98)	99.97
		DEV	75,300,000	25,300,000	24,887,400	(50,000,000)	(66.40)	98.37
		Sub-Total	126,727,759	66,454,243	66,027,352	(60,273,516)	(47.56)	99.97
SECTOR TOTAL		554,727,551	467,361,964	398,120,875	(87,365,587)	(15.75)	85.18	

Sector	Sub-sector		CFSP 2022 Ceiling	Budget Estimates Sup II 2022/23	Actual Expenditure 2022/23	Deviation from CFSP	% Deviation from CFSP	Absorption Rate
GRAND TOTAL	P.E		3,888,564,267	4,627,748,166	4,600,809,466	739,183,899	19.01	99.42
	O.M		2,348,880,895	2,813,747,348	2,533,569,139	474,866,453	20.22	90.04
	DEV		3,623,576,703	3,192,252,614	2,427,962,637	(441,324,089)	(12.18)	76.06
	TOTAL		9,861,021,865	10,633,748,128	9,562,341,242	772,726,263	7.84	89.92

Source: Kajiado County Treasury

Departmental Expenditure Performance

22. The overall departmental actual expenditure amounted to Kshs.9.562 billion against an allocation of Kshs.10.634 billion indicating an absorption rate of 89.9 percent. A look at each departmental performance shows that, significant county resources were spent on the following departments/entities for the period under review; Medical Services and Public Health (Kshs.2.534 billion); Finance, Economic Planning and ICT (Kshs1.838 billion), Public Service, Administration, Social Services and Inspectorate (Kshs.1.022 billion), County Assembly (Kshs.939.9 million); Education, Vocational Training, Youth and Sports (Kshs.820.6 million); and Roads, Public Works, Transport and Energy (Kshs.561.7 million).
23. All county departments/entities recorded satisfactory levels of absorption. The departments with the highest levels of absorption include: Roads, Public Works, Transport & Energy (99.0 percent); Executive Office of the Governor & Deputy Governor (97.2 percent); Gender, Culture, Tourism and Wildlife (98.4 percent); Agriculture, Livestock & Fisheries (96.2 percent); Public Service, Administration, Social Services, & Inspectorate (92.1 percent); and Medical Services & Public Health (91.1 percent).
24. Analysis on recurrent expenditure shows an actual performance of Kshs.7.134 billion against a target of Kshs.7.441 billion translation to an absorption rate of 95.8 percent. On this, PE recorded an absorption rate of 99.4 percent while OM registered 90.0 percent performance. The departments which recorded higher absorption rates of above 95 percent for O&M expenditure were: Medical Services and Public Health (99.6 percent); Roads, Public Works, Transport & Energy (96.5 percent); and Gender, Culture, Tourism

and Wildlife (95.8 percent). Ngong Municipality (69.0 percent); Trade, Cooperatives & Enterprise Development (65.2 percent), and County Public Service Board (59.0 percent) recorded absorption rates of below 70 percent.

25. The overall development expenditure performance was Kshs.2.428 billion against an allocation of Kshs.3.183 billion indicating an absorption rate of 76.1 percent. Departments which recorded the highest actual development expenditure were: Finance, Economic Planning and ICT (Kshs.1.02 billion); Roads, Public Works, Transport and Energy (Kshs.387.3 million); Education, Vocational Training, Youth and Sports (250.7 million); and Medical Services and Public Health (Kshs.189.1 million).

Table 4: Departmental Expenditure Analysis FY 2022/23

County Department/Entity		CFSP 2022 Ceiling	Budget Estimates Supp. II 2022/23	Actual Expenditure 2022/23	Absorption Rate
Executive Office of the Governor & Deputy Governor	PE	102,710,885	109,065,920	109,050,735	99.99
	OM	122,371,170	111,371,170	105,025,061	94.30
	DEV	-	10,221,100	10,121,100	99.02
	Sub-Total	225,082,055	230,658,190	227,496,896	98.63
County Public Service Board	PE	46,405,512	49,501,174	49,490,543	99.98
	OM	39,968,176	60,968,176	35,975,518	59.01
	Sub-Total	86,373,688	110,469,350	85,466,061	77.37
Medical Services and Public Health	PE	1,700,484,823	1,821,730,010	1,821,635,714	99.99
	OM	610,361,894	525,355,106	523,127,472	99.58
	DEV	504,831,612	434,630,264	189,142,916	43.52
	Sub-Total	2,815,678,329	2,781,715,380	2,533,906,102	91.09
Water, Environment and Natural Resources	PE	87,213,655	100,777,510	100,771,058	99.99
	OM	127,196,299	113,291,799	89,542,387	79.04
	DEV	299,874,942	242,800,000	198,731,775	81.85
	Sub-Total	514,284,896	456,869,309	390,145,220	85.40
Roads, Public Works, Transport and Energy	PE	71,292,898	105,670,796	105,645,886	99.98
	OM	93,324,419	71,292,898	68,796,702	96.50
	DEV	430,400,000	390,500,000	387,292,225	99.18
	Sub-Total	595,017,317	567,463,694	561,734,813	98.99
Public Service, Administration, Social Services and Inspectorate Services	PE	382,617,556	791,522,616	790,143,477	99.83
	OM	205,434,861	219,497,227	196,600,209	89.57
	DEV	71,389,950	98,389,950	35,000,000	35.57
	Sub-Total	659,442,367	1,109,409,793	1,021,743,686	92.10
Finance, Economic Planning and ICT	PE	305,556,376	377,861,374	377,654,121	99.95
	OM	242,084,494	427,640,364	360,905,619	84.39
	DEV	1,196,769,848	1,325,740,992	1,099,589,312	82.94
	Sub-Total	1,744,410,718	2,131,242,730	1,838,149,052	86.25
Lands, Physical	PE	47,196,260	75,362,217	74,999,251	99.52

