

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF MACHAKOS
DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT

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REF: MCG/BD/2024-2025 /VOL.1 (12)

18th October, 2024

The Clerk
County Assembly of Machakos
P.O. Box 1168-90100
MACHAKOS

RE: MACHAKOS COUNTY BUDGET REVIEW AND OUTLOOK PAPER 2024

Reference is made to section 118 (4a) of the Public Finance Management Act 2012 that requires County Treasury to arrange for the County Budget Review and Outlook Paper to be laid before the County Assembly.

Forwarded find the County Budget Review and Outlook Paper 2024 as approved by the County Executive Committee for the County Assembly's consideration.

Hon. Onesmus Kuyu
County Executive Committee Member-Finance, Revenue Management, Economic Planning



REPUBLIC OF KENYA



COUNTY GOVERNMENT OF MACHAKOS

COUNTY BUDGET REVIEW OUTLOOK PAPER FY 2023/2024

*BUILDING A RESILIENT COMMUNITY THROUGH SUSTAINABLE FOOD
SECURITY AND SOCIO-ECONOMIC EMPOWERMENT*

September, 2024



Vision Statement

A County that is a model of excellence with quality life to all citizens in a clean and secure Environment

Mission Statement

To empower the people of Machakos and transform our County into a model of excellence through good governance, service delivery and economic prosperity

Core Principles

Transparency and Accountability

Efficiency and Effectiveness

Civic Engagement

Responsiveness

Integrity

Equity

© County Budget Review and Outlook Paper (CBROP) 2024

To obtain copies of this document, please contact;
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MACAHKOS, KENYA
Or visit our Website: *www.machakos.go.ke*

FOREWORD

The Machakos County Budget Review and Outlook Paper (CBROP) for 2024 has been prepared in compliance with Section 118 of the Public Financial Management Act, 2012. It's one of the budget policy documents that enhance financial discipline and fiscal responsibilities within the county's financial management framework as provided for in the Public Finance Management Act (PFM) Act 2012. Fiscal discipline will seek to ensure that the county's development entities are able to work towards improving the residents' livelihoods, enhancing financial efficiency and growth of the economy. The county is committed to maintain the trend of economic growth and development as desired by the residents. Towards this end, the county will always strive to ensure that there is transparency and accountability by providing feedback on the county's performance.

The County Budget Review and Outlook Paper (CBROP) presents the fiscal outcome for the previous Financial Year and how these outcomes affect financial objectives set out in that year's County Fiscal Strategy Paper (CFSP).

The County Budget Review and Outlook Paper (CBROP 2024) was prepared against the backdrop in the global and national economy marked by rising inflation which has increased the prices of basic commodities hence diminishing the purchasing power of people, high exchange rate which has affected the International trade leading to depreciation in the value of Kenyan currency hence huge deficit in balance of payment. The paper is prepared at a time when the Kenyan economy is recovering from a session that had been triggered by world economic and financial crisis due to war in Ukraine and Russia.

The overall budget execution declined by 3% from 82% in FY 2022/2023 to 79% in FY 2023/2024. Despite this decline, the overall absorption of the development budget increased from 49% in FY 2022/2023 to 59% in the reporting period. Budget execution was equally hampered by challenges in the mobilization of Own Source Revenue which fell below expectations.

Hon. Onesmus Muia Kuyu
County Executive Committee Member –Finance, Economic Planning and Revenue Management

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ABBREVIATIONS AND ACRONYMS

ABDP	Aquaculture Business Development Programme	ICT	Information Communication Technology
ADP	Annual Development Plan	IFAD	International Fund for Agricultural Development
ASDSP	Agricultural Sector Development Support Programme	IFMIS	Integrated Financial Management System
A-I-A	Appropriations in Aid	KCSAP	Kenya Climate Smart Agriculture Project
BETA	Bottom-up Economic Transformation Agenda	KDSP	Kenya Devolution Support Program
CARA	County Allocation Revenue Act	Kshs	Kenya Shillings
CBROP	County Budget Review and Outlook Paper	KUSP	Kenya Urban Support Program
CCISP	County Climate Institutional Support Program	MSMEs	Micro and Small Medium Enterprises
CCTV	Closed Circuit Television	MTEF	Medium Term Expenditure Framework
CECMF	County Executive Committee Member for Finance	MTP	Medium Term Plan
CFSP	County Fiscal Strategy Paper	NAVCDP	National Agricultural Value Chain Development Program
CG	County Government	NHIF	National Hospital Insurance Fund
CIDP	County Integrated Development Plan	OSR	Own Source Revenue
CoB	Controller of Budget	PBB	Programme Based Budget
COFOG	Classification of Functions of Government	PFMA	Public Finance Management Act
CRA	Commission on Revenue Allocation	Reg	Regulation
CRF	County Revenue Fund	RMFLF	Road Maintenance Fuel Levy Fund
DANIDA	Danish International Development Agency	RRI	Rapid Results Initiative
EAC	East African Community	Sec	Section
ECDE	Early Childhood Development Education	SIDA	Swedish International Development Agency
EMDEs	Emerging Markets and Developing Economies	SSA	Sub-Saharan Africa
FIF	Facilities Improvement Fund	UDG	Urban Development Grant
FLLoCA	Financing Locally Led Climate Action Programme	UIG	Urban Institutional Grant
FY	Financial Year		
GDP	Gross Domestic Product		
GNI	Gross National Income		

CHAPTER ONE

1 INTRODUCTION

A. Legal Basis for the Preparation and Publication of the County Budget Review and Outlook Paper

1. The **County** Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The paper provides:
 - i. Actual fiscal performance in the previous financial year compared to the budget Appropriation for that year;
 - ii. Updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal strategy paper;
 - iii. Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest County Fiscal strategy paper; and
 - iv. The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
2. County Executive committee shall consider the County Budget Review and outlook Paper with a view to approving it with or without amendments, not later than fourteen days after its submission.
3. Not later than seven days after the CBROP has been approved by Executive committee, the County Treasury shall:
 - i. submit the paper to the County Assembly; and
 - ii. as soon as practicable publish and publicize the paper

B. County Government Fiscal Responsibility Principles

4. In line with chapter 12 of the Constitution of Kenya, Section 107 of the Public Financial Management (PFM) Act, 2012

- i. The County Government's recurrent expenditure shall not exceed the County Government's total revenue.
- ii. Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
- iii. The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations.
- iv. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- v. Public debt and obligations shall be maintained at a sustainable level as approved by County Government.

C. Objectives of the County Budget Review and Outlook Paper

5. The 2024 CBROP aims at providing review of the fiscal performance for the FY 2023/2024 and how the outcomes impacted the County's financial objective and fiscal responsibility principles as envisaged in the PFM Act 2012 and County Fiscal Strategy Paper.
6. Based on the indicative County resource envelope, the CBROP 2024 will also relay the primary sector ceilings for FY 2024/2025 budget inclusive of indicative projections for the FY 2025/2026 thus setting off the budget preparation process for the fiscal year.
7. The paper is organized into four chapters: Chapter II provides a review of fiscal performance in the FY 2023/2024; Chapter III looks at the Recent Economic Developments and the updated National and County macroeconomic outlook; Chapter IV gives a brief overview of the FY 2024/2025 budget framework.

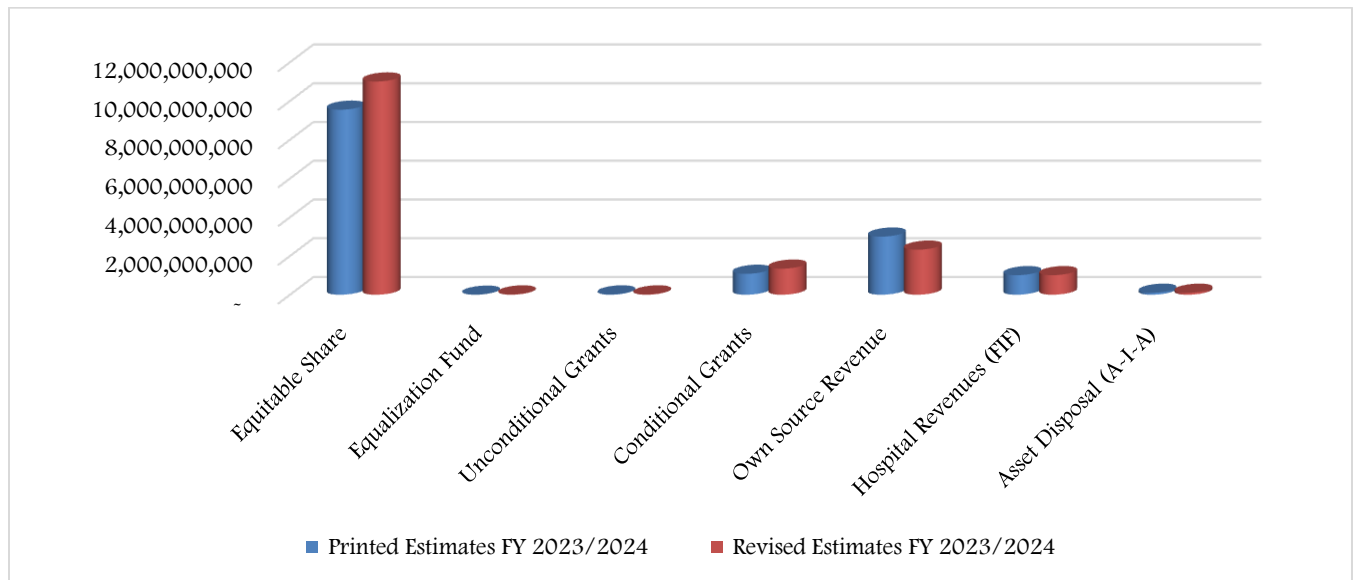
CHAPTER TWO

2 REVIEW OF FISCAL PERFORMANCE IN FY 2023/2024

2.1 Overview

8. In the Financial Year (FY) 2023/2024, the County’s approved budget of Kshs.14.7 billion was to be financed through Equitable Share (Kshs. 9.5 billion), Additional Allocations/Conditional Grants (Kshs. 1.1billion), and Own Source Revenue, including A-I-A (Kshs. 4.1billion) representing 65%, 7% and 28% respectively. In the course of budget implementation, the County treasury revised the estimates in a bid to align the County policies to the changing budget implementation environment. The revised estimate of Kshs. 15.8 billion comprised Kshs. 11billion as Equitable Share, Kshs. 1.4billion as Additional Allocations/Conditional Grants and Kshs. 3.4billion as Own Source Revenue. The increase in both equitable share and conditional grants was attributed to balances carried forward from the previous financial year (FY 2022/2023). Figure 1 below illustrates the various County revenue sources during the Financial Year.

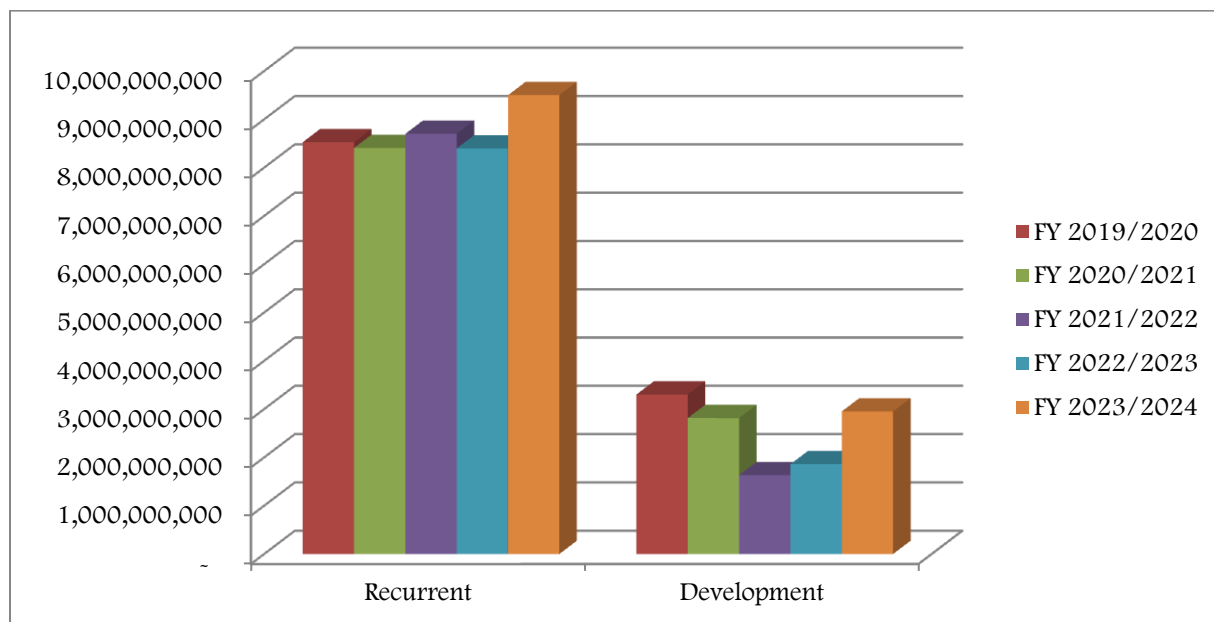
Figure 1: County Budget Revenue Sources FY 2023/2024



9. The overall budget execution declined by 3% from 82% in FY 2022/2023 to 79% in FY 2023/2024. Despite this decline, the overall absorption of the development budget

increased from 49% in FY 2022/2023 to 59% in the reporting period. Figure 2 below gives an expenditure comparison in the last five years.

Figure 2: Comparative County expenditure for FY 2019/2020–FY 2023/2024



2.2 Fiscal Performance FY 2023/2024

2.2.1 Revenue performance

10. Budget execution was hampered by challenges in the mobilization of Own Source Revenue which fell below expectations. The County realized Kshs. 1.3billion as OSR against a target of Kshs. 2.3billion and Kshs. 204million as FIF/AIA against Kshs. 1.1billion Overall, the County’s total revenue in the FY 2023/2024 was Kshs. 12.8 billion against a target of Kshs. 15.8 billion. Table 1 below gives the fiscal out-turn for the FY 2023/2024.

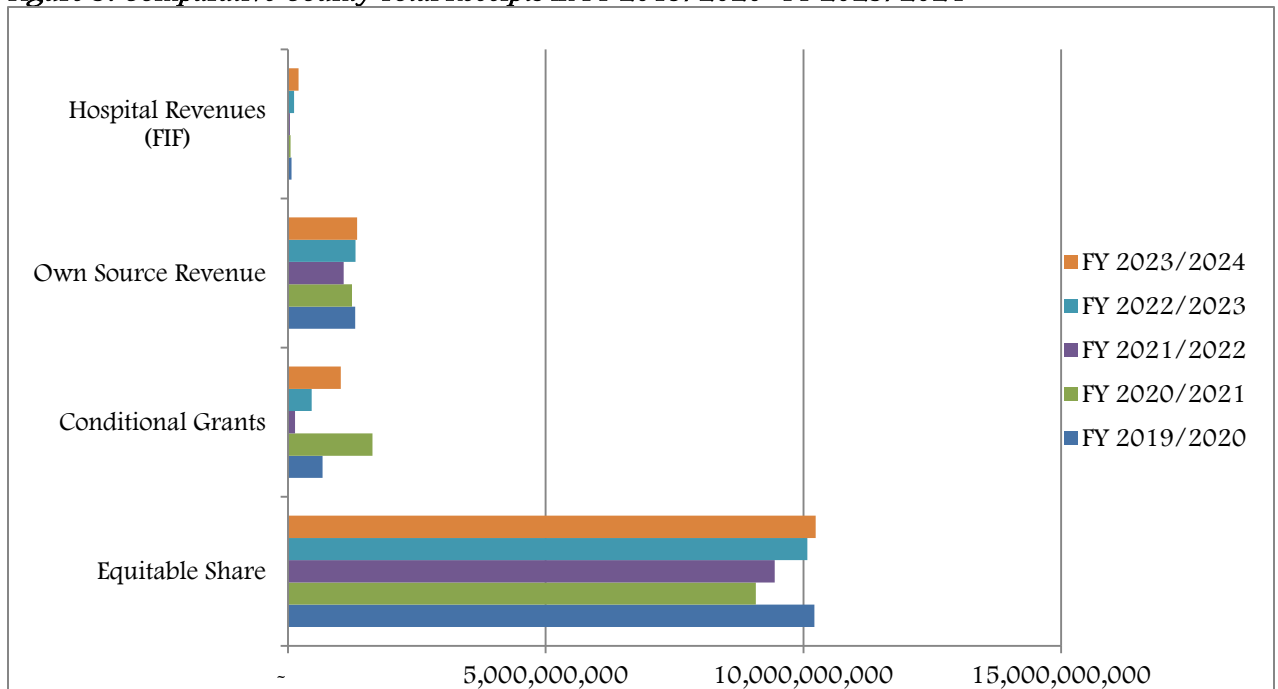
Table 1: Fiscal Out-turn for the FY 2023/2024 (Amounts in Kshs.)

	Actual FY 2021/2022	Actual FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual FY 2023/2024	Budget Execution (%)
Total Revenue	10,699,255,588	11,969,212,702	14,747,002,446	15,808,454,221	13,057,140,135	83
Equitable Share	9,088,586,481	10,078,605,585	9,547,295,309	11,003,296,347	10,239,597,083	93
Equalization Fund	-	-	-	12,923,347	-	-
Unconditional Grants	-	-	14,536,040	14,536,040	-	-

	Actual FY 2021/2022	Actual FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual FY 2023/2024	Budget Execution (%)
Conditional Grants	492,207,354	460,815,858	1,078,291,635	1,345,412,427	1,239,043,958	92
Own Source Revenue	1,118,461,753	1,309,473,301	2,998,879,462	2,324,286,060	1,374,089,717	59
Hospital Revenues (FIF)	-	120,317,958	1,008,000,000	1,008,000,000	204,409,377	20
Asset Disposal (AIA)	-	-	100,000,000	100,000,000	-	-
Total Expenditure	10,332,934,984	10,257,046,310	14,747,002,452	15,808,454,223	12,458,451,506	79
Recurrent	8,700,451,134	8,398,286,777	9,588,286,520	10,774,235,047	9,506,985,067	88
County Assembly	911,640,806	1,109,670,183	1,008,995,826	1,008,995,826	919,694,196	91
County Executive	7,788,810,328	7,288,616,594	8,579,290,694	9,765,239,221	8,587,290,871	88
Development	1,632,483,850	1,858,759,533	5,158,715,932	5,034,219,176	2,951,466,439	59
County Assembly	137,355,091	22,470,207	292,000,000	79,000,000	57,346,762	73
County Executive	1,495,128,759	1,836,289,326	4,866,715,932	4,955,219,176	2,894,119,677	58

Source: Machakos County Financial Statements FY 2023/2024

Figure 3: Comparative County Total Receipts in FY 2019/2020- FY 2023/2024



11. From table 1 above, the County received Kshs. 13.1billion against a target of Kshs. 15.8billion a representation of 83%. This was an increase of 7% from the previous financial year in which the County's total receipts were Kshs. 11.97billion.

