



**COUNTY GOVERNMENT OF UASIN GISHU**

**THE COUNTY TREASURY**

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**COUNTY FISCAL STRATEGY PAPER  
(CFSP) 2024**

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**ADVANCING IMPLEMENTATION OF NGUZO KUMI FOR SOCIO-  
ECONOMIC TRANSFORMATION**

**FEBRUARY 2024**

**A County of Opportunities for all in Kenya and Beyond**

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The County Treasury P. O. Box 40-30100 ELDORET, KENYA

Email: [info@uasingishu.go.ke](mailto:info@uasingishu.go.ke)

Website: [www.uasingishu.go.ke](http://www.uasingishu.go.ke)

This document is also available at [www.uasingishu.go.ke](http://www.uasingishu.go.ke)

## FOREWORD

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The 2024 County Fiscal Strategy Paper (CFSP), the second prepared under the administration of H.E. Hon Dr. Jonathan Bii Chelilim, is aligned with *Nguzo Kumi's* transformation agenda. This document outlines the main goals, initiatives, and changes planned for the Medium-Term Expenditure Framework (MTEF). It is also in line with the 2024 Budget Policy Statement of the National Government

The current administration assumed office at a time when the nation faced economic challenges like rising commodity prices due to the Russia-Ukraine conflict, frequent adverse weather events, and a growing debt burden. Nevertheless, the county administration implemented decisive measures to reduce the impact and alleviate residents' suffering.

The *Nguzo Kumi* was founded with the goal of overcoming these challenges. The plan is centered on bringing about social-economic transformation for all Uasin Gishu residents, aiming to increase investments in at least ten key areas that are expected to have significant impacts on the county's economy and the well-being of households.

For the FY 2024/25, there will be a focus on enhancing access to safe drinking water in households, enhancing healthcare quality for all citizens, boosting agricultural productivity, improving road infrastructure, increasing access to electricity, and providing quality education. The county will also establish a conducive environment to support businesses and enhance public service delivery. Implementing out these initiatives will meet the county government's responsibilities to the residents and help enhance the county's economy.

To achieve these goals, the county administration intends to enhance revenue collection leveraging on technology, prudently manage county resources, and uphold fiscal responsibility principles, along with other strategies. This will be supported by a robust county economy as a result of various government initiatives at both the national and county levels. Moreover, it will optimize expenditure by cutting non-essential expenditures and improving the effectiveness with which development projects are implemented. The M&E will also have a key role in monitoring the implementation of county policies, programme, and projects.

The county will also benefit from the investment inflows of numerous development projects facilitated by the Kenya Kwanza Government's Bottom-Up Economic Transformation Approach (BETA). These projects include the construction of Eldoret 64 ultra-modern market,

the development of County Aggregated Industrial Park (CAIP), and the Affordable Housing Project. In addition, the Fertilizer Subsidy Programme is expected to boost the county's agricultural output. These investments have the potential to create job opportunities and boost the local economy.

The expenditure ceilings in this CFSP have been updated to align with the county government's priorities outlined in this document. All proposed departmental budgets for the FY 2024/25 have been carefully reviewed to ensure compatibility with the *Nguzo Kumi* as defined in the CIDP III, as well as other county strategic initiatives. In addition, the sector ceilings outlined in this document will be utilized for the preparation of the FY 2024/25 Annual Budget.



MR. MICAH KIPKOSGEI ROGONY  
CECM – FINANCE & ECONOMIC PLANNING  
COUNTY GOVERNMENT OF UASIN GISHU COUNTY

## **ACKNOWLEDGEMENT**

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The County Fiscal Strategy Paper 2024 has been prepared in accordance with Section 107 of the PFM Act 2012 and Regulations 26, 27 and 28 of the PFM Regulations. This Paper articulates priority economic policies and structural reforms as well as sector-specific expenditure programmes that will guide the preparation of the County FY 2024/25 MTEF budget. The paper was prepared in a participatory manner with the involvement of all the County government departments and entities.

Special appreciation and gratitude go to His Excellency the Governor and His Excellency the Deputy Governor for their overall leadership and guidance during the entire process of development of this document.

We extend our sincere appreciation to all County Executive Committee Members, along with their Chief Officers and technical officers, for their invaluable contribution of essential information towards the preparation of this document.

Special thanks go to Mr. Micah Kipkosgei Rogony, the County Executive Committee Member for Finance and Economic Planning, for his valuable direction and guidance, as well the entire planning team for their dedicated time and unwavering effort in compiling this document.

Lastly, I would like to express my gratitude to all stakeholders for their significant contributions to this paper.



**CPA VICTORINE KAPKIAI**  
**CHIEF OFFICER – ECONOMIC PLANNING**  
**COUNTY GOVERNMENT OF UASIN GISHU**

## ABBREVIATIONS AND ACRONYMS

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ADP	:	Annual Development Plan
AHP	:	Affordable Housing Project
AMS	:	Agricultural Mechanization Services
ARUD	:	Agriculture, Rural and Urban Development
ATC	:	Agricultural Training College
BETA	:	Bottom-Up Economic Transformation Agenda
BPS	:	Budget Policy Statement
CAIP	:	County Aggregated Industrial Park
CBR	:	Central Bank of Kenya
CBROP	:	County Budget Review and Outlook Paper
CEC	:	County Executive Committee
CFSP	:	County Fiscal Strategy Paper
CHP	:	Community Health Promoters
CIDP	:	County Integrated Development Plan
CoK	:	Constitution of Kenya
CRA	:	Commission of Revenue Allocation
DMSP	:	Debt Management Strategy Paper
ECDE	:	Early Childhood Development Education
ERP	:	Enterprise Resource Planning
FY	:	Financial Year
GDP	:	Gross Domestic Product
ICT	:	Information Communication Technology
KCPE	:	Kenya Certificate of Primary Education
KM	:	Kilometers
KSh	:	Kenya Shillings
KVDA	:	Kerio Valley Development Authority
MICE	:	Meetings, Incentives, Conference, Exhibition
MPC	:	Monetary Policy Committee
MSMEs	:	Micro, Small and Medium Enterprises
MTEF	:	Medium Term Expenditure Framework
NSE	:	Nairobi Stock Exchange
OSR	:	Own Source Revenue

PE	:	Personnel Emoluments
PFM	:	Public Finance Management
PPP	:	Public Private Partnership
PWD	:	People with Disability
PTA	:	Parents Teachers Association
REREC	:	Rural Electrification and Renewable Energy Corporation
SME	:	Small Medium Enterprise
TVET	:	Technical and Vocational Education and Training
UGCED	:	Uasin Gishu County Equitable Development
USD	:	United States Dollar
VTC	:	Vocational Training Centres

**LIST OF TABLES AND FIGURES**

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**LIST OF TABLES**

Table 2.1: Showing FY 2022/23 Budget Revised Estimates ..... 11

Table 3.1: Fiscal Performance as at 31st December, 2023 ..... 14

Table 3.2: Fiscal Framework (FY 2023/24 – 2026/27) ..... 16

Table 4.1: Projected Baseline Ceilings FY 2024/25 - 2025/26 MTEF Period (KSh).....23

**LIST OF FIGURES**

Figure 3.1 Average Growth in Revenue and Expenditure Allocations, FY 2022/23 – 2024/25  
..... 17

Figure 4.1: Showing in Allocations per sector in FY 2024/25 .....21



TABLE OF CONTENTS

FOREWORD .....	ii
ACKNOWLEDGEMENT .....	iv
ABBREVIATIONS AND ACRONYMS .....	v
LIST OF TABLES AND FIGURES.....	vii
FACTS ABOUT COUNTY FISCAL STRATEGY PAPER.....	x
1. ADVANCING IMPLEMENTATION OF NGUZO KUMI FOR SOCIO-ECONOMIC TRANSFORMATION.....	1
1.1 Overview .....	1
1.2 County Development Priorities .....	2
1.3 Outline of the 2024 CFSP .....	7
2. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK .....	9
2.1 Overview of Recent Economic Developments .....	9
2.2 Impact of National Macroeconomic Variables on County Development .....	10
2.3 Update on Fiscal Performance and Emerging Challenges .....	10
2.4 Revised Estimates .....	11
2.5 County Economic Policy and Outlook.....	12
2.6 Risks to the Economic Outlook.....	13
2.7 Proposed Interventions to the Risks .....	13
3. FISCAL POLICY AND BUDGET FRAMEWORK .....	14
3.1 Fiscal Performance .....	14
3.2 Fiscal Policy .....	14
3.3 Adherence to Fiscal Responsibility Principles.....	17
3.4 Fiscal Structural Reforms.....	18
3.4.1 Revenue Mobilization.....	18
3.4.2 Expenditure Productivity .....	19
3.4.3 Strengthening Governance and Service Delivery .....	19

3.5 Debt Financing Policy .....	19
3.6 Summary .....	19
4. FY 2024/25 BUDGET & MEDIUM-TERM EXPENDITURE FRAMEWORK .....	21
4.1 FY 2024/25 Fiscal Framework.....	21
4.1.1 Resource Projections .....	21
4.1.2 Expenditure Projections.....	21
4.1.3 Ward Projects Allocation.....	21
4.1.4 Overall Budget Financing.....	22
4.2 Medium-Term Spending Proposals.....	22
4.3 Apportionment of Base Ceilings .....	21
4.4 Sector Priorities for FY 2024/25 and Medium-Term.....	21
4.5 Public Participation and Involvement of Stakeholders .....	26
5. CONCLUSION.....	27

## **FACTS ABOUT COUNTY FISCAL STRATEGY PAPER**

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The County Fiscal Strategy Paper (CFSP) lays out the strategic priorities and fiscal policy of the county government for the following year and over the medium term.

The 2024 CFSP is prepared in line with Section 117 of the Public Finance Management (PFM) Act, 2012.