County Department/Entity		CFSP 2022 Ceiling	Budget Estimates Supp. II 2022/23	Actual Expenditure 2022/23	Absorption Rate
Planning and Urban Development	OM	40,803,392	40,803,418	37,521,892	91.96
	DEV	77,027,146	83,929,806	49,959,388	59.53
	Sub-Total	165,026,798	200,095,441	162,480,531	81.20
County Assembly	PE	314,287,789	282,989,884	275,425,134	97.33
	OM	351,859,734	662,856,233	612,188,024	92.36
	DEV	-	100,000,000	52,255,904	52.26
	Sub-Total	666,147,523	1,045,846,117	939,869,062	89.87
Education, Vocational Training, Youth and Sports	PE	429,952,654	451,018,771	450,534,168	99.89
	OM	81,582,337	125,682,337	119,380,889	94.99
	DEV	388,000,000	340,200,000	250,730,143	73.70
	Sub-Total	899,534,991	916,901,108	820,645,200	89.50
Gender, Culture, Tourism and Wildlife	PE	54,837,281	51,620,764	51,191,580	99.17
	OM	16,410,624	18,910,660	18,118,660	95.81
	DEV	40,000,000	7,500,000	7,500,000	100.00
	Sub-Total	111,247,905	78,031,424	76,810,240	98.44
Agriculture, Livestock and Fisheries	PE	165,773,665	162,871,618	161,637,075	99.24
	OM	177,451,838	134,187,294	120,351,948	89.69
	DEV	406,108,120	117,865,417	117,010,989	99.28
	Sub-Total	749,333,623	414,924,329	400,000,012	96.40
Trade, Cooperative Development and Enterprise Development	PE	71,261,727	141,774,468	135,002,826	95.22
	OM	48,473,663	47,598,558	31,008,819	65.15
	DEV	95,000,000	26,300,000	16,453,800	62.56
	Sub-Total	214,735,390	215,673,026	182,465,445	84.60
Kajiado Municipality	PE	30,369,268	32,120,659	27,775,681	86.47
	OM	20,170,802	27,301,168	21,730,608	79.60
	DEV	57,891,291	7,891,291	7,891,291	100.00
	Sub-Total	108,431,361	67,313,118	57,397,580	85.27
Ngong Municipality	PE	52,197,255	54,528,097	52,807,352	96.84
	OM	24,855,292	29,207,300	20,156,925	69.01
	DEV	56,283,794	6,283,794	6,283,794	100.00
	Sub-Total	133,336,341	90,019,191	79,248,071	88.03
Kitengela Municipality	OM	-	11,201,740	9,924,800	88.60
	Sub-Total	-	11,201,740	9,924,800	88.60
Office of the County Attorney	PE	26,406,663	19,332,288	17,044,865	88.17
	OM	146,531,900	186,581,900	163,213,606	87.48
	Sub-Total	172,938,563	205,914,188	180,258,471	87.54
TOTALS	PE	3,888,564,267	4,627,748,166	4,600,809,466	99.42
	OM	2,348,880,895	2,813,747,348	2,533,569,139	90.04
	DEV	3,623,576,703	3,192,252,614	2,427,962,637	76.06
	Grand Total	9,861,021,865	10,633,748,128	9,562,341,242	89.92

Source: Kajiado County Treasury

Expenditure of County Established Funds

26. The county has various funds which are legally established. The funds outlined in the table below were expended as indicated. It is important to note that, collections towards HIF and NHIF exceeded the set target which was expended as shown explaining the over 100 percent absorption rate.

Table 5: Expenditure for County Established Funds FY 2022/23

Sector	Sub-sector		County Funds	Allocation Supp. II FY 2022/23	Actual Expenditure	Absorption Rate
Health	Public Health	DEV	UHC	10,000,000	10,000,000	100.00
	Medical Services	DEV	HIF and NHIF	180,735,108	227,112,496	125.66
Education	Early Childhood Development and Education	DEV	Scholarship and Bursary	125,000,000	125,000,000	100.00
	Early Childhood Development and Education	REC	Scholarship and Bursary	50,000,000	50,000,000	100.00
	Technical Vocational	DEV	Development of VTC Fund	20,000,000	14,730,198	73.65
PAIR	Executive OGVN	REC	NAKAEB	10,221,100	10,221,100	100.00
	The County Treasury	DEV	Emergency Fund	180,000,000	180,000,000	100.00
	Public Service	DEV	Car loan and Mortgage	30,000,000	30,000,000	100.00
		REC	Medical Cover	100,000,000	94,810,206	94.81
	County Assembly	REC	Car loan and Funds County Assembly	240,000,000	175,000,000	72.92
Social Protection, Culture & Recreation	Gender Affairs	REC	Micro Finance Youth Programme	2,500,000	2,500,000	100.00
		DEV	Kajiado County Youth and Women Enterprise Fund	7,500,000	7,500,000	100.00
	Social Protection	DEV	Disability Fund	5,000,000	5,000,000	100.00
		REC	Disability Fund	5,000,000	4,811,000	96.22
		DEV	Alcoholic Drinks Control Fund	61,389,950	11,994,330.00	19.54
TOTAL COUNTY FUNDS				1,027,346,158	948,679,330	92.34

Source: Kajiado County Treasury

III. RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

3.0. Overview

27. This section presents an examination of recent economic developments at various levels, including global, regional, national, and local (county). It also includes an analysis of specific macroeconomic factors, notably inflation and interest rates, which exert substantial influence on economic expansion. Furthermore, this section offers insights into projected economic growth and the associated policy measures to be implemented at the county level, while also addressing potential risks to these growth projections.