2.2.2 County Own Source Revenue

12. The County Government targeted to collect Kshs. 3.4 billion as Own Source Revenue which consisted of Kshs. 2.3billion as ordinary OSR, Ksh. 1billion as FIF and Kshs. 0.1billion as A-I-A through asset disposals. Due to prevailing revenue mobilization challenges, the County collected Kshs. 1.3billion and Kshs. 204million as ordinary OSR and FIF respectively. This amount represented an increase of 8.4 per cent compared to Kshs.1.43 billion realized in FY 2022/2023 translating to 45% of the total target for the Financial Year 2023/2024. Tables 2, 3 and 4 below gives a comparative revenue collection trends by stream, monthly and quarterly respectively.

Table 2: Own Source Revenue Yearly Collection by Stream

Revenue Stream	Actual FY 2019/2020	Actual FY 2020/2021	Actual FY 2021/2022	Actual FY 2022/2023	Actual FY 2023/2024
Land Rates & Ground Rent	264,046,575	247,858,234	169,415,389	204,509,754	289,607,582
Single Business Permit	187,631,790	253,563,665	279,702,729	298,859,046	297,038,809
Quarry Extraction Fees	367,577,984	230,712,604	146,802,687	189,782,165	123,176,334
Sand Gravel	45,761,096	26,545,070	19,408,401	26,475,610	27,721,006
Market Fees	9,906,502	10,344,412	7,249,032	13,253,012	61,656,607
Plot/Stall Rent	8,924,665	4,886,747	3,242,039	3,351,824	4,355,382
Bus park	78,574,103	76,885,195	111,101,993	140,981,326	98,467,384
House Rent	778,608	1,388,750	860,962	1,792,252	1,548,303
Refuse/Conservancy Fee	25,716,168	30,431,751	28,320,120	32,406,484	29,255,982
Sign Board & Advertisement Fee	35,516,487	34,613,425	43,302,031	75,168,364	81,294,436
Fire Fighting & Ambulance Mgt Unit	29,136,821	22,706,735	14,145,202	17,154,355	14,415,031
Slaughter House Fees/Livestock	11,358,703	8,556,254	12,502,064	14,831,987	12,984,296
Enforcement Management	9,082,973	5,897,440	3,787,116	7,338,385	5,664,486
Off-street Parking Unit	17,905,291	19,782,064	13,999,740	16,411,332	19,274,217
Building Plan Approvals	149,448,896	187,858,385	147,655,443	162,826,953	131,754,599
Cess	15,515,559	15,334,465	7,358,762	14,081,514	49,212,296
Social Services	98,460	60,550	82,039	295,720	1,701,069
Water Sales	554,651	2,784,850	796,369	689,000	426,593
Miscellaneous Receipts	247,805	85,810	-	-	29,039,695
People's Park/Maruba	-	368,300	902,871	-	855,967
House Loan Repayment	1,000	300,000	84,000	116,933	159,768
Salary Refunds/Advances	20,270	333,026	858,716	2,448,444	228,067
Agri Farm	64,100	58,263	66,200	463,760	143,441
Health Revenue	69,488,591	54,398,112	38,809,908	120,317,958	204,409,376
Liquor	35,054,335	53,906,756	61,556,386	72,373,670	80,028,783
Tourism	960,485	47,000	2,173,225	1,185,601	174,253
Interest & Penalties on Plot and Stall Rent	7,912,237	148,139	58,541	197,770	406,533
Noise Pollution	595,795	235,475	541,107	386,650	1,071,069
Motor Cycle Registration	4,291,860	4,658,735	3,414,930	11,204,510	11,505,086

Revenue Stream	Actual FY 2019/2020	Actual FY 2020/2021	Actual FY 2021/2022	Actual FY 2022/2023	Actual FY 2023/2024
Weights and Measures	~	1,614,456	263,750	886,880	811,724
Total	1,376,171,810	1,296,364,668	1,118,461,753	1,429,791,259	1,578,499,094

Source: Machakos County Financial Statements FY 2023/2024

13. The top five revenue earners to the County are Single business permit, Land Rates, Quarry Extraction, Building Plans and Health Revenues as presented in figure 4 below

Figure 4: Top Five Own Source Revenue Streams FY 2023/2024

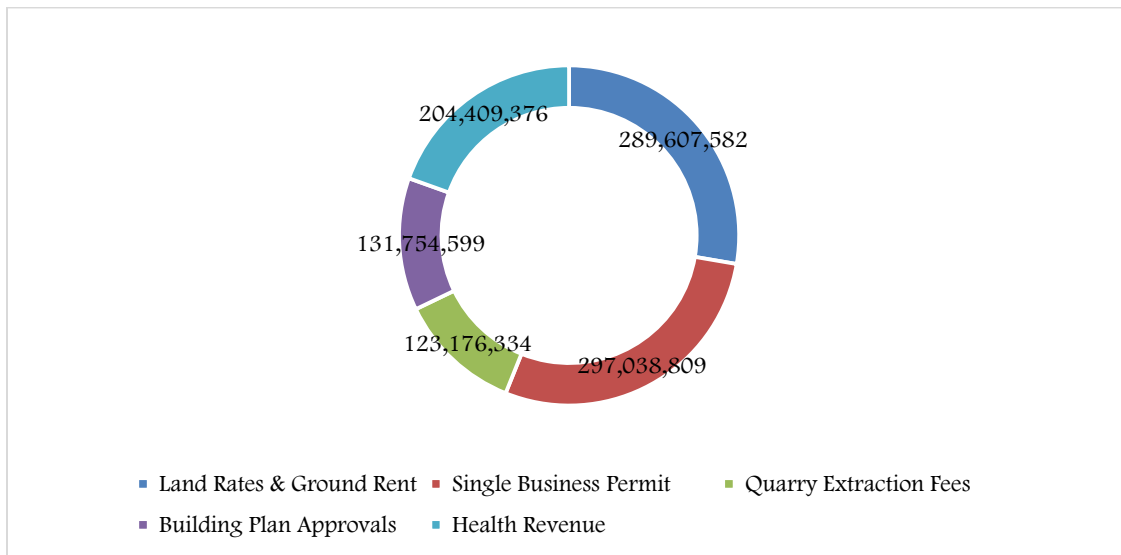


Table 3: County Own Source Revenue per Month

	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
July	31,372,059	12,822,315	210,150	275,183	77,159,750
August	98,226,533	90,889,684	74,071,589	59,225,810	78,643,284
September	56,142,143	102,272,042	80,778,686	138,357,352	62,184,630
October	91,181,015	65,616,831	5,268,793	99,796,090	61,920,725
November	125,196,369	80,550,380	78,704,458	76,297,672	53,021,434
December	69,257,635	65,271,060	97,105,487	85,746,260	70,659,224
January	137,151,168	118,573,764	68,930,658	123,913,858	188,032,722
February	169,093,951	142,285,246	164,583,894	146,338,491	188,616,726
March	197,953,152	57,261,595	112,682,743	118,515,288	258,461,805
April	127,347,795	189,656,632	263,637,114	292,869,971	129,017,066
May	65,685,264	120,203,776	75,418,383	110,714,256	121,346,356
June	207,564,726	250,961,345	97,069,798	177,741,030	260,284,756
TOTAL	1,376,171,810	1,296,364,670	1,118,461,753	1,429,791,260	1,578,499,094

Source: Machakos County Financial Statements FY 2023/2024

14. Table 3 above shows that the month of June recorded the highest Own Source Revenue collections in the FY 2023/2024. This is attributed to the Rapid Results Initiatives

conducted during the month of June and the fact that most Single Business Permits expire in the month of March hence renewals occasion high collections.

Figure 5: Monthly County Own Source Revenue Performance

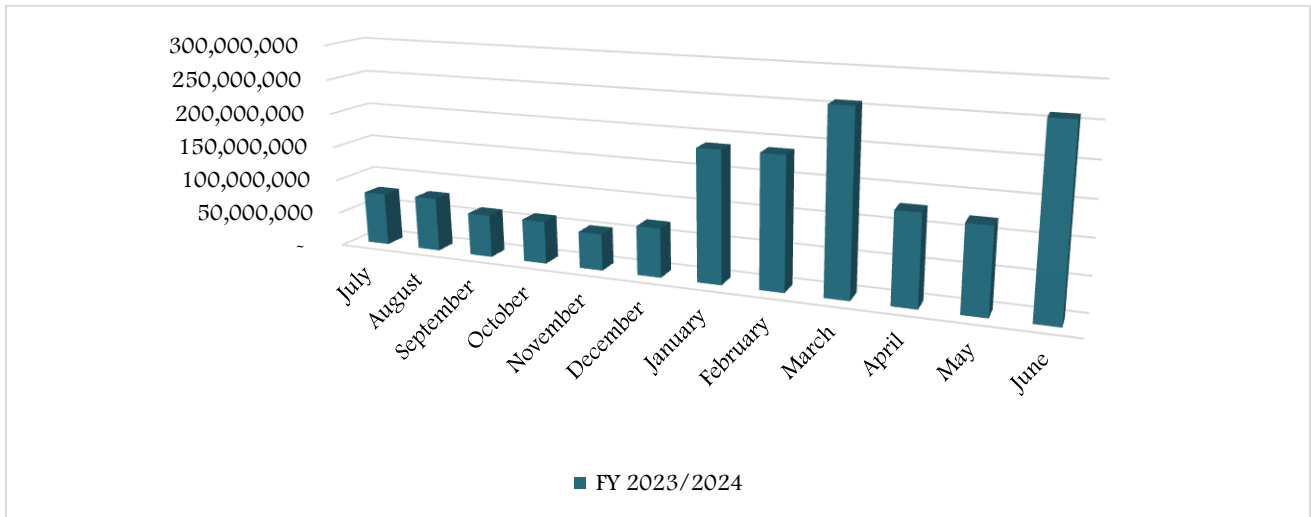
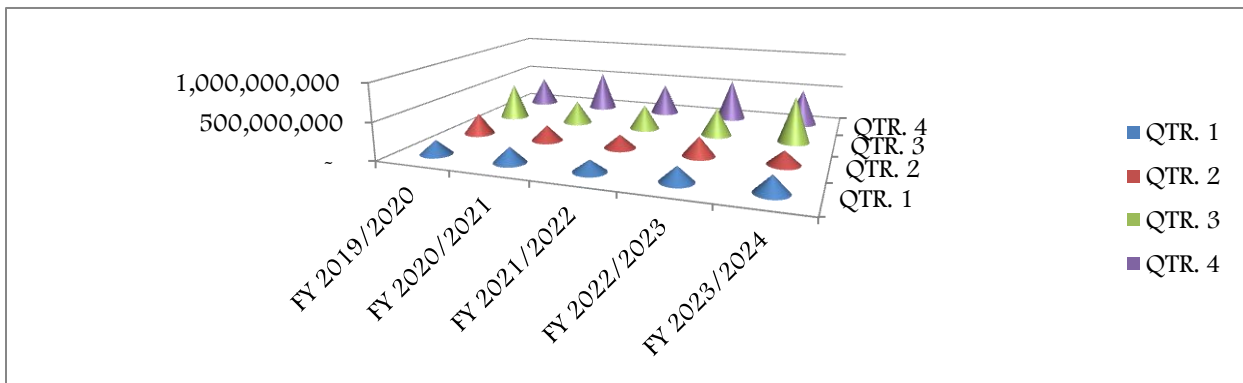


Table 4 : County Own Source Revenue per Quarter

	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
QTR. 1	185,740,735	205,984,041	155,060,425	197,858,345	217,987,664
QTR. 2	285,635,019	211,438,271	181,078,738	261,840,022	185,601,383
QTR. 3	504,198,271	318,120,605	346,197,295	388,767,636	635,111,253
QTR. 4	400,597,785	560,821,753	436,125,295	581,325,256	510,648,178
	1,376,171,810	1,296,364,670	1,118,461,753	1,429,791,260	1,578,499,094

Source: Machakos County Financial Statements FY 2023/2024

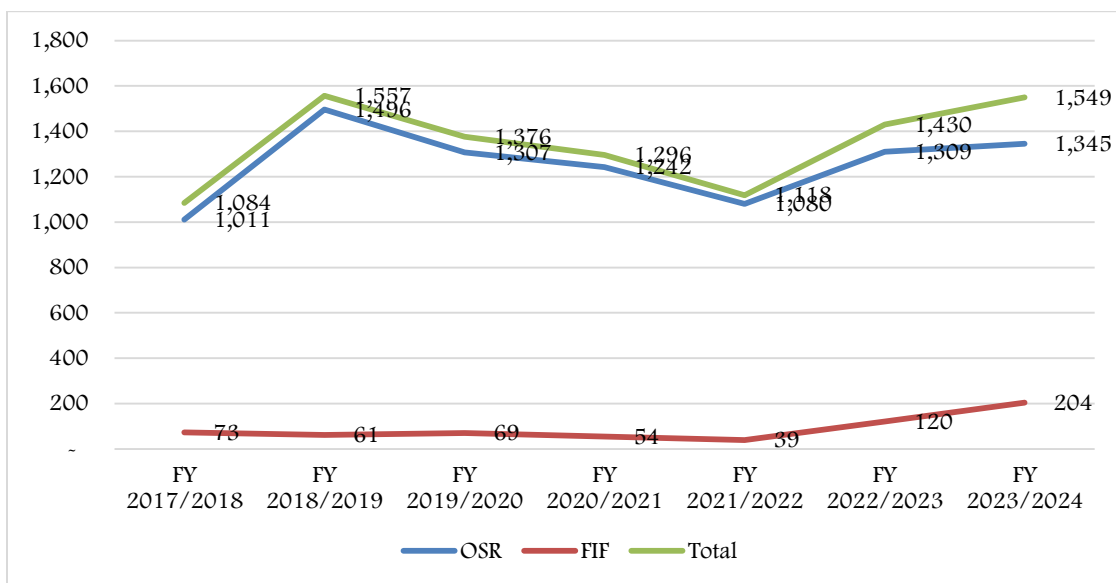
Figure 6: Comparative Quarterly Revenue Performance



15. Some of the challenges noted during the financial year that lead to the under collection of the targeted revenue included use of outdated valuation roll hence low pricing;

inadequate staffing levels both for enforcement and collection and lack of full revenue automation. Proposed strategies to address the revenue collection challenges going forward include; finalization of the valuation roll, enhance tax-payer education and sensitization, promote staff capacity and motivation of revenue personnel, improve on internal controls and audit systems, enforcement of legal and regulatory frameworks, individual departments being given revenue collection targets that fall within their jurisdictions.

Figure 7: Trend in Yearly Own Source Revenue Collection



16. Yearly collection trends in the last five years shows that FY 2018/2019 recorded the highest collections at Kshs. 1.557billion followed by FY 2023/2024 at Kshs.1.549billion. Going forward, the County Treasury has put in place measures that will enable it improve on the OSR collections some of which have been highlighted in paragraph 15 above.

2.2.3 Additional Allocations/Grants

17. The County expected to receive Kshs. 1.37billion as additional Allocations/Conditional Grants comprising of 12.92million Equalization Fund, Kshs. 14.54million unconditional grants and Kshs. 1.35billion conditional grants. The actual receipts

amounted to Kshs. 1.02 billion representing a 75% achievement rate. The individual performance of conditional grants is as indicated in table 5 below.

Table 5 Conditional Grants FY 2023/2024

S/No	Description	Actual FY 2021/2022	Actual FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual FY 2023/2024	Budget Execution (%)
	Equalization Fund			~	12,923,347		~
	Court Fines			14,436,324	14,436,324		~
	Mineral Royalties			99,716	99,716		~
	Total Unconditional Grants			14,536,040	14,536,040	~	~
	Leasing of Medical Equipment	-		124,723,404	-		
	Aggregated Industrial Parks			100,000,000	250,000,000	64,000,000	26
	Fertilizer Subsidy			195,350,986	195,350,986	195,350,986	100
	Kenya Climate Smart Agriculture Project (KCSAP)- World Bank	99,336,337	68,040,614	90,000,000	-	394,810	
	Kenya Devolution Support Project (KDSP) – World Bank	-		-	142,185,298	142,185,298	100
	Kenya Urban Support Project (UDG)-World Bank	-	4,729,034	-	96,640,253	96,640,253	100
	Universal Healthcare in Devolved System Program-DANIDA	8,590,313	18,329,063	14,148,750	23,086,144	347,081	2
	Transforming Health Systems for Universal Care Project-World Bank	9,012,164		-			
	National Agricultural Value Chain Development Project		67,192,729	250,000,000	267,192,729	199,404,350	75
	Agriculture Sector Development Support Program-SIDA	18,717,263	14,446,442	3,761,966	7,261,966	2,847,900	39
	Emergency Locust Response Project-World Bank	-	66,035,643	105,095,561	105,095,561	103,910,828	99
	Aquaculture Business Development Program-IFAD			15,401,768	12,262,438	-	-
	Livestock Value Chain Support Project			35,809,200	35,809,200	-	-
	Locally-Led Climate Change Action Program (FLoCA) World Bank	-	22,000,000	133,000,000	199,527,852	164,047,116	82
	FLoCA-County Climate Institution Support-World Bank			11,000,000	11,000,000	11,000,000	100
	Total Conditional Grants	492,207,354	460,815,858	1,078,291,635	1,345,412,427	982,874,619	73
	Bank Balances in Special Purpose Accounts					256,169,339	
	Total Additional Allocations	492,207,354	460,815,858	1,092,827,675	1,372,871,814	1,239,043,958	73

Source: Machakos County Financial Statements FY 2023/2024

2.2.4 Expenditure Performance

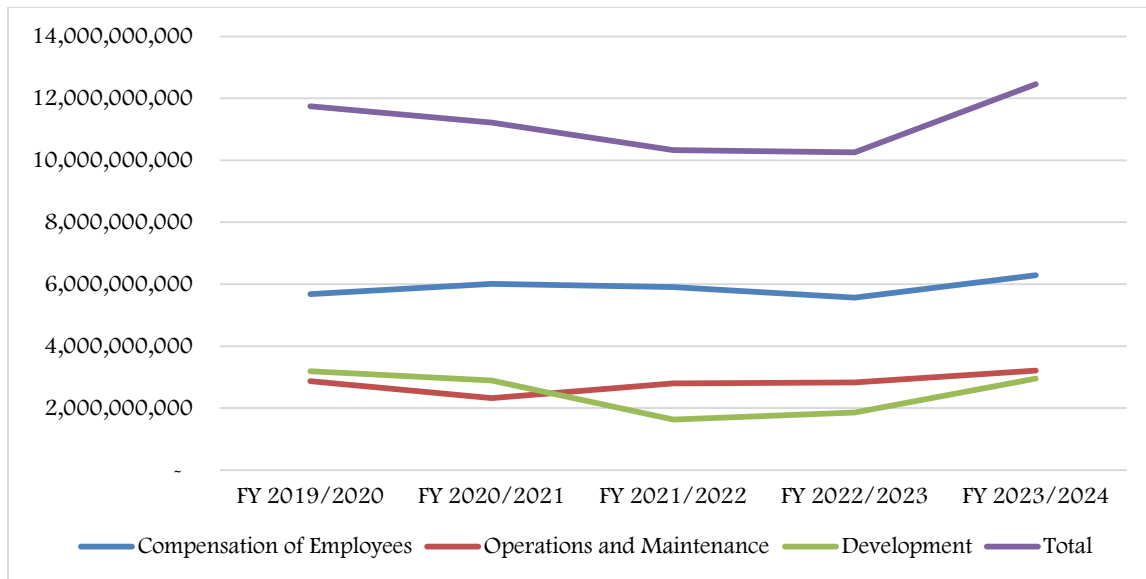
18. Analysis of expenditure by economic classification shows that compensation of employees had the highest absorption rate at 49% of available revenue during the financial year with an overall absorption rate of 97% as illustrated in table 6 below.