Section 117 requires the County Government to:

- Specify its 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;
- Align the CFSP with the national objectives contained in the Budget Policy Statement;
- Apply fiscal responsibility principles in the management of public finances;
- Include the financial outlook with respect to revenues, expenditures and borrowings for the coming fiscal year and over the medium term;
- Include a statement of fiscal risks in line with prudent management of risks, outlining potential policy decisions and key areas of uncertainty that may affect the County's fiscal outlook; and
- Seek and take into consideration the views of Commission on Revenue Allocation, the public, any interested persons/groups and forums established by legislation.

The County Assembly is expected to consider and adopt the document with or without amendments not later than fourteen days upon submission. And any recommendations made by the County Assembly is considered when finalizing the budget proposal for the coming year.

# **1. ADVANCING IMPLEMENTATION OF NGUZO KUMI FOR SOCIO-ECONOMIC TRANSFORMATION**

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## **1.1 Overview**

The 2024 CFSP is the second developed during the administration of H.E. Hon Dr. Jonathan Bii Chelilim, and it outlines the Administration's strategic priority policies, initiatives, and reforms that will be implemented in the Medium-Term Expenditure Framework (MTEF). The paper is being developed at a time when the country is facing challenges as a result of high gasoline prices caused by the ongoing conflict between Ukraine and Russia, as well as raised global interest rates due to inflationary pressures limiting access to credit and worsening debt servicing expenses.

In the context of these challenges, Kenya's economy remains resilient with an impressive economic performance. With a 5.45 percent growth rate in the first half of 2023, the economy is resilient and still strong. This increase is significantly higher than the projected averages for the world and Sub-Saharan Africa, which are 2.9 and 3.3 percent, respectively. From 4.8 percent in 2022 to 5.5 percent in 2023 and 2024, the economy is expected to grow. The rise of the private sector on a large scale, the services sector's continuous strong performance, the agricultural sector's comeback, and the ongoing execution of policy measures to stimulate economic activity in the BETA's key areas will all contribute to this growth outlook at the national scene.

The improved economic performance at the national level has a bearing on the county. During the time under review, the county had a bumper harvest of maize output estimated at 6.5 million bags, attributed to the national government's Fertilizer Subsidy Programme; and the last mile distribution by the County Government, which saw over 2 million bags of fertilizer distributed throughout the county. Similarly, the business environment improved throughout the same period as a result of the county government's ongoing reforms and engagement with the local business community. The county's successful hosting of the eight-devolution conference in August last year established Eldoret town's reputation as a preferred destination for Meetings, Incentives, Conferences, and Exhibitions (MICE), as well as supporting local businesses.

The county will capitalize on the country's predicted comeback in economic prospects, which will be aided by the Bottom-Up Economic Transformation Approach (BETA) of Kenya Kwanza Government. Key among these is the recently inaugurated Kapsuswa and Pioneer

Affordable Housing Projects (AHP), which have a total of 220 and 1508 units, respectively; the construction of Eldoret 64 ultra-modern market; and the ongoing development of County Aggregated Industrial Park (CAIP). These investments are projected to boost the county's economic activity and create local jobs.

The Governor's *Nguzo Kumi* include: Agriculture and food security; Health; ICT and E-Government; Trade, Cooperatives, and Industrialization; Education, Youth, Sports, Culture, and Tourism; Infrastructure Development; Water, Environment, and Natural Resources; Lands, Housing, and Physical Development; Public Service Management; and Municipality and Urban Development. The medium-term budgetary approach outlined in this document will focus on these ten pillars.

The 2024 CFSP lays out the county's overarching policy objectives and strategic priorities that were formulated within the context of the County Integrated Development Plan (2023–2027) and are in line with the national goals outlined in the Budget Policy Statement (BPS). The broad strategic priorities and policy goals indicated in this paper will be realized through the implementation of selected priority policies, programme, and reforms, which will be supported by enhanced resource mobilization, transformative leadership and partnerships.

The county will also leverage on its strategic location as a gateway to the East Africa region and well-connected to the rest of the world through the Eldoret International Airport, a mild and temperate climate favorable for large-scale maize and wheat production, and a vibrant economy driven by agriculture, agro-driven processing and manufacturing industrial activity, trade and commerce, tourism, and the services sub-sector making it a regional commercial hub. In addition to being home to record-breaking world athletes who have brought Kenya fame on a global scale, the county also hosts the only referral national hospital in western Kenya, Moi Teaching & Referral Hospital, which serves a wider population primarily from North Rift, Western and Nyanza.

In the upcoming fiscal year and over the medium term, the county government plans to invest in key programme areas that will significantly impact the county's socio-economic transformation. The key areas of focus include water, health, agriculture, energy, roads and education.

## **1.2 County Development Priorities**

In the FY 2024/25, the primary focus of the County Government is to enhance the provision of services and the overall welfare of Uasin Gishu people. This will be achieved by allocating

financial resources to the six core priority areas that are expected to have the highest impact at the bottom of the economy. These are: water, healthcare, agricultural transformation, roads, energy and education.

### **I. Improving Access to Clean Water**

Sustained access to water is crucial for realizing lasting agricultural transformation, enhancing productivity, and promoting overall county progress. Over time, the county government has made significant investments in the water sub-sector to improve access to safe water for households and industries. Many of these initiatives have resulted in an increase in the number of households with access to piped water, but the current situation remains insufficient. Building on past achievements, the County government aims to accelerate the process of connecting all public facilities and homes with water in the near future. Thus, water will be the main priority for this administration in the upcoming year.

Our main objectives include setting up a water supply network to connect every home in the county with clean water in the long run, improving existing water sources, protecting springs, and expanding water services to satellite towns like Moi's Bridge, Turbo, Kipkabus, Ziwa Jua kali/Sambut, Ngeria, Sosiani, Moiben and Cheptiret.

In addition, the county will enhance the regulatory aspect of the water sub sector by developing suitable policies and operationalizing the Uasin Gishu Rural Water Supply Authority. The Authority will be responsible for the development and administration of rural water sources.

To capitalize on the opportunities presented by the County Aggregation and Industrial Park (CAIPs) being set up in Moiben township, the county government plans to increase the acreage of land under irrigation to support farming activities and ensure the sustainability of the project. Towards this goal, the county plans to rehabilitate existing dams and work with local communities to establish small-scale irrigation projects to support agricultural production.

The county government will also do a number of activities to protect water and the environment in order to lessen the effects of climate change. These include putting water collection and storage systems in all public buildings in the county and making environmental protection, climate change mitigation, and adaptation a part of all government programme.

## **II. Improved Quality Health Care**

The county government places a high priority on provision of affordable and high-quality health care services as they are crucial for the advancement of overall development. Over time, there have been substantial investments and achievements in this sector. However, ensuring access to affordable and high-quality healthcare remains a challenge that requires continued investments.

In the medium term, the county administration plans to enhance healthcare services and expedite *Nguzo Kumi* health goals. It will collaborate with the national government and other stakeholders to provide high-quality health care services aligned with the national objectives.

It aims to improve the health infrastructure by establishing a modern diagnostic and pathological center at UG District Hospital, Operationalization of Huruma Refence Lab and construction of a model health center in each of the 30 wards. The goal is to reduce the prevalence of diseases by enhancing public health systems and primary healthcare, expanding the workforce by hiring and training specialized healthcare professionals, and strengthening the primary healthcare system with Community Health Promoters. It also intends to equip all recently built dispensaries across the county.

The county will also maintain an uninterrupted supply of health commodities in all of its health facilities. We will collaborate closely with KEMSA to guarantee that medicines are delivered to every health facility in top quality, enhancing service delivery to meet patient expectations.

As the Equipment Leasing Project (MES) nears its end, counties are uncertain about how to sustain the delivery of diagnostic medical treatment, which was the project's main objective. To prevent this disruption, the county government will collaborate with other stakeholders to tackle the issue and allocate the necessary resources.

## **III. Supporting Agricultural Transformation and Agribusiness**

Agriculture is the backbone of the county economy, with almost two thirds of county residents relying on it for their livelihood. Further, manufacturing jobs in the county are primarily based on agriculture. The county government's initial actions aimed to tackle challenges related to climate change, expensive inputs, limited financial access, and decreasing soil quality. Nevertheless, the sector still encounters obstacles despite these actions.

The *Nguzo Kumi* aims to address the sector's ongoing challenges in order to unleash its growth potential and turn around its fortunes. Declining productivity, high input costs, hazards associated with climate change, weak market links, limited options for value addition, insufficient working capital for farmers, and the availability of high-quality inputs are important factors among them.

Over the medium term, the county administration intends to resolve these constraints by prioritizing expenditures aimed at restoring farm production while emphasizing agribusiness and value addition. The county would also work with the national government and other players in the sector to create a favorable climate for agricultural productivity.

In order to promote value addition and agribusiness activities in the county, the county government will offer support for various ventures such as milk processing, coffee pulping, potato crisps making, poultry abattoir, maize milling, gunny bags knitting, and animal feed production through cooperatives. These measures will guarantee that farmers get better prices for their produce.

Additionally, the county will organize farmers into cooperative societies, allowing them to combine their produce and negotiate better prices to help them optimize their incomes through the County Aggregation and Integrated Park (CAIPs). Farmers, particularly those engaged in horticulture such as tomatoes, passion fruits, goose berries, french beans, etc, will be assisted in meeting the requisite standards and quantities for aggregation as well as support their production through water and irrigation projects.

The county government also plans to modernize ATC to train farmers and youths in agribusiness skills, improve access to agricultural financial services, increase agricultural mechanization, promote high-value crops, and establish fish farming technologies. It will as well provide affordable working capital to farmers through co-operatives societies and support National Government's fertilizer subsidy programme through last mile distribution, among other interventions.

#### **IV. Building Resilient Roads Infrastructure**

The county's improved road infrastructure will further boost connectivity between key government services, agriculture, value addition, and markets. To guarantee that residents benefit from an expanded road network, the County Government has invested in road infrastructure across the county. This has opened up new opportunities for economic activity and accelerated growth in other sectors of the county economy.