3.1. Recent Economic Developments

3.1.1. Global Economic Performance

28. Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. Global real GDP slowed from 3.3 percent in 2022 to 2.7 percent in 2023 and expected further to slow in 2024 to 2.4 percent. This decline in growth is due to rise in inflation rate monetary policy tightening. Service growth continues to benefit from the rotation of spending away from goods with strong demand for travel and recreation services.
29. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. The rise in central bank rates (CBR) to fight inflation continues to weigh on economic activities. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine further raising food, fuel and fertilizer prices, and extreme weather-related events, triggering more restrictive monetary policy.
30. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations. Despite these headwinds, global economic activity was

resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. In the euro area, mandatory repayments of loans from targeted longer-term refinancing operations are confronting banks that had relied on this source of funding, whereas in the United States, ongoing quantitative tightening and issuance of large amounts of Treasury bills after the recent debt ceiling episode could lead to further outflows from the banking system. In the meantime, the quality of business borrowers' credit is weakening as higher rates are starting to bite, raising credit costs, further curtailing bank lending, and slowing corporate debt issuance.

31. In the United States, growth is projected to slow from 2.1 percent in 2022 to 1.8 percent in 2023, and then slow further to 1.0 percent in 2024. This is a reflection of a still-tight labor market that has supported gains in real income and a rebound in vehicle purchases, with a near record low employment rate. However, this consumption growth momentum is not expected to last.
32. For emerging market and developing economies, growth is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent 2024 compared to 3.6 percent in 2022. However, this stable average masks divergences, with about 61 percent of the economies in this group growing faster in 2023 and the rest—including low-income countries. This as a result of Russian invasion of Ukraine, food security and extreme climate effects
33. Sub-Saharan Africa's economic growth is projected to decline to 3.5 percent in 2023 compared to 3.6 percent in April 2023 and 3.9 percent in 2022 and is expected to rise to 4.1 percent in 2024. This decline growth rate is as a result of climate change impacts and increase in prices of locally manufactured products.

3.1.2. Kenya's Economic Performance 2023

34. The Kenyan economy expanded by 5.3 per cent in the first quarter of 2023 compared to 6.2 per cent growth in the corresponding quarter of 2022. The growth was largely supported by a rebound in agricultural activities, which grew by 5.8 per Cent, owing to sufficient rainfall experienced during the quarter under review. The performance was also

because of significant growths in services sector including financial and insurance, information and communication, wholesale and retail trade and transport and storage

35. Kenya's economy is projected to grow by 5.5 percent in 2023 (5.6 percent in FY 2023/24) and 5.7 percent in 2024 (5.9 percent in FY 2024/25). This growth will be reinforced by the government's Bottom-Up economic transformation Agenda geared towards economic turnaround and inclusive growth.

Sectoral performance Analysis

36. *Agriculture, Forestry and Fishing* sector expanded by 5.8 per cent in the first quarter of 2023 compared to a contraction of 1.7 per cent in the first quarter of 2022. The significantly improved performance of the sector was attributable to favorable weather conditions that led to enhanced production and the impact of fertilizer and seed subsidies provided to the farmers by the government during the period under review. The performance was evident in the significant increase in export of vegetables and fruits recorded during the quarter in review. However, the sector's performance was somewhat curtailed by decline in milk deliveries to processors, production of tea, coffee and sugarcane.
37. Manufacturing sector is estimated to have expanded by 2.0 per cent in the first quarter of 2023 compared to 3.8 per cent growth in the corresponding quarter of 2022. In the manufacture of food products, growth was mainly supported by manufacture of bakery products and processing and preservation of fish, which expanded by 15.2 and 7.2 per cent, respectively, during the period under review. Similarly, the non-food sub-sector performance was supported by substantial growth in the manufacture of basic metals and fabricated metal products.
38. *Construction* sector recorded a decelerated growth of 3.1 per cent in the quarter under review compared to 6.0 per cent growth realized in the first quarter of 2022. The decelerated growth was associated with decline in volume of cement consumption and imports of various construction materials such as bitumen, iron and steel.

39. Performance of *Electricity and Water Supply sector* was relatively slower in the first quarter of 2023 compared to the corresponding quarter of 2022. The sector recorded a growth of 2.3 per cent in the first quarter of 2023 compared to a growth of 3.2 per cent in the first quarter of 2022. The growth was mainly supported by increase in production of electricity from renewable sources such as geothermal and wind which has offset the decline electricity generation from hydroelectric sources.
40. During the period under review, the *Transportation and Storage sector* expanded by 6.2 per cent compared to 7.7 per cent growth in a similar quarter of 2022. The growth was attributed to improved performance in most of the subsectors, especially transportation of passenger and freight through rail. The number of passengers transported via Standard Gauge Railway (SGR) rose by 15.2 per cent from 518.8 thousand in the first quarter of 2022 to 597.5 thousand in the first quarter of 2023. Mombasa port throughput increased by 1.8 per cent from 8,638.0 thousand metric tonnes in the first quarter of 2022 to 8,792.0 thousand metric tonnes in the period under review.
41. *The Accommodation and Food Service* sector is estimated to have expanded by 21.5 per cent compared to 40.1 per cent growth recorded in the first quarter of 2022. The accommodation and food services activities sector has been growing steadily owing to dissipation of the effects of the COVID-19 pandemic that consequently led to improved economic environment in most tourist destinations. The number of tourists increase by 25.2 percent in the year to June 2023.
42. The average yield for 91 Days *Treasury Bills* improved to an average of 9.76 per cent in March 2023 from an average of 7.25 per cent in March 2022. The average rate of return on deposits rose from 6.50 per cent in March 2022 to 7.60 per cent in March 2023.
43. Inflation declined significantly to 6.7 percent in August 2023, from a peak of 9.6 percent in October 2022. The decline largely reflects the easing of food prices and impact of monetary policy tightening. The Inflation remained above the Government target range of 5±2.5 percent from June 2022 to June 2023.