Table 6: Expenditure Performance by Economic Classification for FY 2022/2023 and FY 2023/2024

Economic Item	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)	Absorption
Compensation of Employees	5,903,699,792	5,566,708,303	6,367,667,200	6,722,620,150	6,294,189,125	94	49
Use of goods and Services	2,796,751,341	2,831,578,494	3,105,368,893	3,935,628,847	3,179,406,017	81	25
Current Grants	-	-	115,250,423	115,986,048	33,389,927	29	0
Acquisition of Non-Financial Assets	1,632,483,851	1,858,759,530	4,181,138,677	3,777,333,409	2,198,426,035	58	17
Capital Grants	-	-	977,577,253	1,256,885,768	753,040,405	60	6
Total	10,332,934,984	10,257,046,327	14,747,002,446	15,808,454,221	12,458,451,508	79	97

Source: Machakos County Financial Statements FY 2023/2024

Figure 8 Comparative County Total Expenditure in FY 2019/2020 -FY 2023/2024



2.2.5 County Entities Expenditure Analysis

19. All County entities achieved an execution rate of at least 65% with the exception of Trade, Industrialization and Innovation; Water, Irrigation, Environment & Climate Change and Lands. This was due to the fact that a higher percentage of the departments' allocations were in development composed mostly of Conditional Grants which were not received during the implementation period. The highest rate of budget execution was recorded in the County Assembly and Department of Health at 90% and 88% respectively with the least in the department of Trade, Industrialization and Innovation at 45%.

20. Absorption of development funds stood at 59% due to delays in Exchequer disbursements leading to delays in projects implementation and payments; increased cost of programmes/projects against the planned cost hence causing delay in implementation among others. Table 7 below gives the detailed analysis of every County Entity.

Table 7: County Entity Expenditure Performance for Period Ending 30th June, 2024

County Entity		Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Office of the Governor	Recurrent	483,535,953	466,629,103	580,874,154	590,874,154	477,506,629	81
	Development	2,996,800	13,638,038	19,578,170	19,578,170	4,973,268	25
	Total	486,532,753	480,267,141	600,452,324	610,452,324	482,479,897	79
County Public Service Board	Recurrent	34,202,221	39,691,446	38,013,709	38,013,709	30,161,925	79
	Development	-	-	20,000,000	3,000,000	-	-
	Total	34,202,221	39,691,446	58,013,709	41,013,709	30,161,925	74
Roads, Transport and Public Works.	Recurrent	195,815,377	246,490,779	247,436,258	251,489,197	211,578,222	84
	Development	584,232,787	599,261,197	711,731,765	565,331,765	421,133,356	74
	Total	780,048,164	845,751,976	959,168,023	816,820,962	632,711,578	77
Health	Recurrent	4,065,419,607	3,867,858,032	4,062,841,432	4,345,380,767	4,115,520,128	95
	Development	132,306,109	209,589,012	994,139,145	836,603,636	470,040,244	56
	Total	4,197,725,716	4,077,447,044	5,056,980,577	5,181,984,403	4,585,560,372	88
County Assembly	Recurrent	911,640,806	1,109,670,183	1,008,995,826	1,008,995,826	919,694,196	91
	Development	137,355,091	22,470,207	292,000,000	79,000,000	57,346,762	73
	Total	1,048,995,897	1,132,140,390	1,300,995,826	1,087,995,826	977,040,958	90
Water, Irrigation, Environment and Climate Change	Recurrent	103,921,837	113,188,166	134,088,120	146,188,120	117,128,210	80
	Development	186,804,114	292,756,892	718,500,000	855,027,852	443,483,954	52
	Total	290,725,951	405,945,058	852,588,120	1,001,215,972	560,612,164	56
Agriculture, Food Security and Co-operative	Recurrent	408,223,924	276,876,068	379,572,813	390,072,813	255,648,065	66
	Development	225,727,457	270,590,704	830,637,415	796,150,814	702,144,004	88
	Total	633,951,381	547,466,772	1,210,210,228	1,186,223,627	957,792,069	81

County Entity		Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Development							
Finance, Economic Planning and Revenue Management	Recurrent	548,634,778	586,984,557	983,253,752	1,340,480,408	1,122,464,760	84
	Development	194,467,791	133,299,378	474,976,422	719,804,553	568,480,286	79
	Total	743,102,569	720,283,935	1,458,230,174	2,060,284,961	1,690,945,046	82
Gender, Youth, Sports and Social Welfare.	Recurrent	16,117,770	26,328,439	124,639,769	212,879,769	146,177,389	69
	Development	35,768,903	47,299,280	192,655,003	206,455,003	125,592,017	61
	Total	51,886,673	73,627,719	317,294,772	419,334,772	271,769,406	65
Trade, Industry, Tourism and Innovation	Recurrent	172,440,672	182,434,250	178,284,115	197,984,115	178,327,729	90
	Development	62,005,358	27,043,761	508,778,732	448,778,732	114,949,228	26
	Total	234,446,030	209,478,011	687,062,847	646,762,847	293,276,957	45
Education	Recurrent	374,566,098	430,262,603	546,786,371	663,861,437	529,201,849	80
	Development	22,593,487	46,271,516	172,729,112	122,434,883	-	-
	Total	397,159,585	476,534,119	719,515,483	786,296,320	529,201,849	67
Lands, Urban Development, Housing and Energy.	Recurrent	106,488,998	192,626,143	240,766,270	240,766,270	226,431,017	94
	Development	39,603,355	195,560,329	167,755,550	264,395,803	42,094,320	16
	Total	146,092,353	388,186,472	408,521,820	505,162,073	268,525,337	53
Devolution	Recurrent	1,246,252,970	791,733,871	979,169,215	1,263,683,746	1,125,704,378	89
	Development	8,622,598	979,219	45,934,618	108,357,965	1,229,000	1
	Total	1,254,875,568	792,713,090	1,025,103,833	1,372,041,711	1,126,933,378	82
County Attorney	Recurrent	33,190,123	67,513,137	83,564,716	83,564,716	51,440,570	62
	Development	-	-	9,300,000	9,300,000	-	-
	Total	33,190,123	67,513,137	92,864,716	92,864,716	51,440,570	55
Total Recurrent	8,700,451,134	8,398,286,777	9,588,286,520	10,774,235,047	9,506,985,067	88	
Total Development	1,632,483,850	1,858,759,533	5,158,715,932	5,034,219,176	2,951,466,439	59	
Total Budget	10,332,934,984	10,257,046,310	14,747,002,452	15,808,454,223	12,458,451,506	79	

Source: Machakos County Financial Statements FY 2023/2024

21. Machakos County Entities have been classified into eight sectors in line with the classification of functions of Government (COFOG). Health sector was allocated the highest budget at Kshs. 5.2billion due to its huge workforce followed by the Public Administration Sector at Kshs. 5.1billion. Lands, Environment and Natural Resources sector was allocated the least budget at Kshs. 0.5billion.

22. In terms of budget execution, Health Sector was the highest with an absorption rate of 88% followed by Public Administration at 83%. Commercial Affairs Sector was the least with 46% budget execution rate. Table 8 below highlights the expenditures in every sector.

23.

Table 8: County Expenditure Performance for the Period Ending 30th June, 2024 by Sector

Sector	County Entity	Vote	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Agriculture and Co-operative Development	Co-operatives Development	Recurrent	17,682,926	26,169,471	28,948,493	38,948,493	20,162,494	52
		Development	-	13,241,918	27,425,498	32,425,500	10,000,000	31
		Total	17,682,926	39,411,389	56,373,991	71,373,993	30,162,494	42
	Livestock & Fisheries	Recurrent	2,776,565	4,840,885	3,279,447	4,629,447	3,946,871	85
		Development	3,932,434	14,412,249	93,265,441	90,126,109	25,664,665	28
		Total	6,708,999	19,253,134	96,544,888	94,755,556	29,611,536	31
	Agriculture and Food Security	Recurrent	387,764,433	245,865,712	347,344,873	346,494,873	231,538,700	67
		Development	221,795,023	242,936,537	709,946,476	673,599,205	666,479,339	99
		Total	609,559,456	488,802,249	1,057,291,349	1,020,094,078	898,018,039	88
Sector Sub-Total		633,951,381	547,466,772	1,210,210,228	1,186,223,627	957,792,069	81	
Energy, Infrastructure and ICT	Roads and Transport	Recurrent	195,613,137	246,390,929	237,336,258	250,406,258	211,478,222	84
		Development	506,723,447	482,216,473	520,000,000	513,000,000	403,223,070	79
		Total	702,336,584	728,607,402	757,336,258	763,406,258	614,701,292	81
	Housing and Urban Development	Recurrent	23,560,175	116,892,328	150,343,736	150,343,736	140,639,060	94
		Development	7,888,236	107,130,795	50,000,000	146,640,253	11,351,116	8
		Total	31,448,411	224,023,123	200,343,736	296,983,989	151,990,176	51
	Public Works	Recurrent	202,240	99,850	10,100,000	1,082,939	100,000	9
		Development	77,509,340	117,044,724	191,731,765	52,331,765	17,910,285	34
		Total	77,711,580	117,144,574	201,831,765	53,414,704	18,010,285	34
	Digital Economy	Recurrent	-	-	-	3,700,000	3,413,400	92
		Development	-	-	-	-	-	
		Total	-	-	-	3,700,000	3,413,400	92
	Energy	Recurrent	17,927,911	21,541,507	28,076,213	28,076,213	26,730,266	95
		Development	31,715,119	85,485,681	75,000,000	75,000,000	30,743,204	41
		Total	49,643,030	107,027,188	103,076,213	103,076,213	57,473,470	56
	ICT	Recurrent	1,773,826	46,186,159	53,968,915	58,968,914	44,445,919	75
		Development	1,197,580	42,192,977	59,794,177	100,666,177	70,047,734	70
		Total	2,971,406	88,379,136	113,763,092	159,635,091	114,493,653	72
Sector Sub-Total		864,111,011	1,265,181,423	1,376,351,064	1,380,216,255	960,082,277	70	
Commercial, Tourism and Labour Affairs	Trade and External Relations	Recurrent	73,659,428	72,659,720	47,512,882	48,553,790	42,277,663	87
		Development	40,016,159	1,357,436	49,298,083	49,298,083	19,298,083	39
		Total	113,675,587	74,017,156	96,810,965	97,851,873	61,575,746	63
	Industry and Innovation	Recurrent	1,577,554	225,000	56,736,010	55,695,102	45,586,811	82
		Development	15,901,795	-	391,084,984	300,000,000	72,374,314	24
Total		17,479,349	225,000	447,820,994	355,695,102	117,961,125	33	

Sector	County Entity	Vote	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
	SME	Recurrent	780,390	1,386,565	10,000,000	10,000,000	9,942,933	99
		Development	1,745,165	4,350,386	12,581,663	53,666,647	12,210,523	23
		Total	2,525,555	5,736,951	22,581,663	63,666,647	22,153,456	35
	Culture and Tourism	Recurrent	96,423,300	108,162,965	64,035,223	80,035,223	77,106,922	96
		Development	4,342,239	21,335,939	55,814,002	45,814,002	11,066,309	24
		Total	100,765,539	129,498,904	119,849,225	125,849,225	88,173,231	70
Sector Sub-Total		231,920,475	203,741,060	664,481,184	579,396,200	267,710,101	46	
Health	Health	Recurrent	4,065,419,607	3,867,858,032	4,062,841,432	4,345,380,767	4,115,520,128	95
		Development	132,306,109	209,589,012	994,139,145	836,603,636	470,040,244	56
		Total	4,197,725,716	4,077,447,044	5,056,980,577	5,181,984,403	4,585,560,372	88
Public Administration	Office of the Governor	Recurrent	483,535,953	466,629,103	580,874,154	590,874,154	477,506,629	81
		Development	2,996,800	13,638,038	19,578,170	19,578,170	4,973,268	25
		Total	486,532,753	480,267,141	600,452,324	610,452,324	482,479,897	79
	Finance	Recurrent	491,287,132	240,971,771	404,743,801	565,486,322	435,727,063	77
		Development	184,159,173	65,079,561	289,431,500	532,387,631	456,464,230	86
		Total	675,446,305	306,051,332	694,175,301	1,097,873,953	892,191,293	81
	Revenue Management	Recurrent	44,700,788	268,800,752	410,987,593	510,983,593	477,388,928	93
		Development	9,111,038	26,026,840	122,750,745	86,750,745	41,968,322	48
		Total	53,811,826	294,827,592	533,738,338	597,734,338	519,357,250	87
	Economic Planning	Recurrent	10,873,032	31,025,875	113,553,443	155,396,579	134,020,081	86
		Development	-	-	3,000,000	-	-	-
		Total	10,873,032	31,025,875	116,553,443	155,396,579	134,020,081	86
	Public Service and Performance Management	Recurrent	730,586,340	301,809,477	348,698,885	599,313,416	547,129,942	91
		Development	-	-	2,000,000	2,000,000	-	-
		Total	730,586,340	301,809,477	350,698,885	601,313,416	547,129,942	91
	County Attorney	Recurrent	33,190,123	67,513,137	83,564,716	83,564,716	51,440,570	62
		Development	-	-	9,300,000	9,300,000	-	-
		Total	33,190,123	67,513,137	92,864,716	92,864,716	51,440,570	55
	County Public Service Board	Recurrent	34,202,221	39,691,446	38,013,709	38,013,709	30,161,925	79
		Development	-	-	20,000,000	3,000,000	-	-
		Total	34,202,221	39,691,446	58,013,709	41,013,709	30,161,925	74
Decentralized Units and County Administration	Recurrent	495,190,815	471,535,521	379,859,131	413,759,131	387,508,719	94	
	Development	5,694,448	-	-	62,423,347	-	-	
	Total	500,885,263	471,535,521	379,859,131	476,182,478	387,508,719	81	
Inspectorate, Firefighting and Emergency Services	Recurrent	10,990,218	16,230,943	244,361,199	244,361,199	187,619,156	77	
	Development	-	979,219	41,729,618	41,729,618	1,229,000	3	
	Total	10,990,218	17,210,162	286,090,817	286,090,817	188,848,156	66	

Sector	County Entity	Vote	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
	Public Participation, Civic Engagement and Customer Service	Recurrent	414,100	970,000	2,750,000	2,750,000	1,946,750	71
		Development	-	-	-	-	-	-
		Total	414,100	970,000	2,750,000	2,750,000	1,946,750	71
	Public Communication and E-Government	Recurrent	-	-	-	49,645,000	30,882,769	62
		Development	-	-	-	-	-	-
		Total	-	-	-	49,645,000	30,882,769	62
	County Assembly	Recurrent	911,640,806	1,109,670,183	1,008,995,826	1,008,995,826	919,694,196	91
		Development	137,355,091	22,470,207	292,000,000	79,000,000	57,346,762	73
		Total	1,048,995,897	1,132,140,390	1,300,995,826	1,087,995,826	977,040,958	90
Sector Sub-Total		3,585,928,078	3,143,042,073	4,416,192,490	5,099,313,156	4,243,008,310	83	
Education and Social Welfare	Education	Recurrent	374,566,098	430,262,603	546,786,371	663,861,437	529,201,849	80
		Development	22,593,487	46,271,516	172,729,112	122,434,883	-	-
		Total	397,159,585	476,534,119	719,515,483	786,296,320	529,201,849	67
	Youth and Sports	Recurrent	5,304,882	23,734,387	71,296,382	134,536,382	81,236,507	60
		Development	35,768,903	47,299,280	61,000,000	123,500,000	80,221,535	65
		Total	41,073,785	71,033,667	132,296,382	258,036,382	161,458,042	63
	Gender and Social Welfare	Recurrent	10,812,888	2,594,052	53,343,387	78,343,387	64,940,882	83
		Development	-	-	131,655,003	82,955,003	45,370,482	55
		Total	10,812,888	2,594,052	184,998,390	161,298,390	110,311,364	68
Sector Sub-Total		449,046,258	550,161,838	1,036,810,255	1,205,631,092	800,971,255	66	
Water and Irrigation	Water and Irrigation	Recurrent	94,721,862	106,281,746	101,074,249	113,174,249	105,585,712	93
		Development	142,537,117	223,188,414	444,461,724	419,561,724	186,644,402	44
		Total	237,258,979	329,470,160	545,535,973	532,735,973	292,230,114	55
	Sewerage, Sanitation and Waste Management	Recurrent	13,854,532	4,861,180	5,050,000	5,050,000	2,948,411	58
		Development	2,928,150	-	31,205,000	31,205,000	146,466	0
		Total	16,782,682	4,861,180	36,255,000	36,255,000	3,094,877	9
Sector Sub-Total		254,041,661	334,331,340	581,790,973	568,990,973	295,324,991	52	
Lands, Environment and Natural Resources	Lands and Physical Planning	Recurrent	65,000,912	54,192,308	62,346,321	62,346,321	59,061,691	95
		Development	-	2,943,853	42,755,550	42,755,550	-	-
		Total	65,000,912	57,136,161	105,101,871	105,101,871	59,061,691	56
	Environment	Recurrent	4,416,940	3,233,170	9,546,172	9,546,172	3,135,630	33
		Development	44,266,997	69,568,478	-	24,900,000	-	-
		Total	48,683,937	72,801,648	9,546,172	34,446,172	3,135,630	9
	Climate Change	Recurrent	-	-	21,917,699	21,917,699	6,958,268	32
		Development	-	-	245,038,276	381,566,128	256,693,086	67
		Total	-	-	266,955,975	403,483,827	263,651,354	65
Sector Sub-Total		113,684,849	129,937,809	381,604,018	543,031,870	325,848,675	60	