In the medium term, the county government would prioritize road network development by opening up new road, and upgrading and maintaining rural access roads, particularly feeder roads, to improve farmer market access and reduce costs. This will include grading over 1,200 km of road, gravelling over 600 km of road, and installing over 800 metres of culverts. The county also intends to establish an asphalt plant to facilitate tarmacking of targeted roads in townships and other areas.

The county also plans to build ten bridges to facilitate mobility around the county. To ease traffic congestion in Eldoret's central business district, bypasses, new roads, walkways, and non-motorized transportation lanes will be constructed. The county will also build a comprehensive urban development plan for Eldoret, which would include modern city services and amenities appropriate for its city status.

To improve the country's ability to handle disasters, the county government will speed up equipping the Mailli Nne and Burnt Forest fire stations. This will cut down on the response time to emergency situations by the county fire services.

#### **V. Investing in Energy**

Expanding access to electricity in rural areas can significantly improve the lives of rural communities by creating new opportunities and linkages across different sectors. *Nguzo Kumi* views energy as a crucial factor in driving rural development forward.

In order to accomplish this objective, the county government will continue collaborating with the Rural Electrification and Renewable Energy Corporation (REREC) to implement rural electrification projects across the county. This has the potential to open up new possibilities for small businesses and services that were previously only available in major urban centres.

#### **VI. Investing in Quality Education**

One of the most important enablers of the *Nguzo Kumi* agenda for inclusive growth that the county government has adopted is education and training. For this reason, the county has continued to make significant investments in education from early childhood to tertiary education so that students can get the knowledge and skills they need to be productive members of society, able to help build the country, and enjoy the fruits of everyone's labor.

The county government's long-term efforts have resulted in considerable improvements in the county's educational outcomes. In addition to other initiatives, such as the school milk

programme, improved educational infrastructure, and the hiring of more teachers and instructors has led to higher enrollment rates at both the ECDE and Tertiary levels.

In the medium term, the county government intends to hire an extra 150 ECDE teachers and train more teachers to give them the tools they need to deliver learning and teaching at the ECDE level, in an effort to further bridge the gap between the number of teachers and students and quality of ECDE. Since the inception of school milk feeding programme, a promise of *Nguzo Kumi*, enrollment and retention rates have improved remarkably at the ECDE. The county will expand the programme to include all students in public ECDE schools throughout the county in an effort to build on this accomplishment. It will also prioritize ECDE's digital learning.

In addition, the county will expand its student bursary programme to help more brilliant and underprivileged students complete their study. In the coming year, it will provide KSh 2 million to each ward for the programme, with the hope that the ward fund will also contribute a similar amount.

Further, the county will upgrade the 12 VTCs to become centres of excellence for vocational training, enhance their resources and equipment, and hire more tutors to improve the delivery of competences, skills, and knowledge. Due to the labor market's instability and swift technological advancements, the county will collaborate with local companies to enhance skills and training required.

Additionally, the county plans to reorganize the financing structure of the Uasin Gishu County Education Revolving Fund in order to expand access to tertiary education for a greater number of young individuals. It will also establish a sports scholarship programme to encourage high-achieving athletes who are committed to excelling in both sports and academics to study overseas.

In order to achieve these priorities, the county will place emphasis on enhancing public service delivery by operationalizing ward and subcounty offices, digitizing government services, and creating a conducive environment for businesses to flourish.

### **1.3 Outline of the 2024 CFSP**

#### *Recent Economic Developments, Policy Outlook*

Section II describes the economic situation in which the 2024/25 MTEF budget is prepared. It presents a summary of recent economic trends and the macroeconomic outlook.

*Fiscal Policy and Budgetary Framework*

Section III presents the fiscal structure that would enable growth in the medium term while still providing appropriate resources to facilitate the County's transformation as envisioned in the CIDP III.

*FY 2024/25 Budget & Medium-Term Expenditure Framework*

Section IV presents the FY 2024/25 Budget & Medium-Term Expenditure Framework. It specifies the MTEF budget prioritization of expenditures and baseline ceilings. It also outlines sector-specific priorities and how they will be supported.

## 2. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

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The section presents an overview in which 2023/24 budget was prepared, and outlining the recent economic development at the County and national level.

### 2.1 Overview of Recent Economic Developments

The Kenyan economy in 2022 demonstrated resilience in the face of severe multiple shocks that included the adverse impact of climate change, lingering effects of COVID-19, global supply chain disruption and the impact of Russia-Ukraine conflict. As such, the economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021 but broadly aligned with the pre-pandemic decade average of 5.0 percent. This growth was largely supported by the robust growth of service sectors, particularly transport and storage, financial and insurance, information and communication, and accommodation and food services sectors. However, the agriculture sector contracted by 1.6 percent due to the adverse weather conditions that affected reduction of crops and livestock.

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 will ensure that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range.

The banking system's foreign exchange holdings remained strong at USD 13,968.3 million in September 2023, an improvement from USD 11,337.4 million in September 2022. The official foreign exchange reserves held by the Central Bank stood at USD 7,651.8 million compared to USD 7,787.5 million over the same period. Commercial banks holdings improved to USD 6,316.5 million in September 2023 from USD 3,549.9 million in September 2022.

Reflecting the tight monetary policy stance and liquidity conditions in the money market, interest rates increased in the year to November 2023. The interbank rate increased to 11.4 percent in November 2023 compared to 4.6 percent in November 2022 while the 91-day Treasury Bills rate increased to 15.4 percent compared to 9.2 percent over the same period.

The introduction of the interest rate corridor, in August 2023, is expected to align the interbank rate to the Central Bank Rate and thereby improve the transmission of the monetary policy.

Kenya like several other countries is experiencing foreign exchange challenges due to the rise of US interest rates. In November 2023, the Kenya Shilling weakened by 24.7 percent against the US Dollar, 31.9 percent against the Sterling Pound and 32.2 percent against the Euro, compared to a similar period in 2022. The Kenya Shilling exchanged at an average of KSh 152.0 in November 2023 compared to an average of KSh 121.9 in November 2022. Against the Euro, the Kenya shilling weakened to exchange at KSh 164.2 in November 2023 compared to KSh 124.2 in November 2022 while against the Sterling Pound the Kenyan Shilling also weakened to exchange at KSh 188.6 compared to KSh 143.0, over the same period. The Kenyan Shilling was supported by increased remittances, adequate foreign exchange reserves and strong exports receipts.

Activity in the capital markets slowed down in November 2023 compared to November 2022 as advanced economies tightened their monetary policy amid inflationary pressures. The NSE 20 Share Index declined to 1,496 points in November 2023 compared to 1,638 points in November 2022 while Market capitalization declined to KSh 1,436 billion from KSh 1,971 billion over the same period.

## **2.2 Impact of National Macroeconomic Variables on County Development**

Economic performance at the national level impacts development discourse of counties and determines level of economic activity as well as allocation of resources that counties may access for their development expenditures. Sustained economic growth not only stimulates employment creation, but also provides the fiscal leverage that address critical development challenges in the County such as access to clean and portable water, health services, technology & infrastructure, investment opportunities and enterprise development, among others.

With the expanding economy and expected conferment of Eldoret town to city status, Uasin Gishu County expects to receive an increased allocation of equitable share from National Treasury. This will improve the County's capacity to undertake more development of programme/projects as well as attracting more investments and partnerships.

## **2.3 Update on Fiscal Performance and Emerging Challenges**

A strong local revenue collection, increases equitable share from National Treasury and therefore a prudent expenditure controls and a commitment maintains sound balance between

development and recurrent spending. The Public Finance Management Act, 2012 Section 107(b) requires that over the medium term, a minimum of 30 percent of each County Government’s budget shall be allocated to development expenditure thus the County will sustain efforts to improve efficiency in public spending and ensure value for money by eliminating non priority expenditures and have an efficient, effective and transparent financial management.

**Fiscal Performance**

**Revenue collection**

During the FY 2022/23, the county collected a total of KSh 979,779,764 against a targeted amount of KSh 1,400,471,851 translating to an achievement of 70 percent. However, this performance is an improvement from the previous financial year by 13 percent. In the same period, the county government received a total of KSh 8,068,858,318 as equitable share and total grant of KSh 701,665,062.

**Expenditure analysis**

A total of KSh. 9,448,441,433 was spent on both development and recurrent activities. This expenditure represented 93 percent of the total County Executive annual budget of KSh. 10,170,995,231. Actual development expenditure amounted to KSh. 3,179,789,462 against an approved budget of KSh. 4,203,199,443 which translates to an absorption rate of 76 percent. On the other hand, actual recurrent expenditure was KSh. 6,258,651,971 against the budgeted amount of KSh. 6,405,922,552 which translates to an absorption rate of 99 percent.

**Emerging Challenges**

- Existence of many incomplete projects.
- High levels of pending bills that remain unpaid that have a negative impact on the business community as well as the economy at large;
- High expenditure on personnel emoluments

**2.4 Revised Estimates**

Table 2.1: Showing FY 2022/23 Budget Revised Estimates

	2022/2023	
	Estimate Budget	Revised
<b>Total Revenue &amp; Grants</b>	<b>10,170,995,230</b>	<b>12,051,908,369</b>
Unspent Bal b/f	0	2,324,297,019
<b>Revenue (Total)</b>	<b>10,170,995,230</b>	<b>9,727,611,350</b>

	2022/2023	
	Estimate Budget	Revised
National Govt Transfers	8,068,858,318	8,068,858,319
Local Revenue	1,400,471,850	1,400,471,850
Grants & Others	701,665,062	258,281,181
<b>CG Expenditure</b>	<b>10,170,995,230</b>	<b>12,051,908,369</b>
Recurrent	6,408,741,851	6,933,158,372
<b>Rec. as a % of CG Expenditures</b>	<b>63.01</b>	<b>57.53</b>
Personnel Emoluments	4,258,493,001	3,943,044,702
Operation & Maintenance	2,150,248,851	2,990,113,670
<b>PE as a % of CG Revenues</b>	<b>41.87</b>	<b>32.72</b>
Development	3,762,253,379	5,118,749,997
<b>Dev. as a % of CG Expenditures</b>	<b>36.99</b>	<b>42.47</b>

As indicated in table 2.1, recurrent and development expenditure was revised upwards by 8 and 36 percent respectively. The additional resources on development was due to unspent balances brought forward. Personnel emoluments was revised downwards by 7 percent, due to over budgeting in the initial allocation.