44. The Kenyan foreign exchange market has remained under pressure over the period under review. This is because of global economic uncertainty regarding the ongoing Russian-Ukraine conflicts and the increased interest rates in advanced economies. The exchange rate of the Kenyan shilling against the US dollar stood at Ksh 143.9 in August 2023 compared to Ksh 119.5 in August 2022. Against the Euro, the Kenya shilling weakened to exchange at Ksh 157.1 in August 2023 compared to Ksh 121.0 in August 2022 while against the Sterling Pound the Kenyan shilling weakened to exchange at Ksh 182.9 compared to Ksh 143.5, over the same period.
45. Interest rates increased in the year to August 2023 where the interbank rate rose to 12.5 percent in August 2023 from 5.4 percent in August 2022. The 91-day Treasury Bills rate increased to 13.4 percent compared to 8.6 percent over the same period. The 182-day Treasury Bills rate increased to 13.4 percent in August 2023 from 9.5 percent in August 2022 while the 364-day also increased to 13.6 percent from 9.9 percent over the same period.
46. Commercial banks average lending and deposit rates increased in the year to June 2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 13.3 percent in June 2023 from 12.3 percent in June 2022 while the average deposit rate increased to 7.8 percent from 6.6 percent over the same period. Consequently, the average interest rate spread declined to 5.5 percent in June 2023 from 5.7 percent in June 2022.
47. Private sector credit growth remained robust, increasing by 10.3 percent in the year ending July 2023, although this was lower than the 14.2 percent growth observed in the preceding year ending July 2022. Improved credit expansion was seen across several sub-sectors, including finance and insurance, mining, transport and communication, agriculture, and manufacturing. However, on a monthly basis, credit extension decreased by 8.5 percent in the year ending July 2023 due to the continued tightening of monetary policy in June 2023.

48. Broad money supply, M3, grew by 14.3 percent in the year to July 2023 compared to a growth of 7.6 percent in the year to July 2022. The primary source of the increase in M3 was an improvement in the Net Foreign Assets and Net Domestic Assets of the banking system.

3.1.3. County Economic Performance and Development

49. During the FY 2022/23, the county embarked on the implementation of four strategic priorities aligned with the county's medium-term theme of *"Economic Recovery for Improved Quality of Life."* These strategic priorities served as a foundation for guiding resource allocation and prioritizing government programs and projects for the fiscal year 2021/22, as outlined in the County Fiscal Strategy Paper (CFSP) for 2022. The key accomplishments and advancements made within these four pivotal thematic areas are summarized below.

Sustainable Food Security, Improved Nutrition and Value Addition

50. The strategic focus aims to address food scarcity and malnutrition by transforming food supply and value chains. This goal is realized through the execution of strategic programs and projects in crop production and management, animal production and management, and fish production and fisheries management. Moreover, supportive services and frameworks, such as land use management and policies, contribute to bolstering food security in the county.
51. To enhance crop production and management, 156 farmers were trained on crops pests and disease control mechanisms. A further 15,305 project beneficiaries focusing on dairy, beef, and tomato value chains were trained on climate smart agricultural technologies through KCSAP. Additionally, 290 farmers received agrochemicals and 25 pest and disease surveillance reports were prepared and acted upon. In addition, 6100 farmers were supplied with subsidized fertilizer and 600 supplied with drought tolerant assorted seeds.

52. To enhance agricultural mechanization and farm capacity development, 105 farmers leased farm machineries. On enhancement of soil and water conservation, 925 farmers were trained on soil and water conservation management and best farming methods. In addition, 700 farmers were trained on post-harvest management of crops.
53. To improve food production through crop irrigation development 55 new hectares of land were put under irrigation while 100 hectares of small-scale farmers were put under irrigation. On the same note, 275 farmers and 9 staff were trained on small-scale irrigation and value addition. Further, one grading shade was constructed and one water resource infrastructure was operational and sustainably managed.
54. In crop market development enhancement, 4 producers' organizations were formed in the county, through KCSAP the county was able to mobilize and registered six (6) SACCOs. 92 agro input suppliers were trained, 38 individuals benefited from commercial crop production incentives and 308 farmers were trained on value addition. Through KCSAP, the county issued Kshs.191.6 million to 344 groups benefiting 9,623 beneficiaries drawn from Rombo, Entonet, Dalalekutuk, Ewuaso Kedong and Magadi wards.
55. To enhance livestock production, 3100 farmers were trained on livestock keeping knowledge and skills, pasture conservation and appropriate livestock technologies. 200Ha of rangeland has been rehabilitated through reseeded in order to increase forage productions.
56. In animal disease control and management, 698172 animals were vaccinated and treated to reduce outbreaks of animal diseases. One field laboratory facility was also constructed and equipped. Additionally, 1927 farmers were reached through extension outreaches on livestock and one inspection and supervision on animal health and input service providers was conducted. Six vaccination crushes and cattle dips were also constructed. In efforts to reduce the risk of zoonotic disease occurrences, 30 farmers were trained on prevention and control of zoonotic diseases. Additionally, 30 animal sourced food chain actors were trained.