Sector	County Entity	Vote	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
TOTAL RECURRENT			8,700,451,134	8,398,286,777	9,588,286,520	10,774,235,047	9,506,985,067	88
TOTAL DEVELOPMENT			1,632,483,850	1,858,759,533	5,158,715,932	5,034,219,176	2,951,466,439	59
Total County Budget.			10,332,934,984	10,257,046,310	14,747,002,452	15,808,454,223	12,458,451,506	79

Table 9 County Expenditure Performance for the Period Ending 30th June, 2024 by Programme

i. Recurrent Expenditure

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
OFFICE OF THE GOVERNOR						
Coordination and Supervisory Services	297,328,504	277,976,236	309,336,718	317,336,718	276,991,667	87
Transport Services	30,420,027	27,496,393	31,733,750	31,733,750	26,619,975	84
Human Resource and Administration Services	79,927,351	23,417,224	55,250,000	44,250,000	37,413,630	85
ICT Services	10,372,713	13,125,963	22,641,444	18,641,444	16,065,367	86
Hospitality Services	16,863,491	19,998,666	25,973,355	30,973,355	20,878,797	67
Cabinet Office	3,457,180	6,279,676	6,493,175	6,493,175	4,553,359	70
Office of the Deputy Governor	21,156,578	60,053,808	74,457,386	74,457,386	56,094,603	75
Office of the County Secretary	7,498,231	21,745,853	34,816,786	46,816,786	29,213,570	62
Office of the County Advisors	6,153,440	3,653,217	20,171,540	20,171,540	9,675,661	48
PDME	10,358,438	12,882,067				
TOTAL	483,535,953	466,629,103	580,874,154	590,874,154	477,506,629	81
COUNTY PUBLIC SERVICE BOARD						
Human Resource and Administration Services	34,202,221	39,691,446	38,013,709	38,013,709	30,161,925	79
TOTAL	34,202,221	39,691,446	38,013,709	38,013,709	30,161,925	79
ROADS, TRANSPORT AND PUBLIC WORKS						
General Administration and Support Services	154,084,740	174,044,742	196,036,258	199,956,258	161,454,473	81
Road Development and Management	3,540,522	436,478	1,200,000	350,000	123,755	35
County Government Building Services	202,240	99850	10,100,000	1,082,939	100,000	9
County Fleet Management	37,987,875	71,909,709	40,100,000	50,100,000	49,899,994	100
TOTAL	195,815,377	246,490,779	247,436,258	251,489,197	211,578,222	84
HEALTH						
General Administration and Support Services	3,471,822,090	3,369,973,385	3,418,345,006	3,556,536,552	3,397,314,516	96
Machakos Level 5	368,251,244	345,120,857	169,429,588	233,960,800	212,423,063	91
Kangundo Level 4	40,668,381	39,256,958	54,100,000	51,997,889	49,412,711	95
Matuu Level 4	30,141,390	24,482,508	43,600,000	42,600,000	40,378,110	95
Kathiani Level 4	20,390,798	15,434,341	58,600,000	52,189,155	46,517,385	89
Mwala Level 4	15,264,384	8,106,031	43,600,000	43,600,000	40,822,891	94
Kimiti Level 4	5,252,468	2,911,663	38,600,000	38,600,000	35,612,053	92
Masinga Level 4	3,005,863	2,983,911	40,600,000	40,600,000	36,227,922	89
Athi River Level 4	3,497,269	3,046,944	30,600,000	30,600,000	27,905,778	91
Mutituni Level 4	2,023,000	5,046,911	30,600,000	28,600,000	22,268,821	78
Ndithini Level 4	2,304,916	4,860,275	30,600,000	29,600,000	24,494,906	83
Kalama Level 4	6,098,578	3,861,665	30,600,000	29,029,533	26,279,971	91
Public Health	88,812,328	37,772,583	73,566,838	167,466,838	155,862,001	93
Emergency Services	7,886,898	5,000,000				

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
TOTAL	4,065,419,607	3,867,858,032	4,062,841,432	4,345,380,767	4,115,520,128	95
COUNTY ASSEMBLY						
Legislative Services	911,640,806	1,109,670,183	1,008,995,826	1,008,995,826	919,694,196	91
TOTAL	911,640,806	1,109,670,183	1,008,995,826	1,008,995,826	919,694,196	91
WATER, IRRIGATION, ENVIRONMENT AND CLIMATE CHANGE						
Water Resources Management	15,261,636	4,244,364	97,924,249	107,924,249	101,746,047	94
Sewerage System and Sanitation Management	4,783,035	3,673,250	1,550,000	1,550,000	1,448,600	93
General Administration and Support Services	79,460,226	102,037,382	3,150,000	5,250,000	3,839,665	73
Environment and Natural Resources	4,416,940	3,233,170	9,546,172	9,546,172	3,135,630	33
Climate Change			21,917,699	21,917,699	6,958,268	32
TOTAL	103,921,837	113,188,166	134,088,120	146,188,120	117,128,210	80
AGRICULTURE, FOOD SECURITY AND CO-OPERATIVE DEVELOPMENT						
General Administration and Support Services	382,405,212	241,000,162	342,470,164	340,820,164	227,463,145	67
Crop Development and Management	3,418,021	3,515,550	2,260,005	2,235,005	1,986,050	89
Livestock Resources Management and Development	2,053,145	1,739,740	1,366,548	2,216,548	1,718,991	78
Fisheries Development	496,620	1,591,100	1,056,906	1,056,906	969,480	92
Veterinary Services	226,800	1,510,045	855,993	1,355,993	1,258,400	93
Agriculture Training Centre	1,941,200	1,350,000	2,614,704	3,439,704	2,089,505	61
Co-operative Development and Marketing	2,611,546	21,875,987	22,648,493	32,648,493	15,871,994	48
Capacity Building Services	2,642,536	-	1,000,000	1,000,000	728,500	73
Promotion of Co-operative Marketing and Value Chain	2,636,830	1,612,000	1,000,000	1,000,000	205,200	21
Co-operative Financial Services	3,238,226	1,400,000	1,500,000	1,500,000	1,207,100	80
Promotion and growth of Co-operative Societies	2,654,388	684,224	1,250,000	1,250,000	967,000	77
Co-operative Audit Support Services	3,899,400	597,260	1,550,000	1,550,000	1,182,700	76
TOTAL	408,223,924	276,876,068	379,572,813	390,072,813	255,648,065	66
FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT						
Revenue Management	44,700,788	268,800,752	410,987,593	510,983,593	477,388,928	93
Budget Formulation, Coordination and Implementation	42,833,773	43,455,529	42,363,780	67,818,780	65,325,541	96
Supply Chain Management	6,985,987	8,824,511	11,926,490	15,926,490	13,703,390	86

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Accounting Services	30,377,211	25,799,807	42,760,407	259,472,569	166,306,845	64
Audit Services	11,665,033	16,327,000	9,720,000	17,640,360	17,016,169	96
Human Resource Management and Support Services	399,425,128	146,564,924	297,973,124	204,628,123	173,375,118	85
Economic Planning and Statistical Services	10,272,408	30,275,875	39,804,069	57,147,205	47,048,682	82
Monitoring and Evaluation			9,450,248	33,950,248	31,440,093	93
External Resources Mobilization	600,624	750,000	19,449,126	19,449,126	16,063,810	83
Project Delivery Unit			44,850,000	44,850,000	39,467,496	88
ICT General Administration and Support Services	1,190,778	42,508,883	46,300,361	51,300,360	43,155,943	84
ICT Infrastructure		3,427,276	6,143,554	6,143,554	1,289,976	21
Closed Circuit Television	583,048	250,000	1,525,000	1,525,000		-
Public Communication Support Services			-	49,645,000	30,882,769	62
TOTAL	548,634,778	586,984,557	983,253,752	1,340,480,408	1,122,464,760	84
GENDER, YOUTH, SPORTS AND SOCIAL WELFARE			(2)			
Youth and Sports Administrative Support Services	1,155,266		71,296,382	134,536,382	81,236,507	60
Gender and Social Welfare Administrative Support Services	10,812,888	2,594,052	53,343,387	78,343,387	64,940,882	
Stadia Management	1,183,046	1,449,952				
Sports Management	1,834,790	20,920,000				
Youth Empowerment	1,131,780	1,364,435				
TOTAL	16,117,770	26,328,439	124,639,769	212,879,769	146,177,389	69
TRADE, INDUSTRY, TOURISM AND INNOVATION						
Trade Administrative and Support Services	73,659,428	71,794,020	44,797,449	45,838,357	40,641,783	89
Trade and External Relations		865,700	2,715,433	2,715,433	1,635,880	60
Small and Medium Sized Enterprise Development	780,390	1,386,565	10,000,000	10,000,000	9,942,933	99
Industrialization and Innovation			46,736,010	45,695,102	39,615,656	87
Investment Promotion	1,577,554	225,000	10,000,000	10,000,000	5,971,155	60
Tourism Administrative and Support Services	92,220,524	101,950,763	58,147,873	58,147,873	56,438,072	97
Heritage and Culture	1,018,655	1,082,320	999,722	5,999,722	5,974,800	100
Liquor Management	350,000	775,489	701,270	5,501,270	5,349,650	97
Tourism Development and Marketing	387,031	392,587	887,350	2,087,350	1,610,000	77

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Recreational Facilities Management		745,690	1,299,502	1,299,502	999,000	77
Machawood	1,043,712	2,116,115	998,308	5,998,308	5,980,900	100
County Image	1,403,378	1,100,001	1,001,198	1,001,198	754,500	75
Digital Economy				3,700,000	3,413,400	92
TOTAL	172,440,672	182,434,250	178,284,115	197,984,115	178,327,729	90
EDUCATION						
General Administration Planning and Support Services	374,566,098	414,943,413	536,929,693	640,411,437	507,929,552	79
Basic Education			9,856,678	11,350,000	11,151,875	98
Vocational Training Services		15,319,190		12,100,000	10,120,422	84
TOTAL	374,566,098	430,262,603	546,786,371	663,861,437	529,201,849	80
LANDS, URBAN DEVELOPMENT, HOUSING AND ENERGY						
Lands and Physical Planning	65,000,912	54,192,308	62,346,321	62,346,321	59,061,691	95
County Electrification	17,927,911	21,541,507	28,076,213	28,076,213	26,730,266	95
Housing and Urban Development	2,987,235	99,900,343	98,643,736	98,643,736	93,561,006	95
Machakos Municipality	7,872,948	5,400,000	17,000,000	17,000,000	13,578,704	80
Mavoko Municipality	7,591,401	7,199,999	19,000,000	19,000,000	18,308,470	96
Kangundo-Tala Municipality	5,108,591	4,391,986	15,700,000	15,700,000	15,190,880	97
TOTAL	106,488,998	192,626,143	240,766,270	240,766,270	226,431,017	94
DEVOLUTION						
Public Service General Administration and Support Services	680,086,350	296,874,037	298,357,385	548,971,916	509,787,355	93
Performance Management	159,960		2,500,000	2,500,000	238,200	10
Training, Research and Development	50,340,030	4,935,440	47,841,500	47,841,500	37,104,387	78
County Administration and Decentralized Units	493,759,304	470,389,123	372,609,131	407,409,131	382,473,360	94
Civic Management	414,100	970,000	2,750,000	2,750,000	1,946,750	71
Administration and Coordination Services	1,431,511	1,146,398	7,250,000	6,350,000	5,035,359	79
Solid Waste Management	9,071,497	1,187,930	3,500,000	3,500,000	1,499,811	43
Inspectorate Management Services	10,990,218	16,230,943	225,222,199	225,222,199	179,627,540	80
Emergency Services			19,139,000	19,139,000	7,991,616	42
TOTAL	1,246,252,970	791,733,871	979,169,215	1,263,683,746	1,125,704,378	89
COUNTY ATTORNEY						
Legal Services	33,190,123	67,513,137	83,564,716	83,564,716	51,440,570	62
TOTAL	33,190,123	67,513,137	83,564,716	83,564,716	51,440,570	62
GRAND TOTAL	8,700,451,134	8,398,286,777	9,588,286,520	10,774,235,047	9,506,985,067	88

ii. Development Expenditure

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
OFFICE OF THE GOVERNOR						
Coordination and Supervisory Services	2,996,800	13,638,038	12,243,690	12,243,690		-
Office of the Deputy Governor			7,334,480	7,334,480	732,271	10
TOTAL	2,996,800	13,638,038	19,578,170	19,578,170	732,271	4
COUNTY PUBLIC SERVICE BOARD						
Human Resource and Administration Services			20,000,000	3,000,000		-
TOTAL	-	-	20,000,000	3,000,000	-	-
ROADS, TRANSPORT AND PUBLIC WORKS						
General Administration and Support Services	64,291,554	66,984,129	71,500,000	86,500,000	73,554,806	85
Road Development and Management	421,842,571	347,904,074	376,500,000	356,500,000	270,580,265	76
County Government Building Services	77,509,340	117,044,724	191,731,765	52,331,765	17,910,285	34
County Fleet Management	20,589,322	67,328,270	72,000,000	70,000,000	63,328,988	90
TOTAL	584,232,787	599,261,197	711,731,765	565,331,765	425,374,344	75
HEALTH						
General Administration and Support Services	29,343,259	94,114,744	538,872,154	463,071,574	347,902,347	75
Machakos Level 5	24,132,409	87,123,390	142,000,000	32,000,000	23,000,000	72
Kangundo Level 4	7,278,666	2,300,725	15,000,000	22,000,000	5,041,082	23
Matuu Level 4	12,528,016	5,604,904	26,000,000	40,000,000	28,109,483	70
Kathiani Level 4			12,993,866	12,258,937	1,562,381	13
Mwala Level 4			23,000,000	13,000,000	7,000,000	54
Kimiti Level 4			10,000,000	4,000,000		-
Masinga Level 4			10,000,000	4,000,000		-
Athi River Level 4			10,000,000	4,000,000		-
Mutituni Level 4			11,000,000	4,000,000		-
Ndithini Level 4			21,000,000	21,000,000	13,030,951	62
Kalama Level 4			10,000,000	4,000,000		-
Public Health	58,539,759	20,445,249	164,273,125	213,273,125	44,394,000	21
Emergency Services	484,000					
TOTAL	132,306,109	209,589,012	994,139,145	836,603,636	470,040,244	56
COUNTY ASSEMBLY						
Legislative Services	137,355,091	22,470,207	292,000,000	79,000,000	57,346,762	73
TOTAL	137,355,091	22,470,207	292,000,000	79,000,000	57,346,762	73
WATER, IRRIGATION, ENVIRONMENT AND CLIMATE CHANGE						
Water Resources Management	116,422,614	160,617,818	320,000,000	320,000,000	150,591,201	47
Sewerage System and Sanitation Management			29,000,000	29,000,000	146,466	1
Development and Promotion of Irrigation Schemes	25,082,999	47,322,347	99,561,724	99,561,724	36,053,200	36
General Administration and Support Services	1,031,504	15,248,249				
Environment and Natural	44,266,997	69,568,478	24,900,000	24,900,000		-

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Resources						
Climate Change			245,038,276	381,566,128	256,693,086	67
TOTAL	186,804,114	292,756,892	718,500,000	855,027,852	443,483,954	52
AGRICULTURE, FOOD SECURITY AND CO-OPERATIVE DEVELOPMENT						
General Administration and Support Services	220,795,023	205,975,469	562,487,090	498,879,819	589,207,440	118
Crop Development and Management	1,000,000	33,664,340	122,459,386	82,459,386	74,592,718	90
Livestock Resources Management and Development	3,248,730	11,138,997	62,852,605	54,809,200	16,567,969	30
Fisheries Development		1,799,940	17,329,908	14,190,578	227,960	2
Veterinary Services	683,704	1,473,312	13,082,928	21,126,331	8,868,736	42
Agriculture Training Centre		3,296,728	25,000,000	92,260,000	2,679,182	3
Co-operative Development and Marketing				10,000,000		-
Promotion of Co-operative Marketing and Value Chain		13,241,918	25,000,000	20,000,000	10,000,000	50
Promotion and growth of Co-operative Societies			2,425,498	2,425,500		-
TOTAL	225,727,457	270,590,704	830,637,415	796,150,814	702,144,004	88
FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT						
Revenue Management	9,111,038	26,026,840	122,750,745	86,750,745	41,968,322	48
Budget Formulation, Coordination and Implementation		3,967,082	93,931,500	2,059,500		-
Supply Chain Management	800,000	771,071				
Accounting Services	182,144,471	53,114,880	180,000,000	514,828,131	456,464,230	89
Audit Services	1,214,702	318,355	15,500,000	15,500,000		-
Human Resource Management and Support Services		6,908,173				
Economic Planning and Statistical Services			3,000,000			
ICT General Administration and Support Services	1,197,580	42,192,977				
ICT Infrastructure			59,794,177	100,666,177	70,047,734	70
TOTAL	194,467,791	133,299,378	474,976,422	719,804,553	568,480,286	79
GENDER, YOUTH, SPORTS AND SOCIAL WELFARE						
Gender and Social Welfare Administrative Support Services	-	0	131,655,003	82,955,003	45,370,482	55
Stadia Management	29,048,229	37,509,980	31,000,000	31,000,000	1,463,685	5
Sports Management	4,020,674	9,789,300	10,000,000	80,000,000	72,880,953	91
Youth Empowerment	2,700,000		20,000,000	12,500,000	5,876,897	47
TOTAL	35,768,903	47,299,280	192,655,003	206,455,003	125,592,017	61
TRADE, INDUSTRY, TOURISM AND INNOVATION						
Trade Administrative and Support Services			8,000,000	8,000,000		-