## 2.5 County Economic Policy and Outlook

This paper specifies the broad strategic priorities and policy goals that will guide the County government in preparing its budget for the FY 2024/25 and over medium term. The expanded national economic growth will increase the County's fiscal space to implement policies, programmes and projects set out in the CIDP III which is aligned to the Governor's Nguzo Kumi Manifesto and the National Bottom-Up Economic Transformation Agenda.

In the medium term, the County government will appropriate its resources on priority areas that are geared towards growing its economy and improving the lives and livelihoods of residents of the county. Trade being a key driver in wealth and job creation, the government will support retail and wholesale trade by developing Eldoret 64 Ultra-Modern market and continue with *Inua Biashara* programme to ensure MSMEs get access to affordable credit. The government will also continue to work with the National government to support industrialization in the County through the development of County Integrated Industrial Parks (CAIPs). This will be a game changer in creating wealth and jobs.

Agriculture sector is the backbone of our county economy with agriculture alone employing more than two-thirds of our rural population. Given the sector's importance in the county and the role it plays in poverty alleviation, strengthening and improving its performance is key.

The County Government will therefore continue to support the National Fertilizer Subsidy Programme through last mile distribution; promote value addition initiatives through cooperatives; increase acreage under irrigation; and promote high value crops.

In the same period, the County will prioritize resource mobilization to support development agenda across all the sectors. Partnerships, liaisons and linkages will be strengthened through operationalization of inter-governmental consultative forums and mobilization of resources from development partners, Revenue collection will be strengthened by ensuring there are sufficient legislations to guide revenue collection, avoiding loopholes, improving enforcement and compliance, and full integration of revenue collection in partnership with local banks and Safaricom through the newly acquired revenue system, *Sisibo pay*.

## **2.6 Risks to the Economic Outlook**

- Unpredictable weather conditions due to the impact of climate change which could adversely affect agricultural production and result to domestic inflationary pressures and food insecurity;
- Delay in exchequer releases hence affecting absorption levels;
- Expenditure pressures due to increasing wage bill thus leaving inadequate resources for development.
- Conflicting priorities between the County Assembly and the County Executive thus affecting budget absorption;
- Low absorption of budgeted funds may delay envisaged socio-economic transformation.

## **2.7 Proposed Interventions to the Risks**

- Promote drought resistant variety of crops, crop diversification, changes in cropping pattern and calendar of planting;
- Develop staffing plan to guide the county in recruitment of various cadres;
- Improve dialogue between the County Executive and the Assembly in the budget making process;
- Undertaking monthly implementation reporting of all County projects and programme to ensure planned projects and programme are implemented and paid on time.



### 3. FISCAL POLICY AND BUDGET FRAMEWORK

This chapter provides consolidated fiscal policies and framework for FY 2024/2025 and MTEF period; and measures the County government will pursue during budget allocation.

#### 3.1 Fiscal Performance

Budget implementation progressed relatively well in the first half of FY 2023/24, albeit below targets. Total own source revenue collected was KSh 277,896,565 against a target of KSh 295,173,011, missing the target by KSh 17,276,446 or 6 percent, which represents 24 percent of the annual target.

Similarly, overall expenditures totaled KSh 5,120,146,449, indicating an absorption rate of 42 percent. Actual recurrent and development expenditures were KSh 3,860,320,078 and KSh 1,259,826,371, compared to a budgeted amount of KSh 8,088,512,959 and KSh 4,059,681,572, indicating an absorption rate of 48 and 31 percent, respectively. (Table 3.1)

Table 3.1: Fiscal Performance as at 31st December, 2023

	FY 2023/24		% of Budget
	Rev. Estimates	Actual as at 31st Dec, 2023	
<b>Total Revenue &amp; Grants</b>	<b>12,148,194,531</b>	5,428,966,688	45%
Unspent Bal b/f	1,479,887,043	1,479,887,043	
Revenue (Total)	10,668,307,488	3,949,079,645	37%
Equatable Shareable Revenue	8,426,072,635	3,671,183,080	44%
Local Revenue	1,179,043,370	277,896,565	24%
Grants & Others	1,063,191,483	0	0%
<b>CG Expenditure</b>	<b>12,148,194,531</b>	5,120,146,449	42%
Recurrent	8,088,512,959	3,860,320,078	48%
Development	4,059,681,572	1,259,826,371	31%

#### 3.2 Fiscal Policy

The medium-term fiscal policy is designed to bolster the *Nguzo Kumi* transformation agenda by implementing a range of policy measures to enhance the county's fiscal capacity while maintaining service delivery to residents.

In the upcoming years, the county government plans to achieve a balanced budget with a growth rate of 11 percent. The six priority areas outlined in this document will receive the necessary resources to achieve the desired results.

The county fiscal framework provided in table 3.2 summarizes the aggregated resource envelope and expenditures for the current year and 2024/25 – 2026/27 MTEF period.

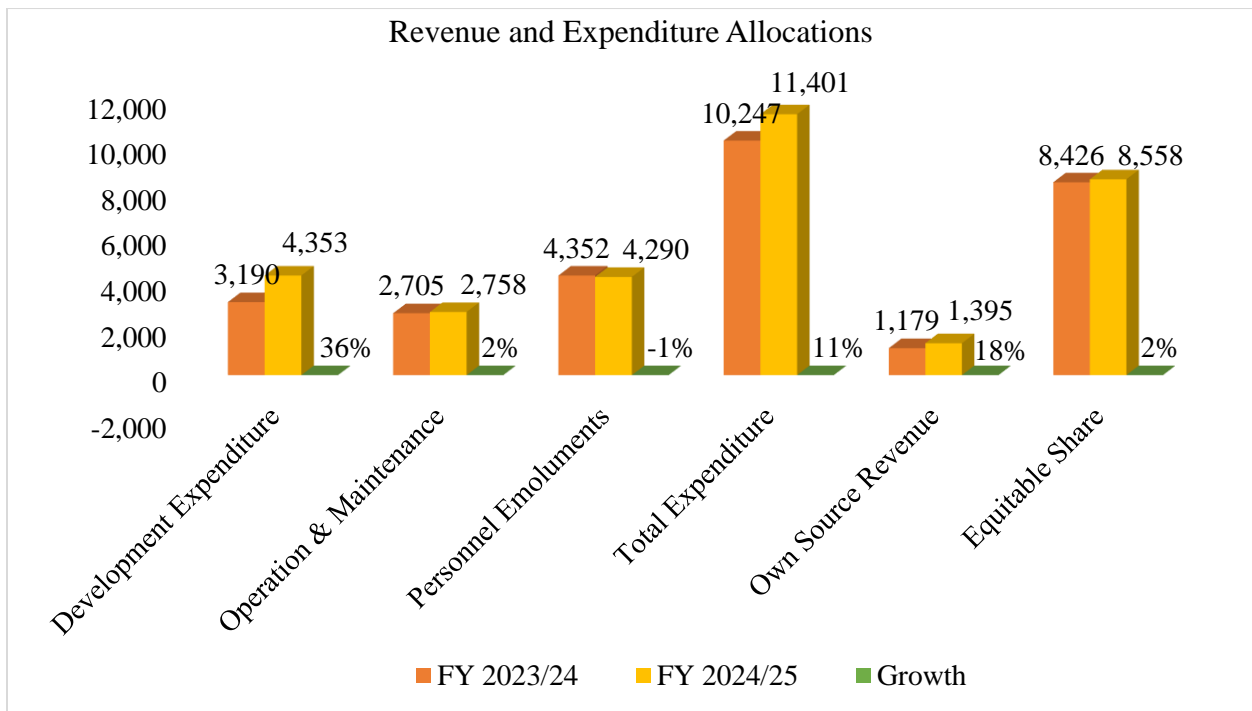
*2024 Uasin Gishu County Fiscal Strategy Paper*

Table 3.2: Fiscal Framework (FY 2023/24 – 2026/27)

	2022/2023		2023/2024		20204/2025	2025/2026	2026/2027
	Revised	Actual	Estimated Budget	Revised	Projected Ceiling	Proj.	Proj.
<b>Total Revenue &amp; Grants</b>	<b>12,051,908,369</b>	<b>10,844,402,485</b>	<b>10,247,307,488</b>	<b>12,148,194,531</b>	<b>11,400,955,520</b>	<b>11,685,979,408</b>	<b>11,978,128,893</b>
Unspent Bal b/f	2,324,297,019	889,656,005	0	1,479,887,043	0	0	0
<b>Revenue (Total)</b>	<b>9,727,611,350</b>	<b>9,954,746,480</b>	<b>10,247,307,488</b>	<b>10,668,307,488</b>	<b>11,400,955,520</b>	<b>11,685,979,408</b>	<b>11,978,128,893</b>
National Govt Transfers	8,068,858,319	8,714,366,985	8,426,072,635	8,426,072,635	8,557,896,690	8,771,844,107	8,991,140,210
Local Revenue	1,400,471,850	979,779,964	1,179,043,370	1,179,043,370	1,395,000,000	1,429,875,000	1,465,621,875
Grants & Others	258,281,181	260,599,531	642,191,483	1,063,191,483	1,448,058,830	1,484,260,300	1,521,366,808
<b>CG Expenditure</b>	<b>12,051,908,369</b>	<b>9,375,316,608</b>	<b>10,247,307,488</b>	<b>12,148,194,531</b>	<b>11,400,955,520</b>	<b>11,685,979,408</b>	<b>11,978,128,893</b>
Recurrent	6,933,158,372	6,353,601,888	7,057,152,476	8,088,512,959	7,048,445,137	7,224,656,266	7,405,272,672
<i>Rec. as a % of CG Expenditures</i>	<b>57.53%</b>	<b>67.77%</b>	<b>68.87%</b>	<b>66.58%</b>	<b>61.82%</b>	<b>61.82%</b>	<b>61.82%</b>
Personnel Emoluments	3,943,044,702	3,903,047,513	4,352,068,727	4,569,843,390	4,290,447,490	4,397,708,677	4,507,651,394
Operation & Maintenance	2,990,113,670	2,450,554,375	2,705,083,749	3,518,669,569	2,757,997,647	2,826,947,588	2,897,621,278
<i>PE as a % of CG Revenues</i>	<b>32.72%</b>	<b>35.99%</b>	<b>42.47%</b>	<b>37.62%</b>	<b>37.63%</b>	<b>37.63%</b>	<b>37.63%</b>
Development	5,118,749,997	3,021,714,720	3,190,155,012	4,059,681,572	4,352,510,382	4,461,323,142	4,572,856,220
<i>Dev. as a % of CG Expenditures</i>	<b>42.47%</b>	<b>32.23%</b>	<b>31.13%</b>	<b>33.42%</b>	<b>38.18%</b>	<b>38.18%</b>	<b>38.18%</b>