57. On breeding and animal genetic improvement, 24000 artificial inseminations were done, were the percentage of success was about 60 %. Further, 52 artificial insemination service providers were certified and licensed.
58. To increase fish production and income, the county government facilitated construction of 5 fish ponds. Additionally, the government supplied with farming inputs 15 fish farmers. The farmers were also supplies with 6000 fish fingerlings. In addition, 120 farmers were trained on fisheries and aquaculture management

Promotion of Healthy Lives and Well-Being of the Citizens

59. This strategic priority is focused on achieving a healthy population, which, in turn, translates into a robust workforce, ultimately fostering economic growth and development. As part of this priority, the county government has undertaken various initiatives.
60. In an effort to improve access to healthcare services, the sector conducted 233 integrated healthcare outreaches and established 166 community health units. Furthermore, they initiated the establishment, upgrading, equipping, and rehabilitation of 17 primary care facilities, along with the upgrading of 2 facilities to level 4 status. In the interest of enhancing emergency and referral services, the acquisition of a standard Advanced Cardiac Life Support (ACLS) ambulance was completed, ensuring a 100% response rate to emergencies and outbreaks. Additionally, the sector achieved the full supply of health supplies and equipment to public facilities and constructed a standard storage facility for medical supplies and equipment.
61. To enhance the quality of healthcare access services, 35% of health staff received in-service training, and 25% of public health facilities were adequately staffed. The sector also conducted 48 support supervision visits for public facilities, inspected 85% of private facilities, and strengthened healthcare administration, resulting in 124 health facilities being managed by functional committees and boards.

62. Efforts to reduce the disease burden in the county, particularly under the environmental health program, included conducting 200 community awareness campaigns on Non-Communicable Diseases (NCDs), Communicable Diseases (CDs), Neglected Tropical Diseases (NTDs), and their associated mitigation measures. Furthermore, 75% of tuberculosis (TB) defaulters were traced and referred for appropriate care. Additionally, 62% of people living with HIV were aware of their status, with 69% of those diagnosed receiving sustained antiretroviral therapy. Among those receiving antiretroviral therapy, 70% achieved viral suppression.
63. In the realm of maternal and child healthcare services, 27% of public facilities offered Reproductive, Maternal, Newborn, and Child Health (RMNCH) and Family Planning (FP) services, while 88% of children received full immunization. All facilities provided Integrated Management of Childhood Illness (IMCI) services, and 90% of community units offered IMCI services. The county also achieved notable outcomes in child nutrition, with a prevalence of stunting among children under 5 years at 2.8%, a prevalence of wasting at 4.3%, and 86.5% of children younger than 6 months exclusively breastfed.
64. To ensure food and water safety, samples of both were taken, tested, and licensed, with 22% of food handlers undergoing examination. Sanitation coverage reached 68% in urban and peri-urban areas, and 19% of villages were declared open defecation free. Notably, 12,056 households received treatment with physical, chemical, and biological agents. Building plans were evaluated, and non-food public institutions were monitored to ensure compliance with safety standards.

Investment in Social Welfare to Improve Livelihoods

65. Investment in social welfare to enhance the livelihoods of county residents has been a key thematic focus, encompassing a range of diverse social programs. These initiatives primarily address education and social protection, with a special emphasis on addressing gender and disability-related issues.

66. In an effort to promote literacy levels and stimulate economic empowerment through education, the county has undertaken various social investments within the education sector. These efforts include the improvement of educational facilities through the construction and equipping of infrastructure, augmenting staffing levels in Early Childhood and Development Education (ECDE) as well as Vocational Training Centers (VTCs), and the provision of teaching materials to ECDEs and VTCs.
67. To empower gender socio-economic empowerment, the county government conducted entrepreneurship training for 40 vulnerable groups. Furthermore, they funded eight sensitization campaigns on Gender-Based Violence (GBV) and anti-Female Genital Mutilation (FGM), all of which were successfully executed.
68. In preserving cultural heritage, the county identified and mapped one cultural heritage site, and established a county museum.
69. On social protection, the county facilitated and mobilized the enrollment of elderly and vulnerable individuals into the National Health Insurance Scheme (NHIF). Measures to combat drug abuse and gambling included the development of a county Betting and Gambling policy and the execution of anti-drug abuse campaigns. Moreover, the county registered and licensed 545 liquor outlets, along with 200 betting and gambling outlets.
70. These comprehensive initiatives underscore the county's commitment to improving the well-being of its residents by investing in education, social protection, cultural preservation, and initiatives to promote economic empowerment and gender equality.

Promote Entrepreneurship and Job Creation

71. In pursuit of enhancing economic empowerment, concerted efforts were made to integrate disability-related considerations. This involved sensitizing Persons with Disabilities (PWDs) about Access to Government Procurement Opportunities (AGPO). Additionally, there were capacity-building initiatives targeting youth in the areas of AGPO and entrepreneurship. Two training sessions on AGPO were conducted, and a sports activity was organized to nurture and showcase the talents of PWDs.

72. To address the issue of unemployment among youth, 10 youth groups gained access to the Kajiado County Youth and Women Enterprise Development Fund (KCYWEDF). Furthermore, 200 youths participated in a mentorship and training program focused on capacity building and economic empowerment. These measures were implemented to bolster economic prospects and reduce unemployment among the youth population.