Programme	Actual Expenditure FY 2021/2022	Actual Expenditure FY 2022/2023	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)
Trade and External Relations	40,016,159	1,357,436	39,298,083	39,298,083	19,298,083	49
International Trade			2,000,000	2,000,000		-
Small and Medium Sized Enterprise Development	1,745,165	4,350,386	12,581,663	53,666,647	12,210,523	23
Industrialization and Innovation	15,901,795		391,084,984	300,000,000	72,374,314	24
Tourism Administrative and Support Services			8,164,002	5,164,002		-
Heritage and Culture			2,450,000	2,450,000		-
Liquor Management			1,500,000			
Tourism Development and Marketing	4,342,239	3,584,039				
Recreational Facilities Management		17,751,900	21,000,000	18,000,000	4,131,928	23
Machawood			22,500,000	20,000,000	6,934,381	35
County Image			200,000	200,000		-
TOTAL	62,005,358	27,043,761	508,778,732	448,778,732	114,949,228	26
EDUCATION						
General Administration Planning and Support Services	22,593,487	3,678,200	110,000,000	35,000,000		-
Basic Education		11,030,025	15,000,000	15,000,000		-
Youth Development Services		31,563,291	47,729,112	72,434,883		-
TOTAL	22,593,487	46,271,516	172,729,112	122,434,883	-	-
LANDS, URBAN DEVELOPMENT, HOUSING AND ENERGY						
Lands and Physical Planning		2,943,853	42,755,550	42,755,550		-
County Electrification	31,715,119	85,485,681	75,000,000	75,000,000	30,743,204	41
Housing and Urban Development	7,888,236	107,130,795	1,400,000	1,400,000		-
Machakos Municipality			11,200,000	100,417,607	5,141,858	5
Mavoko Municipality			11,200,000	12,328,536	1,546,551	13
Kangundo-Tala Municipality			26,200,000	32,494,110	4,662,708	14
TOTAL	39,603,355	195,560,329	167,755,550	264,395,803	42,094,320	16
DEVOLUTION						
Public Service General Administration and Support Services			2,000,000	2,000,000		-
County Administration and Decentralized Units	5,694,448			12,923,347		-
Administration and Coordination Services				49,500,000		-
Solid Waste Management	2,928,150		2,205,000	2,205,000		-
Inspectorate and Fire Fighting Services		979,219	41,729,618	41,729,618	1,229,000	3
TOTAL	8,622,598	979,219	45,934,618	108,357,965	1,229,000	1
COUNTY ATTORNEY						
Legal Services			9,300,000	9,300,000		-
TOTAL	-	-	9,300,000	9,300,000	-	-
GRAND TOTAL	1,632,483,850	1,858,759,533	5,158,715,932	5,034,219,176	2,951,466,430	59

2.2.6 Adherence to Fiscal Responsibility Principles

23. In line with the Kenya Constitution 2010, the PFM Act, 2012 and the PFM regulations 2015, the County will strive towards adhering to the fiscal responsibility principles as set out in the statute as follows:

- i. The County Government's recurrent expenditure shall not exceed the County Government's total revenue

From table 7, allocation to recurrent expenditure in the reporting period was Kshs. 10.7billion against total revenue of Kshs. 15.8billion while actual expenditure stood at Kshs. 9.5billion against available revenue of Kshs. 13.1billion. The County therefore adhered to the stated fiscal responsibility.

- ii. Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure

In the FY 2023/2024, the allocation to development in the revised budget estimates was 32% of the total expenditures while actual expenditures were 24% of the total actual County expenditure. This performance was below the set threshold on account of late disbursements of exchequer and low OSR collections. In FY 2024/2025, the allocation to development expenditure is 30 percent of total expenditure and is projected to remain above the 30% threshold over the medium term.

- iii. The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations.

Employee compensation (including benefits and allowances) in the FY 2023/2024 surpassed the statutory threshold of 35% which was allocated at 43% of the total County budget with an actual expenditure of 49% of the available spending revenue. This was attributed to the need to adhere to the existing collective bargaining agreements, recruitment of additional staff especially in revenue section, promotion of staff in line with schemes of service and payment of pension pending bills. The County is however putting measures in place in order to ensure adherence to the fiscal principle through staff rationalization.

- iv. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.

In the reporting period, the County did not have borrowings as specified in the Act and when the regulations are enacted that allow County borrowing, all necessary measures shall be put in place to ensure that the borrowings are for financing of development projects.

- v. Public debt and obligations shall be maintained at a sustainable level as approved by County Government.

In the FY 2023/2024, the County did not have debts in the context of meaning assigned to County Public Debt under section 2 of the Public Finance Management Act, 2012.

- vi. Fiscal risks shall be managed prudently

The County Government has taken into account the fiscal risks arising from unforeseen occurrences. In this regard therefore, the county has in every financial year factored funds in the budget to cater for urgent and unforeseen expenditure.

- vii. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

The National Treasury has developed and started implementation of the National Tax Policy whose objectives is to provide guidelines on taxation policy that support economic development and promote economic diversification, enhance the country's competitive edge, and establish tax incentive schemes that are aligned to the Government's development agenda, promote investment and foster a flexible fiscal space that contains revenue-raising tax policy and administrative reforms to be undertaken over the medium-term. Further, the Government continues to carry out tax reforms through modernization and simplification of tax laws in order to lock in predictability and enhance compliance within the tax system. The main objective is to raise adequate tax revenues, predictable tax environment and minimize tax expenditures

At the County level, the Finance Bills presented to the County Assembly for approval have been stable and predictable and there are continuous efforts to reform and automate revenue collection processes to enhance compliance and expand the revenue base

2.2.7 Challenges faced during implementation:

- i. IFMIS downtimes delaying payments/operations.
- ii. Delays in Exchequer disbursements leading to delays in projects implementation and payments.
- iii. General climate change leading to prolonged drought periods, unreliable and erratic rainfall and increase in temperatures.
- iv. Increase in inflation rates has led to increased cost overruns of programmes/projects against the planned cost hence causing delay in payments.

CHAPTER THREE

3 RECENT ECONOMIC DEVELOPMENTS AND FISCAL OUTLOOK

3.1 Introduction

24. Achieving the County's medium-term strategic objective is dependent on the performance of both the Global and the National economy. This section provides an overview of the recent economic developments at the Global, National, County levels and the impact that these occurrences have on the County economic development.

3.2 Global Economic Developments

25. Global growth is projected at 3.2 percent in 2024 and 3.3 percent in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. To manage these risks and preserve growth, the policy mix should be sequenced carefully to achieve price stability and replenish diminished buffers.

26. Among advanced economies, growth is expected to converge over the coming quarters. In the United States, projected growth is revised downward to 2.6 percent in 2024, reflecting the slower-than-expected start to the year. Growth is expected to slow to 1.9 percent in 2025 as the labor market cools and consumption moderates, with fiscal policy starting to tighten gradually.

27. In the Euro Area, activity appears to have bottomed out. A modest pickup of 0.9 percent is expected for 2024, driven by stronger momentum in services and higher-than-expected net exports in the first half of the year; growth is projected to rise to 1.5 percent in 2025. This is underpinned by stronger consumption on the back of rising real wages, as well as higher investment from easing financing conditions amid gradual monetary policy loosening this year. Continued weaknesses in manufacturing suggest a more sluggish recovery in countries such as Germany.

28. In Japan, the strong *shunto* wage settlement is expected to support a turnaround in private consumption starting in the second half. But the expectation for 2024 growth is revised downward by 0.2 percentage point, with the downward adjustment largely reflecting temporary supply disruptions and weak private investment in the first quarter.
29. The forecast for growth in emerging market and developing economies is revised upward; the projected increase is powered by stronger activity in Asia, particularly China and India. For China, the growth forecast is revised upward to 5 percent in 2024, primarily on account of a rebound in private consumption and strong exports in the first quarter. In 2025, GDP is projected to slow to 4.5 percent, and to continue to decelerate over the medium term to 3.3 percent by 2029, because of headwinds from aging and slowing productivity growth. The forecast for growth in India has also been revised upward, to 7.0 percent, this year, with the change reflecting carryover from upward revisions to growth in 2023 and improved prospects for private consumption, particularly in rural areas.
30. With regard to Latin America and the Caribbean, growth has been revised downward for 2024 in Brazil, reflecting the near-term impact of flooding, and in Mexico, due to moderation in demand. However, growth has been revised upwards in 2025 for Brazil to reflect reconstruction following the floods and supportive structural factors (for example, acceleration in hydrocarbon production).
31. For the Middle East and Central Asia, oil production and regional conflicts continue to weigh on prospects. The growth forecast for 2024 in Saudi Arabia has been revised downward by 0.9 percentage point; the adjustment reflects mainly the extension of oil production cuts.

Table 10 : World Economic Outlook Projections

Economy	Growth (%)			
	Actual		Projections	
	2022	2023	2024	2025
World Output	3.5	3.3	3.2	3.3
Advanced Economies	2.6	1.7	1.7	1.8
<i>Of which: USA</i>	1.9	2.5	2.6	1.9

Economy	Growth (%)			
	Actual		Projections	
	2022	2023	2024	2025
<i>Japan</i>	1.0	1.9	0.7	1.0
Euro Area	3.4	0.5	0.9	1.5
<i>Of which: France</i>	2.6	1.1	0.9	1.3
<i>Spain</i>	5.8	2.5	2.4	2.1
Other Advanced Economy	2.7	1.8	2.0	2.2
Emerging Markets and Developing Economies	4.1	4.4	4.3	4.3
<i>Of which: China</i>	3.0	5.2	5.0	4.5
<i>India</i>	7.0	8.2	7.0	6.5
Sub-Saharan Africa	4.0	3.4	3.7	4.1
<i>Of which: Nigeria</i>	3.3	2.9	3.1	3.0
<i>South Africa</i>	1.9	0.7	0.9	1.2
<i>Kenya*</i>	4.9	5.6	5.2	5.4

*Source: IMF World Economic Outlook Update July 2024; *National Treasury Projections*

3.3 Regional Economic Developments

32. Africa's real GDP growth is estimated at 3.1% in 2023 down from 4.1% in 2022 and projected to increase to 3.7% in 2024 and firm up 4.3% in 2025 as most existing headwinds fade. The continent will thus remain second fastest growing region after developing Asia, in 2024/2025.

33. Potential Downside Risks within the continent include persistent inflationary pressures; climate shocks; high interest rates and debt service costs; commodity dependence and price volatility; regional conflicts and political instability among others.

34. In the sub-Saharan Africa, after four turbulent years, the outlook is gradually improving. Growth will rise from 3.4% in 2023 to 3.8% in 2024, with nearly two thirds of countries anticipating higher growth. Economic recovery is expected to continue beyond this year, with growth projections reaching 4.0% in 2025. Additionally, inflation has almost halved, public debt ratios have broadly stabilized, and several countries have issued Eurobonds this year, ending a two-year hiatus from international markets.

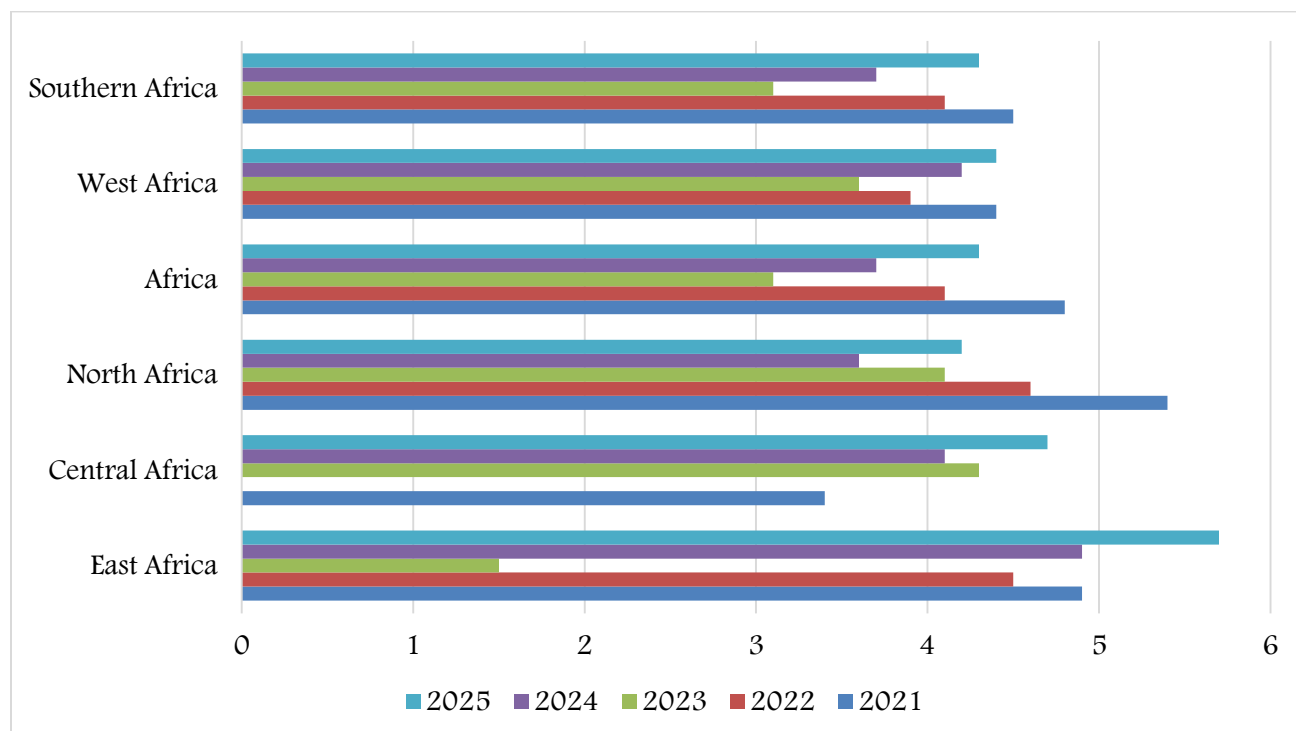
35. The funding squeeze persists as the region's governments continue to grapple with financing shortages, high borrowing costs, and impending debt repayments. Risks to the outlook remain tilted to the downside. The region continues to be more vulnerable to global external shocks, as well as the threat of rising political instability, and

frequent climate events. Three policy priorities can help countries adapt to these challenges: improving public finances without undermining development; monetary policy focused on ensuring price stability; and implementing structural reforms to diversify funding sources and economies. Amid these challenges, sub-Saharan African countries will need additional support from the international community to develop a more inclusive, sustainable, and prosperous future.

36. East Africa is projected to lead GDP growth on the continent, amidst global challenges, according to the African Development Bank Group’s African Economic Outlook 2024 report. The region is expected to see the fastest growth, with real GDP growth rising from an estimated 1.5 per cent in 2023 to 4.9 per cent in 2024 and 5.7 per cent in 2025.

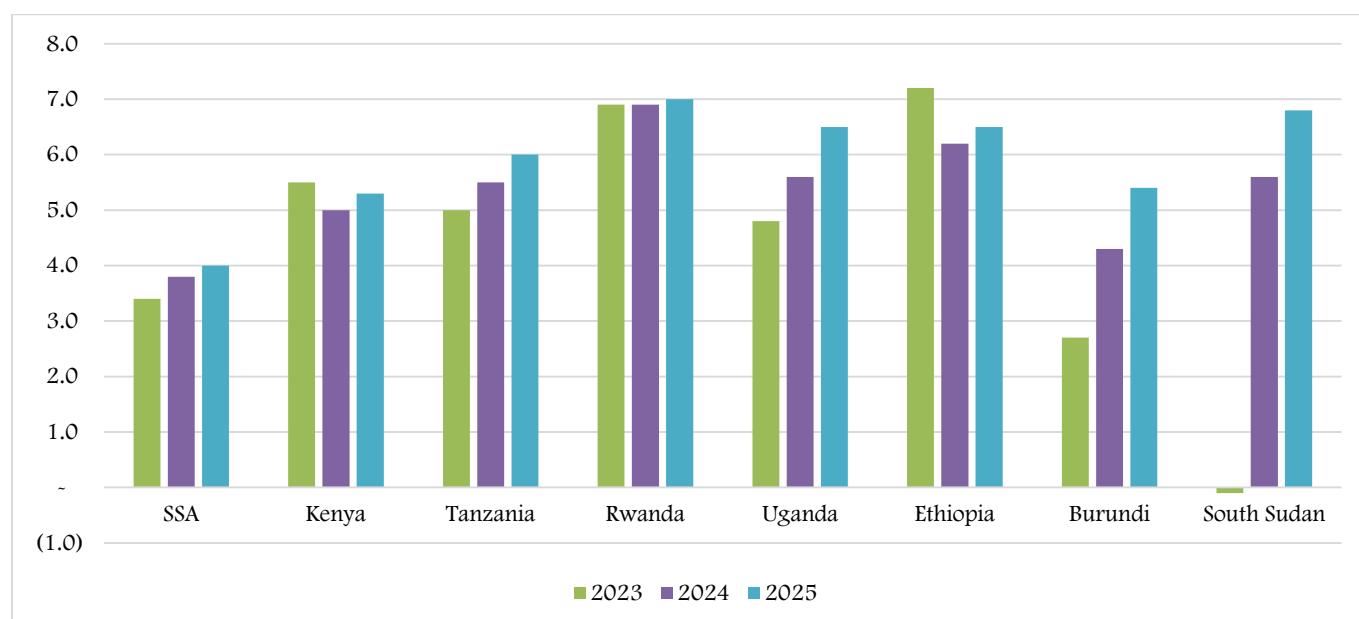
37. However, the economic uncertainties in South Sudan and Sudan due to conflict have led to a downward revision of 0.2 percentage points for 2024 due to larger-than-expected contractions in the two states.