As indicated in Table 3.2, revenues are projected to grow by 6 percent to KSh 11,400,955,520 in FY 2024/25 from KSh 10,668,307,488 in FY 2023/24 (excluding unspent balances). This will be maintained at 2 percent in the medium term. On the other hand, overall expenditure is estimated at KSh 11,400,955,520, which includes KSh 7,048,445,137 in recurrent expenditures and KSh 4,352,510,382 in development.

Figure 3.1 Average Growth in Revenue and Expenditure Allocations, FY 2022/23 – 2024/25



As indicated in Figure 3.1, Equitable Share and Own Source Revenues are projected to grow by 2 and 18 percent, respectively. Further, development expenditure is projected to increase by 36 percent in the similar period attributable to the overall growth in revenues occasioned by increased allocations of conditional grants.

### 3.3 Adherence to Fiscal Responsibility Principles

In accordance with Section 107 of the PFM Act of 2012, as read with the PFM (County Government) Regulations of 2015, and in the spirit of prudent and transparent public finance management, the county government will strive to adhere to the following fiscal responsibility principles. Thus,

**Maintaining a Balanced Budget.** The law stipulates that the county government's recurrent expenditures do not exceed its overall revenue. In accordance with this, the county has continued to implement a balanced budget and intends to do so throughout the FY 2024/25 - 2026/27 medium-term plan.

**Meeting the Requirement for Development Spending Allocations.** Consistent with Section 107 (2) (b) of the PFM Act of 2012, the county government allocation to development expenditures was 31 percent in the fiscal year 2023/24, meeting the commitment. In the fiscal projections provided in this paper, the allocation to development expenditures will grow by 7 percent to 38 in the FY 2024/25 and over the medium term as shown in Table 3.2.

**Compliance with Wage Expenditure Requirements.** Regulation 25(1) (b) of the PFM (County Government) Regulation, 2015 requires that the county government wage bill not exceed 35 percent of total revenues. To that purpose, the county's share of wages and benefits to revenues presently stands at 38 and is projected to remain at the same level in FY 2024/25 and medium term. The County Government is committed to reducing this to acceptable levels in the medium term.

**County Borrowing.** The county is implementing a balanced budget. However, any borrowing in FY 2024/25 will be utilized solely to fund development projects, in compliance with the PFM Act, 2012 section 107 (2) (d) and the Borrowing Framework for sub nationals.

### 3.4 Fiscal Structural Reforms

To be fully compliant with PFM Act, 2012, the county will be enacting and pursuing the following fiscal structures, thus;

#### 3.4.1 Revenue Mobilization

Over the medium term, the county will implement the following revenue measures:

- Fully automate revenue collection through the newly acquired revenue system (*Sisibo Pay*),
- Conclude business mapping exercise aimed at increasing efficiency and effectiveness of revenue collection,
- Improve quality of service at the Uasin Gishu County Service Centre to better serve clients,

- Train system users and revenue collection officers on new system, and
- Establish one-stop revenue centres at lower levels.

In addition, the county, through the Department of Partnership, Linkages and Liaison, will spearhead external resource mobilization to fund the development programmes and projects outlined in this document.

### **3.4.2 Expenditure Productivity**

The county will continue to devote greater resources to critical programmes and projects that would stimulate local economic growth in terms of job creation as envisioned in the *Nguzo Kumi* transformation agenda. Further, it will align itself with the priorities of the National Government on projects being implemented at the county level such as Affordable Housing Project, County Aggregation and Industrial Parks (CAIPs) and Eldoret Ultra-64 modern market. It will also promote austerity measures to ensure prudent management of public resources, re-prioritize expenditures from recurrent to development, work with private sector investors, revamp expenditure management, and restrict borrowing to development projects. The county departments will be encouraged to start projects early and ensure timely funding requests from the County Treasury.

### **3.4.3 Strengthening Governance and Service Delivery**

The county will continue to develop its staff's capacities through trainings on various modules aimed at increasing accountability, improving financial controls for efficient and effective use of public resources, and improving service delivery.

### **3.5 Debt Financing Policy**

The county will maintain a balanced budget throughout the medium-term. However, any deficits that may arise can be mitigated by borrowing in accordance with sections 58 and 142 of the PFM Act, 2012, and the 2024 County Debt Management Strategy Paper (CDMSP), and such borrowings shall be used solely for development purposes and not for recurring expenditures.

### **3.6 Summary**

The County Government is committed towards implementation of a balanced budget. Additionally, the government will adhere to the fiscal responsibilities' principles outlined in the PFM Act, 2012 and PFM Regulations, 2015 to realize priority programme and projects as

articulated in the CIDP III, *Nguzo Kumi Initiatives and Bottom-Up Economic Transformation Agenda (BETA)*.

## **4. FY 2024/25 BUDGET & MEDIUM-TERM EXPENDITURE FRAMEWORK**

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This section discusses the County Government's three-year spending framework and its expenditure priorities for FY 2024/25 MTEF.

### **4.1 FY 2024/25 Fiscal Framework**

The county budget is projected to grow by 7 percent in FY 2024/25 to KSh 11,400,955,520 compared to the current fiscal year due to the overall rise in revenues.

#### **4.1.1 Resource Projections**

In FY 2024/25, the equitable share allocation is projected to increase by 2 percent to KSh 8,557,896,690 from KSh 8,426,072,635 in the previous fiscal year, while Own Source Revenue (OSR) is anticipated to rise by 18 percent to KSh 1,395,000,000 in FY 2024/25 from KSh 1,179,043,370 in the current fiscal year. Further, the county is projected to receive a total of KSh 1,448,058,830 in the form of conditional grants, an increase from KSh 1,063,191,483 in FY 2023/24, due to the re-introduction of Road Maintenance Levy Fund (RMLF) and stipend for Community Health Promoters.

#### **4.1.2 Expenditure Projections**

In FY 2024/25, overall expenditure is estimated to increase by 11 percent to KSh 11,400,955,520 from KSh 10,247,307,488 in the current fiscal year. Recurrent expenditure is projected at KSh 7,048,445,137 while development expenditure is set at KSh 4,352,510,382, accounting for 62 and 38 percent, respectively. This is due to a general rise in revenues and the pressure on spending. Further, employee compensation will continue to be the most significant expenditure over the medium-term, making up 38 percent of the total budget.

#### **4.1.3 Ward Projects Allocation**

In compliance with the Uasin Gishu County Equitable Development (UGCED) Act, 2019 which requires the executive to commit 40 percent of total development expenditure to fund ward projects as identified by the residents, the county has allocated a total of KSh 1,214,253,396 to be shared equally by all the thirty (30) wards translating to KSh 40,475,113.21 per ward.



#### **4.1.4 Overall Budget Financing**

The County intends to maintain a balanced budget for the FY 2024/25 - 2026/27 Medium-Term Expenditure Framework (MTEF) period. Shortfalls will be addressed by borrowing as outlined in the PFM Act of 2012, and the funds will be used only for development purposes, not for ongoing expenses. The County will enhance own source revenue performance, explore Public Private Partnership (PPP) initiatives, and enhance public expenditure efficiency.

#### **4.2 Medium-Term Spending Proposals**

Table 4.1 shows the projected baseline ceilings for the 2024/25 - 2026/27 MTEF period, broken down by sector and subsector.