County Economic Growth Outlook and Policies

73. The county government will ensure that, over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure. This will support investments of county's strategic priority/thematic areas under the county transformative development agenda: Modulated pastoralism; Livable towns; Mainstreaming climate change; Competitive education. Other key transformative programmes that the county will implement include healthcare and institutional support targeting ICT, public financial management, public administration and human resource management and development.
74. These strategic priority/thematic areas are outlined in the county development blue print, the 2023-2027 County Integrated Development Plan (CIDP), and are aligned with MTP IV and BETA. They are further linked with international development agenda including sustainable development goals.
75. In order to facilitate the successful execution of the identified priorities, the county will implement various strategies to address optimization of own source revenue collection. This will include expanding revenue base and full automation of revenue collection to seal revenue loopholes as well as implement measures to control fraud.
76. The county will also endeavor to strengthen Public Private Partnerships (PPP) framework so as to leverage on private sector to deliver programmes and projects that have strong economic, commercial and environmental benefits and linked to the national priorities. The county government will seek to collaborate with development partners to support in the implementation of programmes and projects. The established Kajiado County

Investment Authority will be supported to achieve its main objective of promoting investments in the county and facilitate ease of doing business.

77. Collaboratively, the county will partner with all development stakeholders to guarantee the coordinated execution of projects and programs across the entire county. This approach underscores the commitment to harnessing external support to advance social and economic development goals.
78. County grants from development partners have been declining particularly for the county department of health. On this, the county government will enhance its strategies including strengthening Facility Improvement Fund (FIF).
79. Over the medium term, the county will strive to adhere to the provisions of the Public Finance Management Act, 2012 on fiscal responsibility principles. Towards this, the county government will ensure that a minimum of 30 percent of its annual budget is allocated to development expenditure.
80. Additionally, the county will work towards ensuring that personnel emoluments do not exceed the recommended threshold as set in the PFM Act, 2012. The government intends to implement the recommendations contained in the human resource audit report. The report is as a result of a comprehensive human resource audit conducted in mid-2023.
81. The county government will work towards curtailing non-core expenditures over the medium term while prioritizing high impact social and investment expenditures. The government will also continue to implement austerity measures on less productive areas of spending across the government. This will facilitate availability of funds to support implementation of planned programmes and projects.
82. The county is steadfast in its dedication to meeting its financial responsibilities, with a particular focus on settling verified pending bills. The county will ensure that outstanding pending bills are given priority and paid as soon as possible to comply with the provisions of the PFM Act, 2012. The county will continue to implement a monthly

pending bill payment plan in order to ensure that suppliers and contractors are promptly paid on a First- in First- Out basis.

83. The county will implement Public Investment Management (PIM) framework which is aimed to strengthen processes for project selection, appraisal, budgeting, monitoring, evaluation and reporting. The county will implement PIM guidelines targeting to support expenditure control and spending by providing standard processes in project cycle. This will also ensure that only priority projects are financed and fully implemented.
84. The county will also ensure that the monitoring and evaluation policy is approved during the medium term. It will further continue to implement the electronic Monitoring and Evaluation System (e-CIMES) to support tracking of programmes and projects.
85. The county also recognizes the significance of fortifying its disaster risk management strategies. This entails enhancing disaster preparedness, response, and recovery mechanisms. Moreover, the county will integrate more robust disaster risk reduction measures into its development planning and budgetary processes. These concerted efforts underscore the county's commitment to enhancing resilience and fostering sustainable development within its jurisdiction.

3.3 Risks to the Outlook

86. The county's outlook is subject to risks arising from both internal and external sources. Externally, the persistent conflict between Russia and Ukraine generates uncertainties that have the potential to impact the global economy. Nationally, the outlook is further compounded by the current surge in inflation affecting both food and non-food products. This rising inflationary trend poses a significant challenge, as it can lead to increased living costs for residents and disrupt budgetary planning for the county government. These factors collectively contribute to the risk landscape for the above outlook.
87. The ongoing drought and the persistent consequences of climate change have resulted in a notable decrease in agricultural and livestock production and overall productivity

within the county. This adverse trend directly impacts both the county's economic well-being and the livelihoods of its residents.

88. Furthermore, it is important to note that there are forecasts and expectations of El Niño rains on the horizon. El Niño is a climatic phenomenon characterized by the warming of sea surface temperatures in the Pacific Ocean, which can have significant regional and global weather impacts. While they can potentially alleviate the drought conditions, they also bring the risk of excessive rainfall, which can lead to flooding, landslides, and other weather-related challenges. Therefore, careful monitoring and preparedness are essential to mitigate the potential effects of these expected weather patterns on the county.
89. The underperformance in Own Source Revenue (OSR) collection is one of the potential risks in the medium term. This risk may hinder the successful implementation of planned programs and projects. Additionally, any delays in the disbursement of funds from the national government may lead to postponements of program and project execution, ultimately resulting in a lower budget absorption rate for the county government.
90. The county will regularly monitor these risks and will promptly implement suitable measures to mitigate them if they manifest.

IV. RESOURCE MOBILIZATION FRAMEWORK

4.0 Overview

91. The allocation of resources and the prioritization of expenditures within the 2024/25 - 2026/27 medium-term expenditure framework are guided by a combination of factors. These include the county government's established priorities, fiscal performance trends, and a consideration of prevailing macroeconomic variables on both the global and national levels. This comprehensive approach ensures a well-informed and balanced resource mobilization framework.

4.1. Implementation of the FY 2023/24 Budget

92. The implementation of the FY 2023/24 budget officially commenced in July 2023, adhering to the predetermined schedule. It's crucial to acknowledge that the execution of this budget is significantly influenced by both fiscal and non-fiscal performance indicators from the preceding 2022/23 financial year.

93. In particular, when assessing the performance of Own Source Revenue (OSR) in the fiscal year 2022/23, it is evident that the county fell short of the initially set revenue target. This discrepancy has had implications, including under-achievements in the implementation of planned programs and projects, as well as an increase in pending bills.