Figure 9 : Africa Regional Economic Performance



Source: African Development Bank Annual Report, June 2024

Figure 10: East Africa Growth Projections



Source: *Regional Economic Outlook (SSA), April 2024*

3.4 Domestic Economic Developments

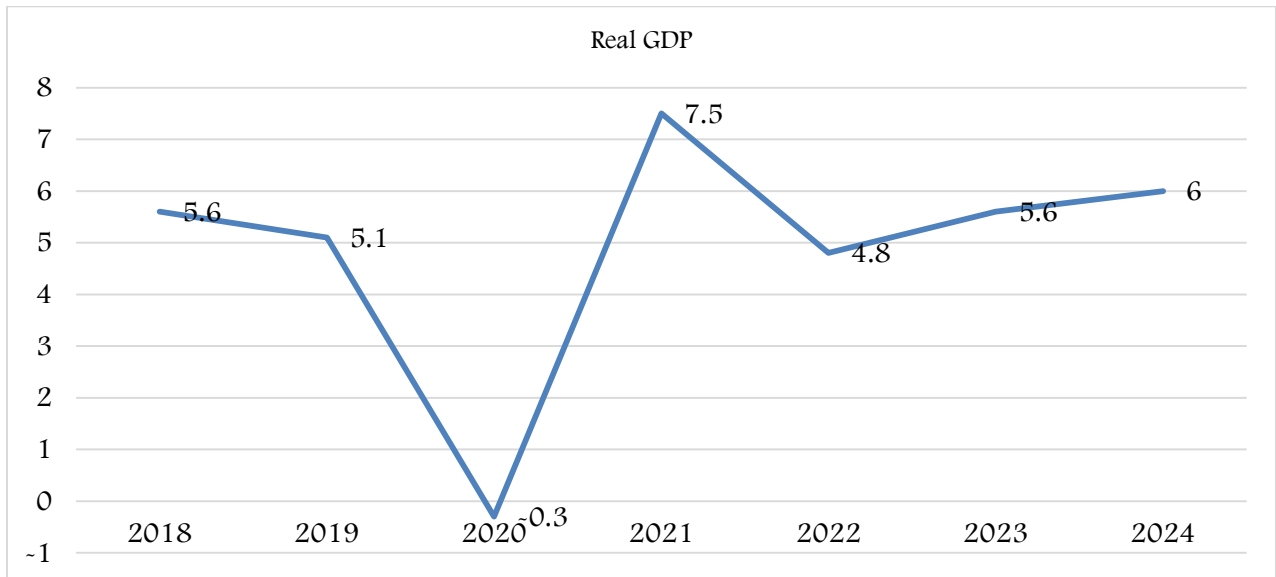
38. Kenya's economy grew 5.2% in 2023, up from 4.8% in 2022, as agriculture rebounded, and services grew moderately. On the supply side, services accounted for 69% of the growth and agriculture for 23%, while on the demand side, household consumption accounted for 70%. Inflation edged up to 7.7% in 2023 from 7.6% in 2022, driven by core inflation (32% of the change), fuel inflation (26%), and cost-push inflation (9% year on year increase in the producer price index).

39. The African Economic Outlook-2024 projects Kenya's GDP to grow by 5.4% in 2024 and 5.6% in 2025, driven by services and household consumption. Inflation is expected to fall to 6.2% in 2024 and 5.5% in 2025, as food and global inflation both decline. Monetary policy is expected to be accommodative due to projected stable inflation and exchange rates. The fiscal deficit is projected to narrow to 5.9% of GDP in 2024 and 5.0% in 2025 in response to a revenue-led fiscal consolidation program.

40. The current account deficit is projected to narrow to 4.6% of GDP in 2024 and 4.5% in 2025 as a recovery in global trade reduces the trade deficit. However, the outlook is subject to considerable risks, including tight global financing, drought, political instability in neighboring countries, and slow recovery of global growth. Risk

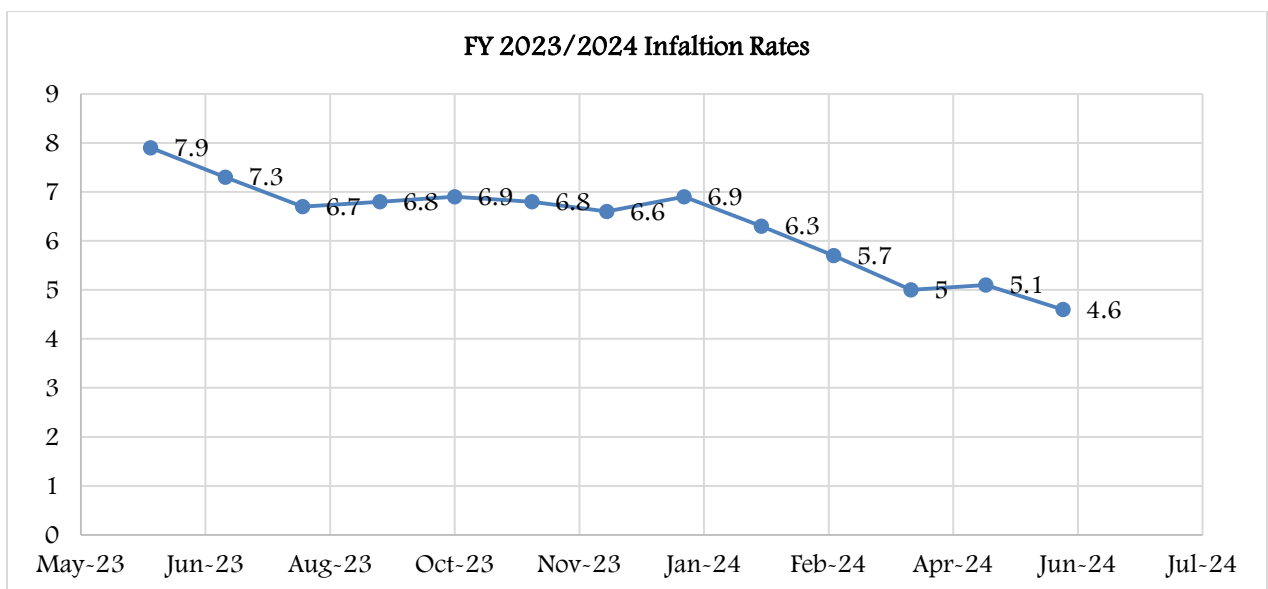
mitigation measures in the medium to long term include building fiscal and external buffers (e.g. foreign exchange reserves), strengthening disaster preparedness, and accelerating structural transformation.

Figure 11 : Kenya’s Economic Performance Over the Years



Source: Kenya Economic Update, 2023; Central Bank of Kenya (Website);

Figure 12: Monthly Trend in inflation rate



Source: KNBS CPI and Inflation Rates Report July, 2024

41. With accelerated structural transformation, GDP growth of 7.3% could create 1.36 million new jobs and cut unemployment to 7%. Achieving this requires improving governance, infrastructure, human capital development, access to finance, and macroeconomic stability.
42. The global financial architecture presents challenges to Kenya in meeting its financing gap. Kenya needs \$12 billion annually by 2030 and \$2 billion annually by 2063 to close its financing gap to fast-track structural transformation. Some of the funds could be raised through domestic resource mobilization; the current tax-to-GDP ratio of 13% is below its 27% potential. Other options include deepening the domestic financial market and mobilizing private capital and rents from natural resources. Kenya raised resources equivalent to 5% of GDP from external sources recently. Kenya is calling for changes to the global financial architecture, including the debt architecture, concessional finance, and voice and power in decision-making.

3.5 County Economic Outlook

43. According to the Gross County Product 2023, Machakos County was the sixth largest economy with a GCP estimate of KSh 378.4 billion after Nairobi, Kiambu, Mombasa, Nakuru and Meru in 2022 growing by 4% which was below the national average growth of 4.6%.
44. Although the County's contribution to Gross value Added declined from 3.3% in 2018 to 3.1% in 2022, it averaged at 3.2% which was attributed to growth in manufacturing (7.8%) due to the hosting of Export Processing Zones in Athiriver- Mavoko Sub-County; other industry activities like mining & quarrying, construction etc (4.2%); Service activities (2.6%); Agriculture, Forestry & Fishing (2.2%). Table 2 and figure 5 below presents the County's growth trends over a five-year period.

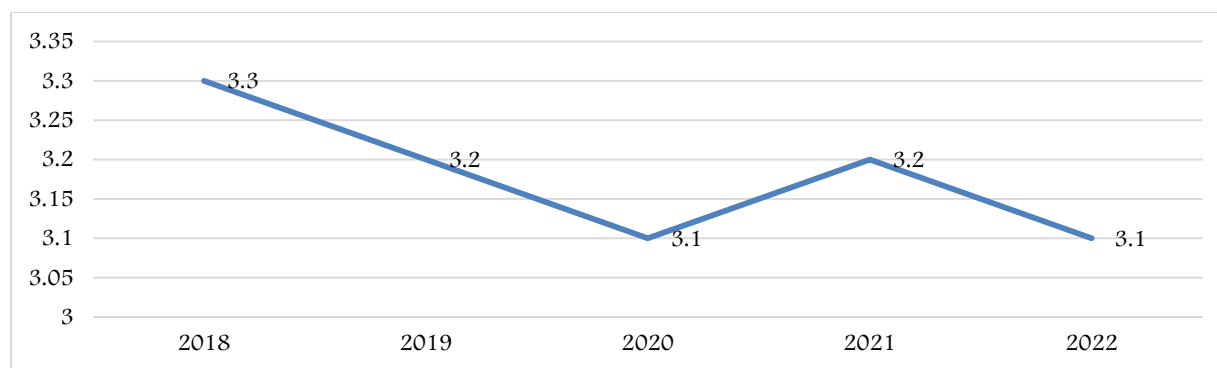
Table 11: Machakos County GCP

Year	County Share of GCP (%)	GCP at Current Prices (Millions)	GCP at Constant (2016) Prices (Millions)	GCP Per Capita
2018	3.3	281,481	261,484	204,049
2019	3.2	295,593	264,352	207,881

Year	County Share of GCP (%)	GCP at Current Prices (Millions)	GCP at Constant (2016) Prices (Millions)	GCP Per Capita
2020	3.1	309,164	265,124	214,441
2021	3.2	349,897	292,411	240,138
2022	3.1	378,446	299,377	257,025

Source: KNBS, GCP 2023

Figure 13: Five-Year Machakos Gross County Product



45. The major economic activities contributing to the County's growth include: Manufacturing; Agriculture, Forestry and Fishing; Wholesale and retail trade; Construction; Real estate and Transport as shown in table 3 and figure 6 below.

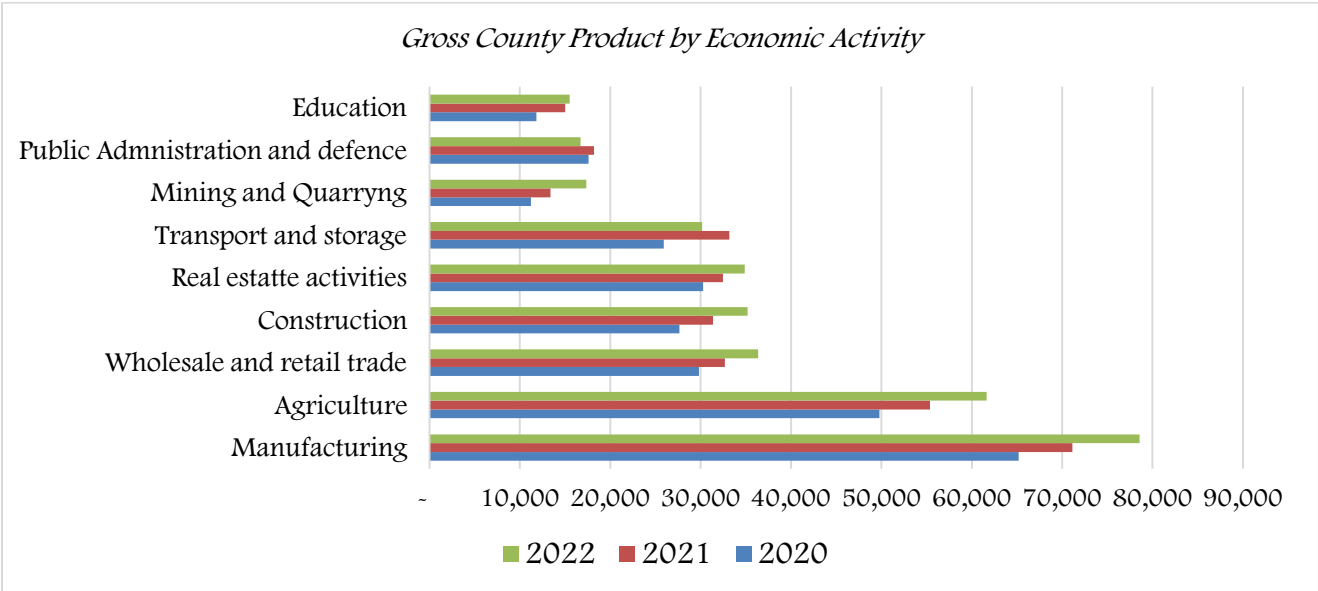
Table 12: Machakos County GCP by Economic Activity

Economic Activity	GCP Prices 2020 (Millions)	GCP Prices 2021 (Millions)	GCP Prices 2022 (Millions)
Agriculture, Forestry and Fishing	49,794	55,366	61,646
Mining and Quarrying	11,205	13,385	17,349
Manufacturing	65,180	71,149	78,577
Electricity Supply	2,740	3,942	4,694
Water supply, waste collection	1,361	1,422	1,376
Construction	27,664	31,373	35,180
Wholesale and retail trade, repair of motor vehicles	29,827	32,691	36,346
Transport and storage	25,912	33,186	30,164

Economic Activity	GCP Prices 2020(Millions)	GCP Prices 2021 (Millions)	GCP Prices 2022(Millions)
Accommodation and food service activities	2,437	4,185	4,612
Information and communication	8,028	8,400	9,266
Financial and insurance activities	4,926	6,027	7,096
Real estate activities	30,279	32,468	34,880
Professional and technical services	6,434	7,231	7,584
Administrative support services	3,274	3,731	4,609
Public administration and defense	17,587	18,207	16,728
Education	11,821	14,996	15,513
Human health and social work activities	4,766	5,430	5,544
Other service activities	7,753	8,684	9,402
Financial services indirectly measured	(1,824)	(1,975)	(2,121)
Total	309,164	349,898	378,445

Source: KNBS, GCP 2023

Figure 14: Major GCP contribution by Economic Activity

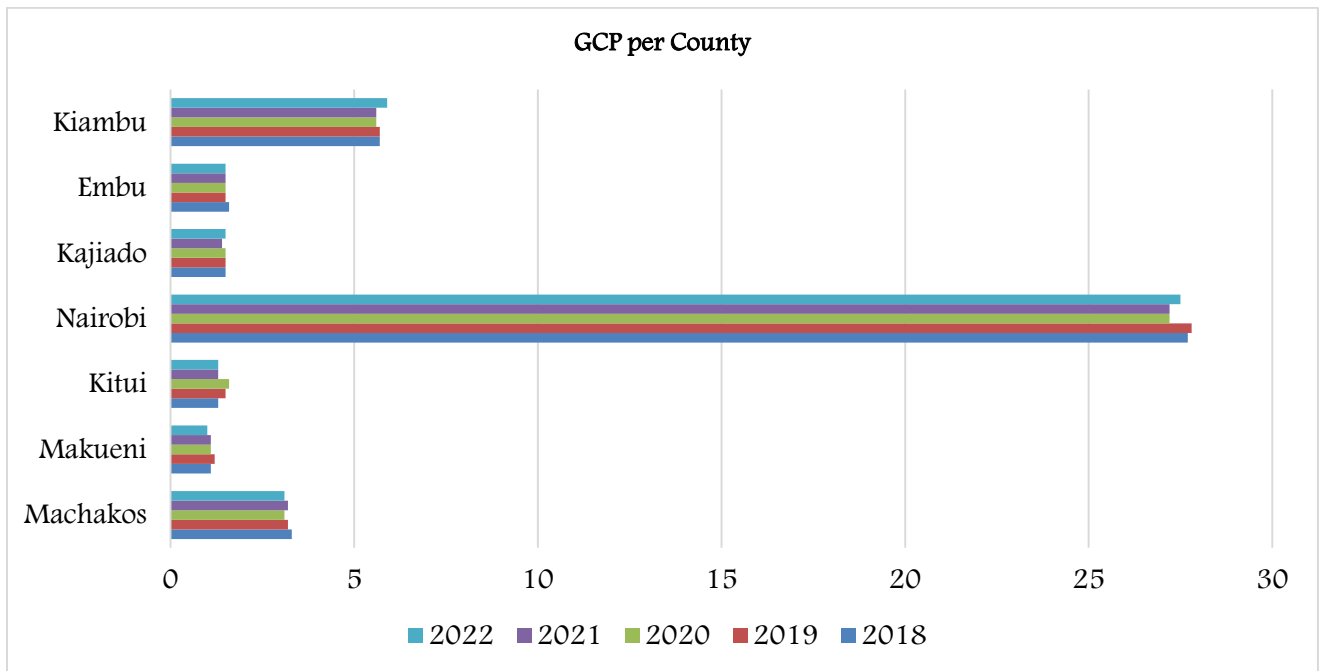


46. Through strategic partnership with International Development partners, the County has embarked on a journey of economic transformation which aims at turning around the local economy through direct investments and creation of job opportunities. This

will include establishment of various industries in the existing industrial parks, agriculture, health, water, infrastructure and learning institutions anchored on three pillars of Food Security, Socio-Economic Empowerment and Infrastructure.

47. Comparatively, the County performs well among its neighbours at position 3 with a GCP of 3.1 compared to Nairobi (27.5), Kiambu (5.9), Embu (1.5), Kajiado (1.5), Kitui (1.3) and Makueni (1) as illustrated in figure 7 below.

Figure 15: Machakos County Economic Performance Comparative to its Neighbours



Source: KNBS, GCP 2023

3.6 Risks to the Economic Outlook

48. In the short term, the World Economic Forum Global Risk Report 2024 enlists global risks as Misinformation and disinformation; Extreme weather events; Societal polarization; Cyber insecurity; Interstate armed conflict; Lack of economic opportunity; Inflation; Involuntary migration; Economic downturn and Pollution.