2024 Uasin Gishu County Fiscal Strategy Paper

Table 4.1: Projected Baseline Ceilings FY 2024/25 - 2025/26 MTEF Period (KSh)

CEILING 2024/2025- 2026/2027													
Sector	MDAs	Estimates			FY 2024/25			2025/2026		2026/2027			
	County Departments & Agencies	2023/2024 (a)			CBROP Ceiling	CFSP Ceiling (b)			% Change ((b-a)/a)	Projections			
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total		Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
Administrati on and Governance Sector	Governor	103,334,200	0	103,334,200	126,488,499	110,182,319	0	110,182,319	6.63%	112,936,877	0	115,760,299	0
	% of Total Expenditure	1.01%	0.00%	1.01%	1.20%	1.56%	0.00%	0.97%		0.97%	0.00%	0.97%	0.00%
	Finance	366,185,907	0	366,185,907	329,110,934	417,244,340	0	417,244,340	13.94%	427,675,449	0	438,367,335	0
	% of Total Expenditure	3.57%	0.00%	3.57%	3.21%	3.66%	0.00%	3.66%		3.66%	0.00%	3.66%	0.00%
	Economic Planning	103,941,517	0	103,941,517	117,471,943	115,085,896	0	115,085,896	10.72%	117,963,043	0	120,912,119	0
	% of Total Expenditure	1.01%	0.00%	1.01%	1.15%	1.01%	0.00%	1.01%		1.01%	0.00%	1.01%	0.00%
	PSM	651,185,901	0	651,185,901	522,693,784	752,775,592	0	752,775,592	15.60%	771,594,982	0	790,884,857	0
	% of Total Expenditure	6.35%	0.00%	6.35%	5.10%	6.60%	0.00%	6.60%		6.60%	0.00%	6.60%	0.00%
	Administration and Devolution	118,402,734	81,539,110	199,941,844	210,730,370	169,808,210	100,379,850	270,188,060	35.13%	174,053,415	102,889,346	178,404,751	105,461,580
	% of Total Expenditure	1.16%	0.80%	1.95%	2.06%	1.49%	0.88%	2.37%		1.49%	0.88%	1.49%	0.88%
	CPSB	64,789,377	0	64,789,377	70,745,936	63,645,936	0	63,645,936	-1.76%	65,237,084	0	66,868,011	0
	% of Total Expenditure	0.63%	0.00%	0.63%	0.69%	0.56%	0.00%	0.56%		0.56%	0.00%	0.56%	0.00%
	Partnership.Liason and Linkages	59,450,000	-	59,450,000	53,724,235	53,474,235	-	53,474,235	-10.05%	54,811,091	0	56,181,368	0
	% of Total Expenditure	0.58%	0.00%	0.58%	0.52%	0.47%	0.00%	0.47%		0.47%	0.00%	0.47%	0.00%
	Ward Projects	0	0	0	1,351,005,019	0	0	0	100.00%		0		0
	% of Total Expenditure	0.00%	0.00%	0.00%	12.80%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
	C ASS	796,524,510	50,000,000	846,524,510	849,337,056	780,973,168	60,000,000	840,973,168	-0.66%	800,497,497	61,500,000	820,509,935	63,037,500
% of Total Expenditure	7.77%	0.49%	8.26%	8.29%	6.85%	0.53%	7.38%		6.85%	0.53%	6.85%	0.53%	
CA	10,725,857	0	10,725,857	78,428,491	65,538,491	0	65,538,491	511.03%	67,176,953	0	68,856,377	0	
% of Total Expenditure	0.10%	0.00%	0.10%	0.77%	0.57%	0.00%	0.57%		0.57%	0.00%	0.57%	0.00%	
<b>Sub-Totals</b>	<b>2,274,540,003</b>	<b>131,539,110</b>	<b>2,406,079,113</b>	<b>3,709,736,268</b>	<b>2,528,728,187</b>	<b>160,379,850</b>	<b>2,689,108,037</b>	<b>11.76%</b>	<b>2,591,946,392</b>	<b>164,389,346</b>	<b>2,656,745,052</b>	<b>168,499,080</b>	
<b>% of Total Expenditure</b>	<b>22.20%</b>	<b>1.28%</b>	<b>23.48%</b>	<b>36.20%</b>	<b>22.18%</b>	<b>1.41%</b>	<b>23.59%</b>		<b>22.18%</b>	<b>1.41%</b>	<b>22.18%</b>	<b>1.41%</b>	
Agriculture, Rural and Urban Developmen t (ARUD)	Agriculture and Agri-Business	564,444,607	167,212,611	731,657,218	786,847,690	214,604,366	367,887,341	582,491,707	-20.39%	219,969,475	377,084,524	225,468,712	386,511,637
	% of Total Expenditure	5.51%	1.63%	7.14%	7.68%	1.88%	3.23%	5.11%		1.88%	3.23%	1.88%	3.23%
	Lands and Physical Planning	56,473,755	153,087,174	209,560,929	323,397,076	57,049,119	112,900,000	169,949,119	-18.90%	58,475,347	115,722,500	59,937,231	118,615,563
	% of Total Expenditure	0.55%	1.49%	2.05%	3.16%	0.50%	0.99%	1.49%		0.50%	0.99%	0.50%	0.99%
	Livestock and Fisheries	148,860,593	90,877,213	239,737,806	200,181,667	48,148,410	120,100,000	168,248,410	-29.82%	49,352,121	123,102,500	50,585,924	126,180,063
	% of Total Expenditure	1.45%	0.89%	2.34%	1.95%	0.42%	1.05%	1.48%		0.42%	1.05%	0.42%	1.05%
	Housing and Urban Development	95,589,970	216,399,093	311,989,063	76,124,971	78,497,619	940,000,244	1,018,497,863	226.45%	80,460,059	963,500,250	82,471,561	987,587,757
	% of Total Expenditure	0.93%	2.11%	3.04%	0.74%	0.69%	8.24%	8.93%		0.69%	8.24%	0.69%	8.24%
	Municipality of Eldoret	105,851,564	128,551,260	234,402,824	286,801,176	118,788,710	130,000,000	248,788,710	6.14%	121,758,428	133,250,000	124,802,389	136,581,250
	% of Total Expenditure	1.03%	1.25%	2.29%	2.80%	1.04%	1.14%	2.18%		1.04%	1.14%	1.04%	1.14%
<b>Sub-Totals</b>	<b>971,220,489</b>	<b>756,127,351</b>	<b>1,727,347,840</b>	<b>1,673,352,580</b>	<b>517,088,225</b>	<b>1,670,887,585</b>	<b>2,187,975,810</b>	<b>26.67%</b>	<b>530,015,430</b>	<b>1,712,659,775</b>	<b>543,265,816</b>	<b>1,755,476,269</b>	
<b>% of Total Expenditure</b>	<b>9.48%</b>	<b>7.38%</b>	<b>16.86%</b>	<b>16.33%</b>	<b>4.54%</b>	<b>14.66%</b>	<b>19.19%</b>		<b>4.54%</b>	<b>14.66%</b>	<b>4.54%</b>	<b>14.66%</b>	

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Sector	MDAs	Estimates			FY 2024/25					2025/2026		2026/2027	
		2023/2024 (a)			CBROP Ceiling	CFSP Ceiling (b)			% Change ((b-a)/a)	Projections			
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total		Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
<b>General Economic and Commercial Affairs Sector</b>	Trade Development and industrialization	52,951,385	342,287,544	395,238,929	154,614,863	68,539,837	101,750,000	170,289,837	-56.91%	70,253,333	104,293,750	72,009,667	106,901,094
	% of Total Expenditure	0.52%	3.34%	3.86%	1.51%	0.60%	0.89%	1.49%		0.60%	0.89%	0.60%	0.89%
	CO-OP and Ent	40,177,998	79,963,589	120,141,587	104,411,815	60,215,854	20,000,000	80,215,854	-33.23%	61,721,250	20,500,000	63,264,281	21,012,500
	% of Total Expenditure	0.39%	0.78%	1.17%	1.02%	0.53%	0.18%	0.70%		0.53%	0.18%	0.53%	0.18%
	<b>Sub-Totals</b>	<b>93,129,383</b>	<b>422,251,133</b>	<b>515,380,516</b>	<b>259,026,678</b>	<b>128,755,691</b>	<b>121,750,000</b>	<b>250,505,691</b>	<b>-51.39%</b>	<b>131,974,583</b>	<b>124,793,750</b>	<b>135,273,948</b>	<b>127,913,594</b>
	<b>% of Total Expenditure</b>	<b>0.91%</b>	<b>4.12%</b>	<b>5.03%</b>	<b>2.53%</b>	<b>1.13%</b>	<b>1.07%</b>	<b>2.20%</b>		<b>1.13%</b>	<b>1.07%</b>	<b>1.13%</b>	<b>1.07%</b>
<b>Infrastructure and ICT Sector</b>	Roads	505,427,925	452,781,788	958,209,713	744,613,328	584,613,328	548,361,740	1,132,975,068	18.24%	599,228,661	562,070,783	614,209,377	576,122,553
	% of Total Expenditure	4.93%	4.42%	9.35%	7.27%	5.13%	4.81%	9.94%		5.13%	4.81%	5.13%	4.81%
	Water, Irrigation and Sanitation	174,025,346	526,650,552	700,675,898	598,158,377	204,082,767	900,000,000	1,104,082,767	57.57%	209,184,837	922,500,000	214,414,458	945,562,500
	% of Total Expenditure	1.70%	5.14%	6.84%	5.84%	1.79%	7.89%	9.68%		1.79%	7.89%	1.79%	7.89%
	ICT & e-govt.	70,524,501	34,813,669	105,338,170	109,788,798	63,506,559	24,000,000	87,506,559	-16.93%	65,094,223	24,600,000	66,721,579	25,215,000
	% of Total Expenditure	0.69%	0.34%	1.03%	1.07%	0.56%	0.21%	0.77%		0.56%	0.21%	0.56%	0.21%
	Environment, Climate Change and Natural Resources	9,180,000	160,641,008	169,821,008	132,398,038	48,598,038	220,000,000	268,598,038	58.17%	49,812,989	225,500,000	51,058,313	231,137,500
	% of Total Expenditure	0.09%	1.57%	1.66%	1.29%	0.43%	1.93%	2.36%		0.43%	1.93%	0.43%	1.93%
	<b>Sub-Totals</b>	<b>759,157,772</b>	<b>1,174,887,017</b>	<b>1,934,044,789</b>	<b>1,584,958,541</b>	<b>900,800,692</b>	<b>1,692,361,740</b>	<b>2,593,162,432</b>	<b>34.08%</b>	<b>923,320,709</b>	<b>1,734,670,783</b>	<b>946,403,727</b>	<b>1,778,037,553</b>
	<b>% of Total Expenditure</b>	<b>7.41%</b>	<b>11.47%</b>	<b>18.87%</b>	<b>15.47%</b>	<b>7.90%</b>	<b>14.84%</b>	<b>22.75%</b>		<b>7.90%</b>	<b>14.84%</b>	<b>7.90%</b>	<b>14.84%</b>
<b>Health Services</b>	Clinical Services	2,131,425,035	296,202,519	2,427,627,554	1,783,051,012	1,590,806,303	240,000,000	1,830,806,303	-24.58%	1,630,576,461	246,000,000	1,671,340,872	252,150,000
	% of Total Expenditure	20.80%	2.89%	23.69%	17.40%	13.95%	2.11%	16.06%		13.95%	2.11%	13.95%	2.11%
	Promotive and Preventive Health	20,070,000	58,592,204	78,662,204	624,576,122	515,176,243	170,000,000	685,176,243	771.04%	528,055,650	174,250,000	541,257,041	178,606,250
	% of Total Expenditure	0.20%	0.57%	0.77%	6.10%	4.52%	1.49%	6.01%		4.52%	1.49%	4.52%	1.49%
	<b>Sub-Totals</b>	<b>2,151,495,035</b>	<b>354,794,723</b>	<b>2,506,289,758</b>	<b>2,407,627,134</b>	<b>2,105,982,547</b>	<b>410,000,000</b>	<b>2,515,982,547</b>	<b>0.39%</b>	<b>2,158,632,110</b>	<b>420,250,000</b>	<b>2,212,597,913</b>	<b>430,756,250</b>
	<b>% of Total Expenditure</b>	<b>21.00%</b>	<b>3.46%</b>	<b>24.46%</b>	<b>23.50%</b>	<b>18.47%</b>	<b>3.60%</b>	<b>22.07%</b>		<b>18.47%</b>	<b>3.60%</b>	<b>18.47%</b>	<b>3.60%</b>
<b>Education and Social Protection Sector</b>	Education and Vocational Training	663,013,966	152,118,087	815,132,053	573,809,071	517,806,634	173,000,000	690,806,634	-15.25%	530,751,800	177,325,000	544,020,595	181,758,125
	% of Total Expenditure	6.47%	1.48%	7.95%	5.60%	4.54%	1.52%	6.06%		4.54%	1.52%	4.54%	1.52%
	Youth and Sports	108,325,828	159,127,339	267,453,167	180,508,499	201,065,220	94,131,207	295,196,427	10.37%	206,091,850	96,484,488	211,244,146	98,896,600
	% of Total Expenditure	1.06%	1.55%	2.61%	1.76%	1.76%	0.83%	2.59%		1.76%	0.83%	1.76%	0.83%
	Gender, Social Protection and Culture	36,270,000	39,310,252	75,580,252	165,707,942	148,217,942	30,000,000	178,217,942	135.80%	151,923,391	30,750,000	155,721,476	31,518,750
	% of Total Expenditure	0.35%	0.38%	0.74%	1.62%	1.30%	0.26%	1.56%		1.30%	0.26%	1.30%	0.26%
	<b>Sub-Totals</b>	<b>807,609,794</b>	<b>350,555,678</b>	<b>1,158,165,472</b>	<b>920,025,512</b>	<b>867,089,796</b>	<b>297,131,207</b>	<b>1,164,221,003</b>	<b>0.52%</b>	<b>888,767,041</b>	<b>304,559,488</b>	<b>910,986,217</b>	<b>312,173,475</b>
	<b>% of Total Expenditure</b>	<b>7.88%</b>	<b>3.42%</b>	<b>11.30%</b>	<b>8.98%</b>	<b>7.61%</b>	<b>2.61%</b>	<b>10.21%</b>		<b>7.61%</b>	<b>2.61%</b>	<b>7.61%</b>	<b>2.61%</b>
	<b>Grand Totals</b>	<b>7,057,152,476</b>	<b>3,190,155,012</b>	<b>10,247,307,488</b>	<b>10,554,726,713</b>	<b>7,048,445,137</b>	<b>4,352,510,382</b>	<b>11,400,955,520</b>	<b>11.26%</b>	<b>7,224,656,266</b>	<b>4,461,323,142</b>	<b>7,405,272,672</b>	<b>4,572,856,220</b>
	<b>% of Total Expenditure</b>	<b>68.87%</b>	<b>31.13%</b>	<b>100%</b>		<b>62%</b>	<b>38%</b>	<b>100.00%</b>		<b>62%</b>	<b>38%</b>	<b>62%</b>	<b>38%</b>