94. To address these challenges and to mitigate performance variances, the county made the decision to downwardly revise the current year's OSR target. This adjustment aims to minimize the performance variance and reduce the likelihood of under-achievement in the execution of implementation plans. Additionally, it serves to alleviate the burden of growing pending bills, promoting fiscal stability and responsible financial management for the county government.

95. The total budget for FY 2023/24 is Kshs.11.560 billion, comprising Kshs.8.333 billion from the equitable share (72 percent), Kshs.1.516 billion from Own Source Revenue (OSR) (13 percent), and Kshs.1.711 billion from conditional grants (15 percent). The expenditure estimates for this fiscal year amount to Kshs.11.560 billion, with Kshs.4.247

billion allocated for development expenditure (37 percent) and Kshs.7.312 billion for recurrent expenditure (63 percent). Additionally, Kshs.4.602 billion of the recurrent expenditure is earmarked for Personnel Emoluments (PE), while Operations and Maintenance (O&M) has been allocated Kshs.2.710 billion.

96. Throughout the formulation of the FY 2022/23 budget, the primary focus has consistently been the completion and activation of ongoing and previously stalled projects. The overarching goal is to realize the original objectives of these projects and to ensure that they deliver value for money, as initially envisioned during the project planning phase.
97. To facilitate the seamless execution of the budget, the County Treasury is committed to upholding the fiscal responsibility principles defined in Section 107 of the PFM Act, 2012. Furthermore, the County Treasury aims to alleviate budgetary expenditure pressures by enhancing the efficiency of public finance management.
98. Additionally, the County Treasury will actively engage in continuous monitoring to guarantee that the budget is carried out according to the intended plan. It will also implement cost-cutting measures for non-core expenditures, with the aim of reallocating funds to core expenditures.

4.2. The Medium Term Fiscal Framework

99. The medium term theme is “*Strengthening Economic Recovery for a Transformed and Sustainable Kajiado*”, which is informed by the measures and strategies the government will implement to accelerate economic recovery and growth.
100. In the medium term, the county government, through the guidance of the County Treasury, will continue to reinforce effective public finance management practices across all spending units. This effort is aimed at improving the efficiency in both resource mobilization and resource utilization.
101. The county government will place its primary emphasis on delivering essential services with the goal of alleviating poverty and transforming the livelihoods of the residents. To

realize this objective, the county will enhance its engagement in Public-Private Partnerships (PPPs), implement strategies designed to broaden its revenue sources, thereby increasing Own Source Revenue (OSR) collection and engage development partners. Additionally, the county will formulate and put into action policies that foster conducive business environment, with the aim of attracting potential investors to operate within its jurisdiction.

102. Resource allocation will be synchronized with the county's development objectives as articulated in the 2023-2027 Kajiado County Integrated Development Plan (CIDP). Throughout the medium term, the county's priority will be on the implementation of the following thematic and strategic priority areas: Modulated Pastoralism; Livable Towns; Mainstreaming Climate Change; and Competitive Education. In addition the county will strengthen healthcare and institutional support targeting ICT, public financial management, public administration and human resource management and development.
103. The county's commitment to resource allocation aligned with its development objectives, as outlined in the 2023-2027 CIDP, underscores its dedication to the betterment of the livelihoods of the residents. Over the medium term, the county's focus remains on the successful implementation of key thematic and strategic priority areas. These efforts reflect the county's vision for sustained growth, improved quality of life for its residents, and a more resilient and prosperous future.

4.3 FY 2024/25 Budget Framework

104. The FY 2024/25 and Medium-Term Budget Framework are strategically designed to not only support economic recovery but also to effectively align with the county government's overarching development agenda. This alignment hinges on the optimal utilization of available resources. In the allocation of these resources, the County Treasury will carefully consider global, regional, and national macroeconomic variables.
105. As part of the resource allocation process, which sets the budget ceilings, the County Treasury will adhere to the following guiding criteria:

- i. Findings of programme performance review reports on ongoing projects
 - ii. Degree to which the programme addresses poverty reduction interventions
 - iii. Degree to which the programme addresses the core mandate of the sector
 - iv. Expected outputs and outcome from the programme
 - v. Linkage with other programmes/ projects with ADP objectives
 - vi. Cost effectiveness and sustainability of the programme capital projects
 - vii. Prioritization by various stakeholders in relevant fora and media
 - viii. Resource prioritization should consider socially responsive outcomes with preference given to youth, women, children, elderly, PWCs and other vulnerable groups in the society.
106. By adhering to these comprehensive criteria, the county government aims to ensure that its resource allocation aligns with its development priorities, fosters economic growth, and efficiently addresses critical challenges and opportunities within the region.
107. When establishing the resource ceiling, the county will allocate funds to address duly verified pending bills that have accrued over time, following a First-In First-Out (FIFO) approach. Furthermore, the management of other expenditure demands will be given precedence to guarantee the uninterrupted implementation of planned programs. This strategic approach aims to promote fiscal responsibility and ensure that all planned initiatives proceed smoothly without disruptions.
108. The total projected revenue for FY 2024/25 is Kshs.13.027 billion comprising of Kshs.8.342 billion from equitable share, Kshs.1.614 billion from own source revenue and Kshs.3.072 billion from conditional grants.
109. The total estimated expenditure for FY 2024/25 is Kshs.13.027 billion. This comprises of Kshs.5.168 billion of personnel emoluments (39.7 percent), Kshs.3.821 billion of

Operations & Maintenance (29.3 percent) and Kshs.4.038 billion of development expenditure (31 percent).

110. The medium-term expenditure framework for 2024/25 - 2026/27 has been established to provide direction for both resource mobilization and allocation. The allocation of resources to the county's eight sectors will be determined and finalized during sector-specific reviews, with the ultimate budget ceilings being presented in the 2024 County Fiscal Strategy Paper (CFSP).