49. The Kenya Economic Outlook lists the effects of a prolongment of Russia’s invasion of Ukraine on commodity prices, tight global financing, drought, and slow global economic recovery as the major risks with possible mitigation measures as diversifying

exports and market destinations, enhancing domestic resource mobilization, deepening financial sector reforms, and accelerating structural reforms.

50. Locally, the macroeconomic outlook for the Country looks favorable in the immediate future, however, there are down side risks emanating from domestic as well as external sources. On the domestic front, risks emanate from climate change resulting in unfavorable weather conditions. This could affect agricultural production and result in domestic inflationary pressures, loss of jobs and reduction of disposable income.
51. On the external front, uncertainties in the global economic outlook have also increased which could impact on the domestic economy. These risks include: the possible worsening of the Russia - Ukraine conflict which could heighten the risk of oil and commodity price volatility and elevated inflationary pressures; effects of COVID-19 pandemic; and global monetary policy tightening, especially in the United States, could increase volatility in the financial markets.
52. The upside risk to the domestic economy relate to faster than projected rebound in economic activities both at the National and County Level that would result in higher Government revenues providing fiscal space that would support fiscal consolidation. The Government continues to monitor the domestic and external environment and will take appropriate measures to safeguard the economy against the adverse effects of the risks if they were to materialize
53. The proposed policies to mitigate against the risks to the outlook are both Counter-cyclical and Structural. Counter cyclical policies to be employed by countries are: pursuing prudent monetary and fiscal policies that promote economic growth, productivity and resilience; enhancing coordination between fiscal and monetary policies; promoting digitalization; consolidating economic and financial governance; strengthening capacities on governance and public debt management; and creating an enabling policy and regulatory environment.
54. Structural policies will require countries to: develop/strengthen regional value chains; implement structural reforms; accelerate the implementation of Africa Continental Free Trade Area (AfCTFA) Agreement; implement climate change adaptation and mitigation

agenda; foster regional trade and industrialization to build resilience; bridge infrastructure gaps while boosting private sector led growth.

3.7 County Specific Risks

i. National Economic Performance

55. Success in the implementation of the FY 2024/2025 financial year budget will be determined by the Country's prevailing economic environment, cognizant of the global and national risks outlined above. Occurrence of either internal or external economic shocks will have a negative impact on the performance of the County since it will affect National Government allocations to the County.

Mitigation measures: The County needs to develop and implement innovative mechanisms to increase its local revenue while at the same time ensuring austerity in public spending

ii. Low Own Source Revenue Collections

56. Underperformance of revenue collection has continued to be a major challenge towards achieving the development agenda of the County. There is need to place sound policies and strategies that will guarantee optimum revenue collection to meet the anticipated budgetary requirements. Revenue collection should not only be strengthened in the traditional revenue streams but explore new avenues for revenue collection. This therefore calls for increased budgetary provision to invest in revenue collection channels and processes to enhance overall collection.

Mitigation measures: In the medium term, the County will continue to undertake measures aimed at expanding the revenue base and increasing tax compliance through integration of technology in revenue collection and enforcement. The County has initiated the process of developing a new valuation roll which will be fast-tracked for efficiency.

iii. High Wage Bill

57. Regulation 25 (1) (b) of the PFM (County Governments) requires that County wage bill shall not exceed 35% of the total revenue. The continued increase in the wage bill has arisen due to factors which are beyond the County Government. The County is disadvantaged by the current revenue distribution formula, which takes no account of

inherited non-discretionary devolved costs. Similarly, the County inherited staff from the local authorities, while health workforce expenditure on compensation of employees constitutes 51% of the total County's wage bill.

Mitigation measures: The County will put necessary measures in an attempt to curb wage bill through operationalization of approved organization structure and staff establishments, ensuring appropriate engagement of contractual staff to enhance efficiency in HR management.

iv. Pending Bills

58. The County has continued to be plagued by the occurrence of pending bills. These Pending bills present a serious economic policy challenge facing the County government owing to their disruptive nature as they consume current year resources at the expense of planned development programs and projects. These bills have accrued over the financial years with existence of pending bills dating back to FY 2013/2014 financial year.

Mitigation measures: There is need for setting realistic and achievable OSR targets since unachieved revenue targets create budget gaps which in the long run result in a number of unpaid expenditures (pending bills). Further, proper implementation of departmental plans should be emphasized.

Economic Assumptions to the Outlook

- i. County revenue sharing formulae will not change during MTEF Period and there will be steady increase in the equitable share;
- ii. There will be improved own source revenue collection and targets met;
- iii. There will be austerity measures on the expenditure;
- iv. There will be no anticipated major disaster prevalence within the MTEF period;
- v. There will be political stability within the period;
- vi. There will be no anticipated international security advisories that will affect the economy;
- vii. Timely release of funds by the national government; and
- viii. That there will be no adverse weather conditions that will affect agricultural sector and businesses.

CHAPTER FOUR

4.0 RESOURCE ALLOCATION FRAMEWORK

4.1 Implementation of the FY 2024/2025

59. Implementation of the FY 2024/2025 budget has begun well with indicators in the first months pointing to meeting the end year target in regards to absorption of funds and improved strategies in revenue collection. The Medium-Term Fiscal Framework (MTFF) for the FY 2024/2025 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities.

4.2 Medium Term Expenditure Framework

60. The 2024/2025-2026/2027 MTEF builds up on the National Government's efforts to stimulate and sustain economic activity through BETA. The document is framed against a backdrop of global economic slowdown occasioned by the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of the COVID-19 pandemic, persistent supply chain disruptions, food security and climate change effects.

61. Allocation of resources in the medium term will therefore be based on;

- i. PFM Act, 2012 principles
- ii. The Medium-Term Plan of Vision 2030
- iii. Equitable share of revenue allocation from the National Government
- iv. Ongoing projects
- v. HE the Governor's Manifesto 2022
- vi. Programmes prioritized in the County Integrated Development Plan (2023-2027)
- vii. Cost effectiveness and sustainability of the programmes
- viii. Annual Development Plan (ADP)
- ix. Budget ceilings allocated by the Commission of Revenue Allocation
- x. Degree to which the programmes address the strategic objectives of the County.
- xi. Degree to which the programmes are addressing the core function and responsibilities of the ministry.

62. To finance FY 2024/2025, the County Treasury projects its revenues at **Kshs. 14.39 billion**. This will comprise Equitable Share of **Kshs.9.91 billion**, Conditional Grants of **Kshs. 1. billion**, **Unconditional Grants of Kshs. 1.71 million**; Hospital Revenues of **Ksh. 0.69 Billion**; Own Source Revenue of **Kshs. 2.79 billion** representing 68%, 7%, 1%, 5% and 19% of the total revenue respectively. Tables 9 and 10 below gives the breakdown of County revenue sources and the expenditure allocations for the FY 2024/2025.

63. To facilitate the finalization and approval of the 2024 CBROP and other policy documents within the stipulated timelines, County Entities are required to strictly undertake the activities outlined in the Budget Calendar within the set timeframes. The Budget Calendar provided in Annex 8 outlines the timeframes for delivery of policy documents, reports and relevant Bills.

Table 13 Revenue Vs Expenditure Allocations

	Printed Estimates FY 2023/2024	Revised Estimates FY 2023/2024	Actual Expenditure FY 2023/2024	Budget Execution (%)	Printed Estimates FY 2024/2025
Total Revenue	14,747,002,446	15,808,454,221	12,812,761,077	81	14,392,185,634
Equitable Share	9,547,295,309	11,003,296,347	10,239,597,083	93	9,914,003,936
Equalization Fund	~	12,923,347	~	~	~
Unconditional Grants	14,536,040	14,536,040	~	~	1,708,218
Conditional Grants	1,078,291,635	1,345,412,427	1,023,815,516	76	1,000,511,971
Hospital Revenues	1,008,000,000	1,008,000,000	204,409,376	20	687,000,000
Own Source Revenue	2,998,879,462	2,324,286,060	1,344,939,102	58	2,788,961,509
Asset Disposal	100,000,000	100,000,000	~	~	~
Total Expenditure	14,747,002,446	15,808,454,221	12,452,147,355	79	14,392,185,633
Recurrent Vote	9,588,286,516	10,774,235,045	9,500,680,924	88	10,067,055,061
Compensation to Employees	6,367,667,200	6,722,620,150	6,286,026,135	94	6,358,782,113
Use of Goods and Services	3,105,368,893	3,935,628,847	3,181,264,862	81	3,539,814,730
Current Grants	115,250,423	115,986,048	33,389,927	29	168,458,218
Development Vote	5,158,715,930	5,034,219,176	2,951,466,431	59	4,325,130,572
Acquisition of Non- Financial Assets	4,181,138,677	3,777,333,409	2,198,426,026	58	3,491,368,601
Capital Grants	977,577,253	1,256,885,768	753,040,405	60	833,761,971

Source: Machakos County Treasury, 2024

Table 14: FY 2024/2025 Allocation by County Entity

County Entity	Compensation of Employees	Use of Goods and Services	Current Grants	Acquisition of Non-Financial Assets	Capital Grants	Total Allocation	% Allocation
Office of the Governor	171,596,310	625,749,458		59,830,059		857,175,827	6.0
County Public Service Board	32,627,689	5,386,020		21,796,931		59,810,640	0.4
Roads, Transport and Public Works	186,758,309	57,646,697		715,069,233	314,847,146	1,274,321,385	8.9
County Assembly	515,924,464	598,388,800		174,400,000		1,288,713,264	9.0
Agriculture, Food Security and Co-operative Development	234,018,446	42,603,300		242,362,429	279,296,509	798,280,684	5.5
Health	3,444,357,190	715,032,820	83,250,000	560,778,494	11,943,750	4,815,362,254	33.5
Water, Irrigation, Environment and Climate Change	98,544,555	36,655,941	11,000,000	468,111,724	137,500,000	751,812,220	5.2
Finance, Economic Planning & Revenue Management	581,358,202	411,818,030	1,708,218	246,636,671		1,241,521,121	8.6
Gender, Youth, Sports & Social Welfare	56,818,546	87,753,269		400,158,502		544,730,317	3.8
Trade, Industry, Tourism and Innovation	63,352,510	93,664,782		130,575,969		287,593,261	2.0
Education	348,320,563	212,483,191		110,410,378		671,214,132	4.7
Lands, Urban Development, Housing & Energy	96,121,506	122,016,435	35,000,000	236,741,084	90,174,566	580,053,591	4.0
Devolution	506,912,029	465,836,008	37,500,000	117,987,127		1,128,235,164	7.8
Office of the County Attorney	22,071,794	64,779,979		6,510,000		93,361,773	0.6
TOTAL	6,358,782,113	3,539,814,730	168,458,218	3,491,368,601	833,761,971	14,392,185,633	100
Fiscal Responsibility	44	25	1	24	6	100	

Source:

Machakos

County

Treasury,

2024

ANNEXES

Annex 1: Resource Envelope in the Medium Term

S/No	Description		Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
1	Equitable Share		9,914,003,936	9,865,000,000	9,865,000,000
	Unconditional Grants	Court Fines	1,617,189	1,617,189	1,617,189
		Mineral Royalties	91,029	91,029	91,029
2	Total Unconditional Grants		1,708,218	1,708,218	1,708,218
	Conditional Grants	Community Health Promoters Project	83,250,000	83,250,000	83,250,000
		Road Maintenance Levy Fund	314,847,146	314,847,146	314,847,146
		Kenya Devolution Support Project (KDSP) – World Bank	37,500,000	37,500,000	37,500,000
		Kenya Urban Support Project (UIG)-World Bank	35,000,000	35,000,000	35,000,000
		Kenya Urban Support Project (UDG)-World Bank	90,174,566	90,174,566	90,174,566
		Universal Healthcare in Devolved System Program- DANIDA	11,943,750	11,943,750	11,943,750
		National Agricultural Value Chain Development Project	151,515,152	151,515,152	151,515,152
		Emergency Locust Response Project-World Bank	104,600,000	104,600,000	104,600,000
		Kenya Agricultural Business Development Project-Sweden	10,918,919	10,918,919	10,918,919
		Aquaculture Business Development Program-IFAD	12,262,438	12,262,438	12,262,438
	Locally-Led Climate Change Action Program (FLLoCA) World Bank	137,500,000	137,500,000	137,500,000	
	FLLoCA-County Climate Institution Support-World Bank	11,000,000	11,000,000	11,000,000	
3	Total Conditional Grants		1,000,511,971	1,000,511,971	1,000,511,971
4	Hospital Revenues		687,000,000	721,350,000	793,485,000
5	Own Source Revenue		2,788,961,509	2,829,522,355	2,970,998,472
	Total County Budget		14,392,185,634	14,418,092,544	14,631,703,661

Annex 2: Own Source Revenue in the Medium Term

Revenue Stream	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Land Rates & Ground Rent	408,450,329	414,577,083.94	435,305,938
Single Business Permit	278,157,644	281,056,432.66	295,109,254
Quarry Extraction Fees	424,622,759	430,992,100.39	452,541,705
Sand Gravel	106,102,420	107,693,956.30	113,078,654
Market Fees	93,096,829	94,493,281.44	99,217,946
Plot/Stall Rent	16,280,270	16,524,474.05	17,350,698
Bus park	403,022,950	409,068,294.25	429,521,709
House Rent	3,592,238	3,646,121.57	3,828,428
Refuse/Conservancy Fee	27,990,064	28,409,914.96	29,830,411
Sign Board & Advertisement Fee	108,275,117	109,899,243.76	115,394,206
Fire Fighting & Ambulance Mgt Unit	29,828,306	30,275,730.59	31,789,517
Slaughter House Fees/Livestock	68,195,951	69,218,890.27	72,679,835
Enforcement Management	14,803,905	15,025,963.58	15,777,262
Off-street Parking Unit	19,272,956	19,562,050.34	20,540,153
Building Plan Approvals	505,877,074	513,465,230.11	539,138,492
Cess	184,312,666	187,077,355.99	196,431,224
Social Services	2,026,820	2,057,222.30	2,160,083
Water Sales	488,503	495,830.55	520,622
Tourism	969,867	984,415.01	1,033,636
People's Park/Maruba	4,824,709	4,897,079.64	5,141,934
Salary Refunds/Advances	2,257,167	2,291,024.51	2,405,576
Health Revenue	687,000,000	721,350,000	793,485,000
Liquor	66,298,477	67,292,954.16	70,657,602
Interest & Penalties on Plot and Stall Rent	327,045	331,950.68	348,548
Noise Pollution	2,708,096	2,748,717.44	2,886,153
Motor Cycle Registration	8,684,878	8,815,151.17	9,255,909
Weights and Measures	8,494,468	8,621,885.02	9,052,979
Total	3,475,961,508	3,550,872,355	3,764,483,472

Source: Machakos County Treasury, 2024

Annex 3: Medium Term Expenditure by County Entity

County Entity		Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Office of the Governor	Recurrent	797,345,768	797,345,768	797,345,768
	Development	59,830,059	52,821,562	49,171,951
	Total	857,175,827	850,167,330	846,517,719
County Public Service Board	Recurrent	38,013,709	38,013,709	38,013,709
	Development	21,796,931	18,900,000	19,845,000
	Total	59,810,640	56,913,709	57,858,709
Roads, Transport and Public Works.	Recurrent	244,405,006	250,625,256	253,456,520
	Development	1,029,916,379	1,041,669,841	1,078,010,975
	Total	1,274,321,385	1,292,295,097	1,331,467,495
Health	Recurrent	4,242,640,010	4,288,149,400	4,473,299,394
	Development	572,722,244	598,968,306	637,916,721
	Total	4,815,362,254	4,887,117,706	5,111,216,115
County Assembly	Recurrent	1,114,313,264	1,114,313,264	1,114,313,264
	Development	174,400,000	184,720,000	190,867,000
	Total	1,288,713,264	1,299,033,264	1,305,180,264
Water, Irrigation, Environment and Climate Change	Recurrent	146,200,496	149,693,160	148,210,602
	Development	605,611,724	555,789,671	556,236,814
	Total	751,812,220	705,482,831	704,447,416
Agriculture, Food Security and Co-operative Development.	Recurrent	276,621,746	282,822,901	287,158,046
	Development	521,658,938	542,511,908	557,248,436
	Total	798,280,684	825,334,809	844,406,482
Finance, Economic Planning and Revenue Management	Recurrent	994,884,450	988,731,290	997,332,056
	Development	246,636,671	216,078,864	224,382,807
	Total	1,241,521,121	1,204,810,154	1,221,714,863
Gender, Youth, Sports and Social Welfare.	Recurrent	144,571,815	149,300,406	151,365,426
	Development	400,158,502	399,638,994	404,879,214
	Total	544,730,317	548,939,400	556,244,640
Trade, Industry, Tourism and Innovation.	Recurrent	157,017,292	163,910,656	169,421,514
	Development	130,575,969	131,004,768	132,192,505
	Total	287,593,261	294,915,424	301,614,019
Education	Recurrent	560,803,754	567,498,942	569,523,888
	Development	110,410,378	115,930,897	121,727,442
	Total	671,214,132	683,429,839	691,251,330
Lands, Urban Development, Housing and Energy.	Recurrent	253,137,941	256,194,839	220,754,580
	Development	326,915,650	338,699,490	279,604,710
	Total	580,053,591	594,894,329	500,359,290
Devolution	Recurrent	1,010,248,037	957,870,828	926,243,716
	Development	117,987,127	121,693,462	127,427,523
	Total	1,128,235,164	1,079,564,290	1,053,671,239
County Attorney	Recurrent	86,851,773	88,194,362	95,754,080
	Development	6,510,000	7,000,000	10,000,000
	Total	93,361,773	95,194,362	105,754,080
Total Recurrent		10,067,055,061	10,092,664,781	10,242,192,563
Total Development		4,325,130,572	4,325,427,763	4,389,511,098
Total Budget		14,392,185,633	14,418,092,544	14,631,703,661