### 4.3 Apportionment of Base Ceilings

The allocations in the ceilings have taken into account the priority programme in the *Nguzo Kumi*, the CIDP, re-allocation of underspending programme, and completion of all ongoing capital projects during the current term. On the other side, the County Assembly's ceiling is determined by the Commission of Revenue Allocation (CRA).

Figure 4.1: Showing in Allocations per sector in FY 2024/25

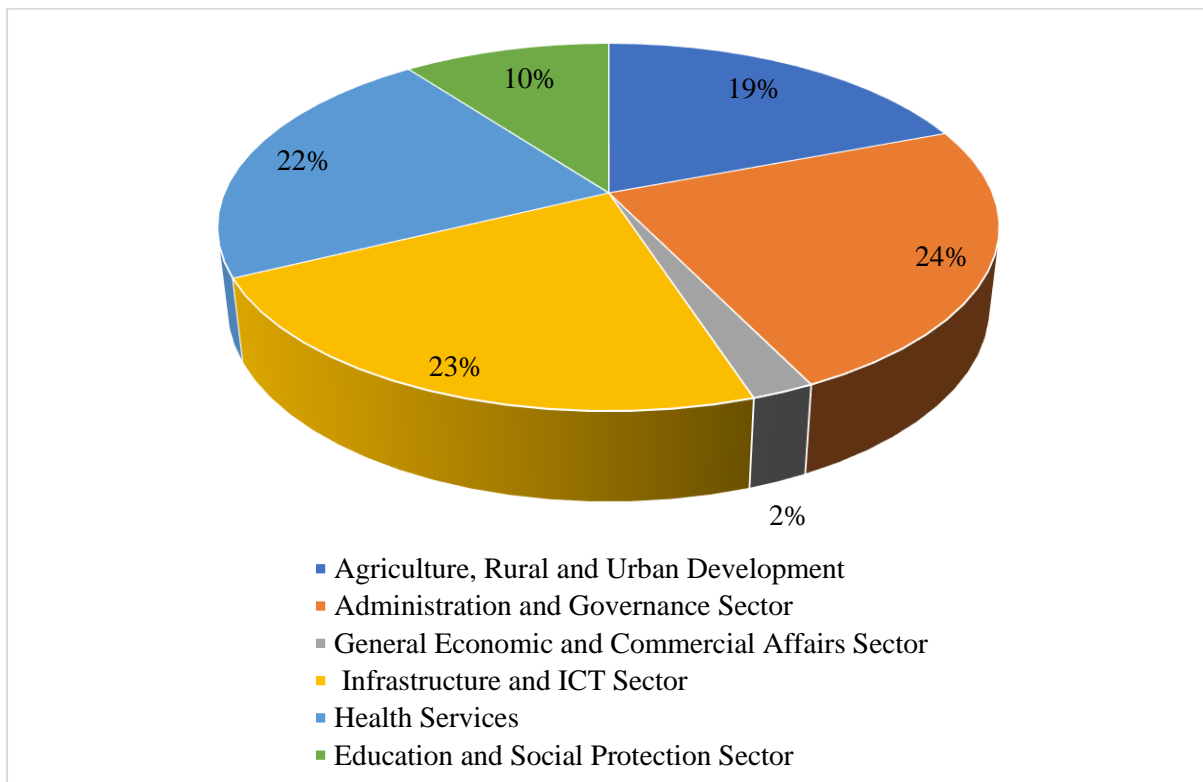


Figure 4.1 illustrates that the Administration and Governance Sector will receive the largest allocation of 24 percent of total resources, followed by the Infrastructure Sectors and Health at 23 and 22 percent respectively, and the General Economic and Commercial Affairs Sector will receive the smallest allocation at 2 percent. Additionally, the ward projects established by the UGCED Act, 2019 represent 40 percent of the total development spending.

### 4.4 Sector Priorities for FY 2024/25 and Medium-Term

During the MTEF period 2024/25 – 2026/27, the Sector priorities will be in line with the programme and projects outlined in the *Nguzo Kumi* transformative agenda and integrated into the County Integrated Development Plan (2023-2027).

## **I. Administration and Governance Sector**

The sector consists of six sub-sectors. They include the Governor's Office, the Department of Finance and Economic Planning, the Department of Public Service Management, Devolution, and Public Administration, the County Public Service Board, the County Attorney's Office, and the County Assembly.

The sector has accomplished several milestones during the Medium-Term period 2020/21 - 2022/23. These achievements consist of completing the turbo sub county office, cluster 3 and cluster 4 ward offices, collecting total local revenue of 982,050,748 with a 70 percent achievement rate, finalizing the legal library and county archives, completing the county counselling center, hiring 1028 interns, facilitating attachment for 2220 students, carrying out 585 promotions, and conducting 281 staff trainings.

During the medium-term period of 2024/25-2026/27, the Sector will focus on implementing key strategic interventions. This includes improving access to public services by setting up Service Delivery Centres at the wards, establishing Sub County and Ward Offices, acquiring office equipment and furniture, improving public service performance through performance management systems and staff training, enhancing resource mobilization through partnerships and revenue strategies, and boosting public participation and citizen engagement by activating existing frameworks and building the capacity of Ward Project Identification Committees.

The Sector has been allocated KSh 2,689,108,037, 2,756,335,738 and 2,825,244,132 for FY 2024/25, 2025/26, and 2026/27 to undertake these programmes.

## **II. Infrastructure & ICT Sector**

The Infrastructure and ICT Sector is divided into four sub-sectors: Roads, Transport and Public works; Water, Sanitation and Irrigation; Energy, Environment, Natural Resources and Climate Change; and ICT, E-government and Innovation.

In the 2020/21 - 2022/23 MTEF period, the sector achieved the following milestones: graded 252.5 KM of roads, built 5 box culverts/bridges, erected 14 bodaboda shades, laid 84 KM of water distribution lines, and drilled 10 boreholes. Seven water supplies have been restored; four dams/water pans have been cleaned and restored (Kapsang, Lelgotet, Uhuru, and Karima dams); and 650 streetlights have been put up. The county also secured land in Lorwa near the dumpsite, planted 230,000 tree seedlings, incorporated 1 ERP module, set up 3 screens and platforms, established 7 ICT innovation hubs, and mentored 72 individuals on ICT solutions.