Table 6: Medium Term Expenditure Framework FY 2024/25 – 2026/27

	Approved Estimates	Budget Estimates	Projections	
	2023/24	2024/25	2025/26	2026/27
Revenue Summary				
Equitable share	8,300,213,576	8,341,714,644	8,383,423,217	8,425,340,333
Balance Brought Forward	32,435,820	0	0	0
Local Revenue	1,515,702,515	1,613,525,673	1,688,205,008	1,767,878,194
Conditional Grants	1,711,406,967	3,071,746,139	3,071,746,139	3,071,746,139
Total	11,559,758,878	13,026,986,456	13,143,374,364	13,264,964,666
Expenditure Summary				
Personnel Emoluments	4,601,979,155	5,167,535,564	5,529,263,053	5,916,311,467
Operations and Maintenance	2,710,347,472	3,951,354,955	3,671,099,002	3,369,163,799
Development Expenditure	4,247,432,251	3,908,095,937	3,943,012,309	3,979,489,400
Total	11,559,758,878	13,026,986,456	13,143,374,364	13,264,964,666

Source: Kajiado County Treasury

111. In the fiscal year 2024/25, the county will continue to allocate finances to the funds established by the County Executive Member for Finance in compliance with the provisions stipulated in the PFM Act, 2012 and other legal frameworks. The funds are as detailed in the table below.

Table 7: County Established Funds

No.	Name of the Fund	Purpose/ Description of the Fund	County Department
1.	Emergency Fund	It allows payments to be made when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises.	The County Treasury
2.	Bursary Fund	It is a need-based scholarship with the main aim of providing financial support to students/pupils unable to cover the cost of their education.	Education and Vocational Training
3.	Disability Fund	It provides financial support to Persons with Severe Disability (PWSDs) through issuance of assorted assistive devices, bursary, nutritional supplements and other empowerment activities.	Public Service, Administration and Social Services
4.	Kajiado Youth and Women Enterprise Development Fund	The fund targets to provide accessible and affordable credit to support youth and women start and/or expand business for wealth and employment creation.	Gender, Tourism, Wildlife, Youth and Sports
5.	Car Loan & Mortgage Fund	It is a revolving fund established to provide car loan and mortgage facility to staff of Kajiado County Government	Public Service, Administration and Social Services
6.	Kajiado County Facility Improvement Fund	The fund was established to facilitate operations of the health sector	Medical Services and Public Health

Source: Kajiado County Treasury

112. The County Government will establish a structured framework aimed at facilitating resource mobilization efforts. The primary objective of this framework is to bolster the available funds, ensuring sufficient financing for the county's development agenda as outlined in the 2023-2027 County Integrated Development Plan. This framework is designed to optimize resource acquisition in support of the county's development goals.

V. CONCLUSION AND WAY FOREWARD

113. The county economy remains persistent in spite of the unfavorable macro-economic environment characterized by rising inflation and weakened local currency. Looking ahead to 2024 and beyond, the county's economic development is expected to maintain its resilience, supported by the execution of the county's thematic priority areas and the implementation of the development agenda outlined in the 2023-2027 County Integrated Development Plan (CIDP).
114. To further accelerate the county's economic growth and recovery, the government will prioritize the completion and activation of ongoing or stalled programs and projects. Consequently, these identified programs and projects, which align with the county's thematic and priority areas, will be given precedence during resource allocation process. This allocation will be informed by departmental reports furnished by Sector Working Groups (SWGs), offering comprehensive insights into program and project activities and their current status.
115. In a concerted effort to control expenditure growth, SWGs will conduct thorough and prudent analyses of all proposed sectoral and departmental budgets for the fiscal year 2024/25 and the medium-term period. This scrutiny aims to ensure that budgets are strategically oriented toward enhancing productivity and aligned with the attainment of predefined objectives. As part of this process, SWGs will focus on the medium-term strategic priorities and formulate policies, programs, and projects to be executed over the medium-term horizon. This 2022 CBROP will serve as the foundation for the development of the 2024 County Fiscal Strategy Paper (CFSP), which will further outline the county's strategic priorities for the 2023-2027 planning period.
116. In the pursuit of reinforcing economic recovery and ensuring the successful implementation of the FY 2023/24 budget and the medium-term plans, the county government will concentrate on revenue mobilization. Concurrently, measures and strategies will be put in place to address the underperformance in local revenue collections, ensuring that the predetermined Own Source Revenue (OSR) targets are not

only met but grow year-on-year. Additionally, the government will strengthen its collaborations with development partners, leveraging these partnerships to secure financing and facilitate the execution of county development programs and projects. These concerted efforts are aimed at propelling the county toward sustainable economic growth and development.

117. The county government remains committed to fiscal responsibility and compliance with the principles of fiscal discipline outlined in section 107 of the PFM Act, 2012, during the preparation of the 2024/25 budget and the medium-term outlook. The primary goal is to achieve a balanced budget in the fiscal year 2024/25, where county revenue matches planned expenditure.
118. Additionally, the county government will continue to enhance stakeholder engagement in decision-making processes, throughout program and project planning, design, implementation, and monitoring. This collaborative approach will involve various means, including public participation. Furthermore, the county will strengthen partnerships with the private sector through Public Private Partnerships (PPPs), facilitating the completion of high-impact government programs and projects with private funding and within specified timeframes.
119. Further, the county is committed to improving service delivery through investments in digital transformation, including the implementation of the electronic County Integrated Monitoring and Evaluation System (e-CIMES) and a performance management system, ultimately enhancing the efficiency and effectiveness of county governance and service provision.