During the MTEF period 2024/25 - 2026/27, the Sector has focused on programs to enhance the county's road infrastructure and encourage sustainable use of natural resources for overall development. The main goal is to enhance access to water services and sanitation by extending distribution pipelines in the rural areas, safeguarding springs, operating, rehabilitating, and maintaining water supplies, clearing dams and water pans, and expanding sewer lines while constructing centralized sewer systems. It will also expand areas under irrigation and reclamation by developing irrigation policies and strategies to enhance irrigation services.

Other priorities involve setting up an Asphalt Construction Plant to aid in road construction, improving drainage systems, equipping Maili Nne and Burnt Forest fire stations, installing fire hydrants, constructing bridges and culverts, installing solar street lights and traffic signals, managing solid waste through setting up of a recycling plant, cultivating tree seedlings, establishing ICT innovation Hubs and training centres, providing free public wifi, and enhancing ICT capacity.

For the successful implementation of these programmes during the MTEF period 2024/25 - 2026/27, the sector has been granted budget allocations of KSh 2,593,162,432, KSh 2,657,991,493 and KSh 2,681,074,511, for FY 2024/25, FY 2025/26 and FY 2026/27 respectively.

### **III. Health Sector**

The Health Sector consists of two sub-sectors: Clinical Services and Promotive and Preventive.

During the 2020/21 -2022/23 MTEF period, the sector successfully accomplished various key programmes. These include ongoing construction of health facilities like Kesses sub county hospital, equipping 70 health facilities to provide laboratory diagnostics, constructing/renovating 120 health facilities across the county, renovating and equipping maternity units, fully renovating UGDH, providing mama delivery kits to over 44 health facilities, ensuring all facilities are accredited by Linda Mama to cover health services, and establishing 5 health facilities offering radiology services

The key priorities for the FY 2024/2025 – 2026/27 involve setting up a diagnostic and pathological center at UG Hospital with a medical teleconferencing facility; focusing on investments to achieve Universal Health Coverage by ensuring National Health Insurance fund coverage for all residents; enhancing the primary healthcare system by deploying Community Health Promoters; strengthening the healthcare workforce; and completing Kesses, Ziwa, Moiben, Turbo, Kapteldon and Burnt Forest (ICU/HDU) Sub County Hospitals.

The sector has been granted funding of KSh 2,515,982,547, KSh2,519,118,917, and KSh 2,571,590,640 to carry out these programmes in FY 2024/25, FY 2025/26, and FY2026/27, respectively.

#### **IV. Education and Social Protection**

The sector consists of three sub-sectors: Education and Vocational Training; Gender, Culture and Social Protection; and Youth Affairs and Sports.

Significant accomplishments during the 2020/21 - 2022/23 MTEF period include the employment of 1326 ECDE teachers on a permanent and pensionable basis, construction of 747 ECDE classrooms, benefiting 36600 pupils from the school feeding programme, establishment and equipping of 13 VTCs, and empowering 2930 students with technical skills through the County Revolving Fund. Also, the sector set up a PWDs fund that provided support to 980 families and distributed assistive devices to 511 individuals. Further, 799 youths received training on entrepreneurship skills, while 1000 youths participated in apprenticeship/mentorship/internship programmes in the county. Additionally, the construction of Chagaiya High Altitude Training camp advanced from 40 to 58 percent.

During the 2024/25-2026/27 MTEF period, the Sector will focus on programmes aimed at enhancing education outcomes. Education will prioritize equipping ECDE facilities, upscaling the school feeding programme, implementing digital learning, and completing the Ngeria Girls Guide Centre. Under VTC, the sector aims to increase student enrollment through restructuring the funding model of the County Education Revolving Fund, setting up centers of excellence, hiring VTC instructors, expanding Ngenyilel VTC, and acquiring workshop equipment for VTCs. Other priorities will be on establishing a Hall of Fame, cultural sites, rehabilitation centers, homes for the elderly, youth empowerment centers, and completing the Chagaiya High Altitude Training Center, along with developing other sports talent centers.

The Sector has been granted allocations of KSh 1,164,221,003, KSh1,193,326,528, and KSh 1,215,545,704 to carry out these programmes in the upcoming fiscal years.

#### **V. General Economic and Commercial Affairs Sector**

The sector consists of two sub-sectors: Trade, Industry, Investment, and Tourism; and Cooperatives and Enterprise Development.

In the 2020/21 -2022/23 MTEF period, the sector implemented the following programmes: Built 42 retail markets; Provided training to 2412 traders, members of cooperative societies,

and SMEs on entrepreneurship. Also facilitated value-addition initiatives through cooperative societies by connecting and assisting 20 SMEs with market access. Issued KSh. 84.50 million to small and medium enterprises and KSh. 218 million to cooperative societies; Revitalized 45 cooperative societies and set up a county investment unit.

During the medium-term period 2024/25-2026/27, the Sector will focus on implementing key strategic interventions such as improving market access, developing online market platforms, constructing modern shops and markets, enhancing value addition and agro-processing, and improving the business environment and access to affordable finance for MSMEs. The sector will bring together agripreneurs/farmers and entrepreneurs through cooperatives and SACCOS to improve access to local and international markets and affordable finance. In order to boost tourism, the sector plans to develop a museum and set up an International Exhibition and Convention Centre for MICE activities, as well as finish the development of River Sosiani Nurture Trail.

The sector has been allocated budgets of KSh 250,505,691 for FY 2024/25, KSh 256,768,333 for FY 2025/26, and KSh 260,067,698 for FY 2026/27.

## **VI. Agriculture Rural and Urban Development Sector**

The Agriculture Rural and Urban Development (ARUD) sector comprises five sub-sectors namely; Agriculture and Agribusiness; Livestock Development and Fisheries; Lands and Physical Planning; Housing and Urban Development; and the Municipality of Eldoret.

During the 2020/21 - 2022/23 MTEF period, the sector achieved the following programme: constructed 1 cereal store; supplied No. 27333, 9600 and 83,333 avocado macadamia and coffee seedlings respectively; distributed 300 bags of Irish potato seeds; purchased 72,150 pyrethrum slits; purchased no. 20 motorized coffee pulpers; 3525 soil samples analyzed; conducted 4 trade shows and exhibition and 2 farmers exchange tours; supported 37 youth groups in agribusiness; constructed and equipped workshop at AMS, functional machinery shade and perimeter fencing; distributed 1450 liters of pesticides and purchased 1500 insect traps; purchased 800 coffee seeds; for climate smart agriculture supported 8 groups with 369 direct beneficiaries; and constructed a hostel at ATC.

Under livestock development and fisheries: promoted 5 modern livestock management technologies and established 1989 acreage of climate smart fodder; 57600 animals artificially inseminated; inua mama na kuku programme benefited 233 women groups with 64 incubator distributed; 218 group benefited from doper ram exchange programme with 656 dopers



distributed; conducted 3800 livestock disease surveillance; vaccinated 332,791 against notifiable diseases; constructed/rehabilitated 74 cattle dips and facilitated 52 with acaricides; restocked 345 fishponds and dams with fingerlings 170000 fingerlings supplied; supplied 18000kgs fish feeds and trained 150 farmers on fisheries management visiting 528 farmers. Under lands, Physical Planning Housing and Urban Development achievement was fenced 5 public utilities; maintained 25 housing units; re-modelled 10 roundabout Korosiot, FIMS Round about & Harambee Road; constructed gatehouse at townhall; constructed shoe shiner booths opposite Zion mall, library and KVDA; constructed 20 curio shops; 10 No. of concrete flower pots constructed and ornamental trees planted; constructed Sculpture at Eldoret International AirPort; and commenced on construction of governors, deputy governor and speaker residential unit.

The Sector's Key objectives for the MTEF Period 2024/25 – 2026/27 include: capacity building through modernization of ATC for training of farmers and youths in agribusiness skills; enhance access to agricultural finance and insurance; increase the level of agricultural mechanization along the value chains; promotion of high-value crops; and support value addition by setting up of coffee pulping, gunny bags knitting, maize milling and potato processing plants. Through livestock development, it will be setting up of a chicken abattoir, milk processing plant and animal feeds production plant; and entrench fish farming technologies.

Under lands, the sector will strengthen spatial and physical planning and control to improve land use in the county; prepare valuation rolls; and establish a county housing corporation. Completion of 64 stadium will also be prioritized among other key infrastructure within Eldoret town.

To implement these programmes, the Sector has been allocated KSh 2,187,975,810, KSh 2,242,675,205 and KSh 2,255,925,591 in FY2024/25, FY2025/26 and FY2026/27 respectively.

#### **4.5 Public Participation and Involvement of Stakeholders**

Engaging the public and involving stakeholders in the medium-term budget process is mandated by the Constitution. To fulfill this requirement, during the preparation of the 2024 CFSP, the county conducted public participation meetings between 20th and 22nd, February 2024 in all 30 wards. Further, Sector Working Groups (SWGs) were convened to develop the sector reports.

## 5. CONCLUSION

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The 2024 County Fiscal Strategy Paper has been finalized in accordance with the section 118 of the PFM Act 2012, with the goal of achieving a balanced budget in FY 2024/25. It has been finalized as a guideline for distributing financial resources in 2024/25. The distribution of financial resources in the FY 2024/25 will be consistent with the budget policy priorities outlined in this fiscal strategy paper.

Therefore, it is critical that the County Government follows the County Fiscal Strategy Paper to ensure that there is sufficient revenue to meet its expenditure programme and activities while also managing fiscal responsibilities principles, improving service delivery, and enhancing economic growth and well-being for all people in Uasin Gishu, as outlined in *Nguzo Kumi* and the County Integrated Development Plan (2023 - 2027).