Source: Machakos County Treasury, 2024

Annex 4: Expenditure by Programme in the Medium Term

a) Recurrent Expenditure

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
OFFICE OF THE GOVERNOR				
Sub-programme 1	Coordination and Supervisory Services	337,860,591	337,860,591	337,860,591
Sub-programme 2	Transport Services	76,477,181	76,477,181	76,477,181
Sub-programme 3	Human Resource and Administration Services	71,633,109	71,633,109	71,633,109
Sub-programme 4	ICT Services	52,245,915	52,245,915	52,245,915
Sub-programme 5	Hospitality Services	50,342,682	50,342,682	50,342,682
Sub-programme 6	Cabinet Office	19,005,239	19,005,239	19,005,239
Sub-programme 7	Office of the Deputy Governor	84,902,064	84,902,064	84,902,064
Sub-programme 8	Office of the County Secretary	57,791,785	57,791,785	57,791,785
Sub-programme 9	Office of the County Advisors	47,087,202	47,087,202	47,087,202
TOTAL		797,345,768	797,345,768	797,345,768
COUNTY PUBLIC SERVICE BOARD				
Sub-programme 1	Human Resource and Administration Services	38,013,709	38,013,709	38,013,709
TOTAL		38,013,709	38,013,709	38,013,709
ROADS, TRANSPORT AND PUBLIC WORKS				
Sub-programme 1	General Administration and Support Services	198,878,309	202,822,224	203,263,336
Sub-programme 2	Road Development and Management	1,505,000	1,580,250	1,659,263
Sub-programme 3	County Government Building Services	18,080,000	18,984,000	19,933,200
Sub-programme 4	County Fleet Management	25,941,697	27,238,782	28,600,721
TOTAL		244,405,006	250,625,256	253,456,520
HEALTH				
Sub-programme 1	General Administration and Support Services	3,539,357,190	3,715,670,050	3,900,820,044
Sub-programme 2	Machakos Level 5	146,379,350	146,379,350	146,379,350
Sub-programme 3	Kangundo Level 4	46,100,000	46,100,000	46,100,000
Sub-programme 4	Matuu Level 4	38,500,000	38,500,000	38,500,000
Sub-programme 5	Kathiani Level 4	50,500,000	50,500,000	50,500,000
Sub-programme 6	Mwala Level 4	32,500,000	32,500,000	32,500,000
Sub-programme 7	Kimiti Level 4	26,500,000	26,500,000	26,500,000
Sub-programme 8	Masinga Level 4	33,600,000	33,600,000	33,600,000
Sub-programme 9	Athi River Level 4	20,500,000	20,500,000	20,500,000
Sub-programme 10	Mutituni Level 4	20,500,000	20,500,000	20,500,000
Sub-programme 11	Ndithini Level 4	22,500,000	22,500,000	22,500,000
Sub-programme 12	Kalama Level 4	25,500,000	25,500,000	25,500,000
Sub-programme 13	Public Health	240,203,470	109,400,000	109,400,000
TOTAL		4,242,640,010	4,288,149,400	4,473,299,394
COUNTY ASSEMBLY				
	Legislative Services	1,114,313,264	1,114,313,264	1,114,313,264
TOTAL		1,114,313,264	1,114,313,264	1,114,313,264
WATER, IRRIGATION, ENVIRONMENT AND CLIMATE CHANGE				
Sub-programme 1	Water Resources Management	98,689,399	110,636,848	111,341,589
Sub-programme 2	Sewerage System and Sanitation	5,940,000	6,237,000	6,548,850

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
	Management			
Sub-programme 4	General Administration and Support Services	2,750,000		
Sub-programme 5	Environment and Natural Resources	12,736,938	13,735,140	16,731,233
Sub-programme 6	Climate Change	26,084,159	19,084,172	13,588,930
TOTAL		146,200,496	149,693,160	148,210,602
AGRICULTURE, FOOD SECURITY AND CO-OPERATIVE DEVELOPMENT				
Sub-programme 1	General Administration and Support Services	227,959,626	232,077,497	233,875,372
Sub-programme 2	Crop Development and Management	1,488,004	1,562,404	1,640,525
Sub-programme 3	Livestock Resources Management and Development	2,823,238	2,964,400	3,112,620
Sub-programme 4	Fisheries Development	2,445,525	2,567,801	2,696,191
Sub-programme 5	Veterinary Services	3,034,794	3,186,534	3,345,860
Sub-programme 6	Agriculture Training Centre	7,751,763	8,139,351	8,546,319
Sub-programme 7	Co-operative Development and Marketing	27,018,796	28,019,914	29,420,909
Sub-programme 8	Capacity Building Services	600,000	630,000	661,500
Sub-programme 9	Promotion of Co-operative Marketing and Value Chain	700,000	735,000	771,750
Sub-programme 10	Co-operative Financial Services	950,000	997,500	1,047,375
Sub-programme 11	Promotion and growth of Co-operative Societies	850,000	892,500	937,125
Sub-programme 12	Co-operative Audit Support Services	1,000,000	1,050,000	1,102,500
TOTAL		276,621,746	282,822,901	287,158,046
FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT				
Sub-programme 1	Revenue Management	386,066,261	388,662,443	390,945,566
Sub-programme 2	Budget Formulation, Coordination and Implementation	50,291,024	26,651,124	24,833,680
Sub-programme 3	Supply Chain Management	10,741,192	11,278,252	11,842,164
Sub-programme 4	Accounting Services	78,837,299	82,779,164	82,918,122
Sub-programme 5	Audit Services	10,112,288	10,617,902	11,148,798
Sub-programme 6	Human Resource Management and Support Services	239,702,500	241,687,625	242,272,006
Sub-programme 7	Economic Planning and Statistical Services	58,486,392	61,410,712	62,481,247
Sub-programme 8	Monitoring and Evaluation	15,760,198	16,548,208	17,375,619
Sub-programme 9	External Resources Mobilization	6,216,164	6,526,972	6,853,321
Sub-programme 10	Project Delivery Unit	29,780,000	31,269,000	32,832,450
Sub-programme 11	ICT General Administration and Support Services	42,040,289	44,142,303	46,349,419
Sub-programme 12	ICT Infrastructure	4,914,843	5,160,585	5,418,614
Sub-programme 13	Closed Circuit Television	1,220,000	1,281,000	1,345,050
Sub-programme 14	Public Communication Support Services	60,716,000	60,716,000	60,716,000
TOTAL		994,884,450	988,731,290	997,332,056
GENDER, YOUTH, SPORTS AND SOCIAL WELFARE				
Sub-programme 1	Youth and Sports Administrative Support Services	78,397,105	80,816,960	81,407,808
Sub-programme 2	Gender and Social Welfare Administrative Support Services	59,374,710	61,343,446	62,460,618

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Sub-programme 7	Digital Economy	6,800,000	7,140,000	7,497,000
TOTAL		144,571,815	149,300,406	151,365,426
TRADE, INDUSTRY, TOURISM AND INNOVATION				
Sub-programme 1	Trade Administrative and Support Services	21,861,140	22,954,197	24,101,907
Sub-programme 2	Trade and External Relations	689,166	723,624	759,806
Sub-programme 4	Small and Medium Sized Enterprise Development	6,500,000	6,825,000	7,166,250
Sub-programme 5	Industrialization and Innovation	24,738,808	25,975,748	27,274,536
Sub-programme 6	Investment Promotion	23,900,000	24,137,500	24,659,699
Sub-programme 7	Tourism Administrative and Support Services	52,318,360	54,934,278	55,680,992
Sub-programme 8	Heritage and Culture	1,700,000	1,785,000	1,874,250
Sub-programme 9	Liquor Management	7,809,818	8,200,309	8,610,324
Sub-programme 10	Tourism Development and Marketing	8,500,000	8,925,000	9,371,250
Sub-programme 11	Recreational Facilities Management	4,000,000	4,200,000	4,410,000
Sub-programme 12	Machawood	4,000,000	4,200,000	4,410,000
Sub-programme 13	County Image	1,000,000	1,050,000	1,102,500
	Digital Economy			
TOTAL		157,017,292	163,910,656	169,421,514
EDUCATION				
Sub-programme 1	General Administration Planning and Support Services	551,800,563	556,530,591	557,857,120
Sub-programme 2	Basic Education	623,191	654,351	687,068
Sub-programme 3	Youth Development Services	8,380,000	10,314,000	10,979,700
TOTAL		560,803,754	567,498,942	569,523,888
LANDS, URBAN DEVELOPMENT, HOUSING AND ENERGY				
Sub-programme 1	Lands and Physical Planning	46,627,057	48,958,410	51,406,331
Sub-programme 2	County Electrification	28,370,970	29,789,519	30,278,994
Sub-programme 3	Housing and Urban Development	152,614,119	150,644,825	110,927,066
Sub-programme 4	Machakos Municipality	7,765,795	8,154,085	8,561,789
Sub-programme 5	Mavoko Municipality	10,200,000	10,710,000	11,245,500
Sub-programme 6	Kangundo-Tala Municipality	7,560,000	7,938,000	8,334,900
TOTAL		253,137,941	256,194,839	220,754,580
DEVOLUTION				
Sub-programme 1	Public Service General Administration and Support Services	415,022,721	417,665,880	417,346,674
Sub-programme 2	Performance Management	2,500,000	2,625,000	2,756,250
Sub-programme 3	Training, Research and Development	54,176,614	11,944,288	12,541,502
Sub-programme 4	Human Resource Development	16,000,000	10,500,000	11,025,000
Sub-programme 5	County Administration and Decentralized Units	322,872,243	323,565,855	323,544,148
Sub-programme 6	Civic Management	8,000,000	8,375,000	8,768,750
Sub-programme 7	Administration and Coordination Services	5,850,000	6,142,500	6,449,625
Sub-programme 8	Solid Waste Management	17,020,000	5,775,000	6,063,750
Sub-programme 9	Inspectorate Management Services	157,206,459	159,064,922	124,670,267
Sub-programme 10	Emergency Services	11,600,000	12,212,383	13,077,750

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
TOTAL		1,010,248,037	957,870,828	926,243,716
COUNTY ATTORNEY				
	Legal Services	86,851,773	88,194,362	95,754,080
TOTAL		86,851,773	88,194,362	95,754,080
GRAND TOTAL		10,067,055,061	10,092,664,781	10,242,192,563

Source: Machakos County Treasury, 2024

b) Development Expenditure

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Printed Estimates FY 2024/2026	Printed Estimates FY 2024/2027
OFFICE OF THE GOVERNOR				
Sub-programme 1	Coordination and Supervisory Services	33,370,239	25,038,751	20,000,000
Sub-programme 7	Office of the Deputy Governor	7,334,480	7,701,204	8,086,264
Sub-programme 8	Office of the County Secretary	19,125,340	20,081,607	21,085,687
Sub-programme 9	Office of the County Advisors			
TOTAL		59,830,059	52,821,562	49,171,951
COUNTY PUBLIC SERVICE BOARD				
Sub-programme 1	Human Resource and Administration Services	21,796,931	18,900,000	19,845,000
TOTAL		21,796,931	18,900,000	19,845,000
ROADS, TRANSPORT AND PUBLIC WORKS				
Sub-programme 1	General Administration and Support Services	26,506,997	27,832,347	29,223,964
Sub-programme 2	Road Development and Management	834,847,146	840,847,146	867,147,146
Sub-programme 3	County Government Building Services	69,562,236	71,040,348	74,592,365
Sub-programme 4	County Fleet Management	99,000,000	101,950,000	107,047,500
TOTAL		1,029,916,379	1,041,669,841	1,078,010,975
HEALTH				
Sub-programme 1	General Administration and Support Services	402,222,244	435,868,306	468,161,721
Sub-programme 2	Machakos Level 5	8,000,000	5,000,000	5,250,000
Sub-programme 3	Kangundo Level 4	12,000,000	12,600,000	13,230,000
Sub-programme 4	Matuu Level 4	24,000,000	15,000,000	15,750,000
Sub-programme 5	Kathiani Level 4	10,500,000	10,000,000	10,500,000
Sub-programme 6	Mwala Level 4	10,000,000	10,500,000	11,025,000
Sub-programme 7	Kimiti Level 4	6,000,000	6,300,000	6,615,000
Sub-programme 8	Masinga Level 4	3,000,000	4,000,000	4,200,000
Sub-programme 9	Athi River Level 4	8,000,000	8,400,000	8,820,000
Sub-programme 10	Mutituni Level 4	6,000,000	6,300,000	6,615,000
Sub-programme 11	Ndithini Level 4	14,000,000	15,000,000	15,750,000
Sub-programme 12	Kalama Level 4	5,000,000		
Sub-programme 13	Public Health	64,000,000	70,000,000	72,000,000
TOTAL		572,722,244	598,968,306	637,916,721
COUNTY ASSEMBLY				
	Legislative Services	174,400,000	184,720,000	190,867,000
TOTAL		174,400,000	184,720,000	190,867,000
WATER, IRRIGATION, ENVIRONMENT AND CLIMATE				

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Printed Estimates FY 2024/2026	Printed Estimates FY 2024/2027
CHANGE				
Sub-programme 1	Water Resources Management	253,393,207	255,559,671	257,736,814
Sub-programme 2	Sewerage System and Sanitation Management	58,300,000	36,800,000	37,000,000
Sub-programme 3	Development and Promotion of Irrigation Schemes	9,561,724	10,000,000	10,000,000
Sub-programme 5	Environment and Natural Resources	19,430,000	26,930,000	24,000,000
Sub-programme 6	Climate Change	264,926,793	226,500,000	227,500,000
TOTAL		605,611,724	555,789,671	556,236,814
AGRICULTURE, FOOD SECURITY AND CO-OPERATIVE DEVELOPMENT				
Sub-programme 1	General Administration and Support Services	272,619,142	321,383,244	325,676,460
Sub-programme 2	Crop Development and Management	77,721,570	78,607,649	82,538,031
Sub-programme 3	Livestock Resources Management and Development	16,898,232	17,743,144	18,630,301
Sub-programme 4	Fisheries Development	51,013,904	52,951,477	54,985,929
Sub-programme 5	Veterinary Services	30,858,241	32,401,153	34,021,211
Sub-programme 6	Agriculture Training Centre	17,850,000	18,742,500	19,679,625
Sub-programme 7	Co-operative Development and Marketing	7,000,000	7,350,000	7,717,500
Sub-programme 9	Promotion of Co-operative Marketing and Value Chain	36,000,000	1,050,000	1,102,500
Sub-programme 11	Promotion and growth of Co-operative Societies	11,697,849	12,282,741	12,896,879
TOTAL		521,658,938	542,511,908	557,248,436
FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT				
Sub-programme 1	Revenue Management	51,425,522	53,996,798	56,696,638
Sub-programme 2	Budget Formulation, Coordination and Implementation	44,941,650	47,188,733	49,548,169
Sub-programme 4	Accounting Services	49,453,175	101,925,833	104,522,125
Sub-programme 5	Audit Services	2,350,000	2,467,500	2,590,875
Sub-programme 7	Economic Planning and Statistical Services	5,000,000		
Sub-programme 8	Monitoring and Evaluation	3,000,000		
Sub-programme 11	ICT General Administration and Support Services	80,466,324		
Sub-programme 14	Public Communication Support Services	10,000,000	10,500,000	11,025,000
TOTAL		246,636,671	216,078,864	224,382,807
GENDER, YOUTH, SPORTS AND SOCIAL WELFARE				
Sub-programme 2	Gender and Social Welfare Administrative Support Services	142,158,502	142,988,994	149,654,748
Sub-programme 5	Sports Management	170,000,000	165,500,000	163,766,966
Sub-programme 6	Youth Empowerment	63,000,000	66,150,000	66,457,500
Sub-programme 8	Digital Economy	25,000,000	25,000,000	25,000,000
TOTAL		400,158,502	399,638,994	404,879,214
TRADE, INDUSTRY, TOURISM AND INNOVATION				
Sub-programme 2	Trade and External Relations	30,008,658	31,509,091	33,084,545
Sub-programme 4	Small and Medium Sized Enterprise Development	44,567,311	46,795,677	49,135,460
Sub-programme 5	Industrialization and Innovation	17,000,000	17,250,000	18,000,000
Sub-programme 7	Tourism Administrative and Support	23,000,000	18,650,000	14,332,500

Programme/Sub-programme	Programme	Printed Estimates FY 2024/2025	Printed Estimates FY 2024/2026	Printed Estimates FY 2024/2027
	Services			
Sub-programme 8	Heritage and Culture	6,000,000	6,300,000	6,615,000
Sub-programme 11	Recreational Facilities Management	6,000,000	6,300,000	6,615,000
Sub-programme 12	Machawood	4,000,000	4,200,000	4,410,000
TOTAL		130,575,969	131,004,768	132,192,505
EDUCATION				
Sub-programme 1	General Administration Planning and Support Services	55,500,000	58,275,000	61,188,750
Sub-programme 2	Basic Education	7,000,000	7,350,000	7,717,500
Sub-programme 3	Youth Development Services	47,910,378	50,305,897	52,821,192
TOTAL		110,410,378	115,930,897	121,727,442
LANDS, URBAN DEVELOPMENT, HOUSING AND ENERGY				
Sub-programme 1	Lands and Physical Planning	63,928,885	65,121,115	1,102,500
Sub-programme 2	County Electrification	123,812,199	125,502,809	126,577,949
Sub-programme 3	Housing and Urban Development	92,154,566	92,654,566	93,982,211
Sub-programme 4	Machakos Municipality	17,840,000	18,732,000	19,668,600
Sub-programme 5	Mavoko Municipality	17,840,000	18,732,000	19,668,600
Sub-programme 6	Kangundo-Tala Municipality	11,340,000	17,957,000	18,604,850
TOTAL		326,915,650	338,699,490	279,604,710
DEVOLUTION				
Sub-programme 1	Public Service General Administration and Support Services	4,400,000	2,100,000	2,205,000
Sub-programme 2	County Administration and Decentralized Units	63,376,394	65,045,214	66,797,474
Sub-programme 3	Civic Management	11,000,000	11,550,000	12,127,500
Sub-programme 4	Solid Waste Management	-	2,500,000	2,625,000
Sub-programme 5	Inspectorate Management Services	39,210,733	40,498,248	43,672,549
Sub-programme 6	Emergency Services			
TOTAL		117,987,127	121,693,462	127,427,523
COUNTY ATTORNEY				
	Legal Services	6,510,000	7,000,000	10,000,000
TOTAL		6,510,000	7,000,000	10,000,000
GRAND TOTAL		4,325,130,572	4,325,427,763	4,389,511,098

Source: Machakos County Treasury, 2024

Annex 5: Expenditure by Sector in the Medium Term

Sector	County Entity	Vote	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Agriculture and Co-operative Development	Co-operatives Development	Recurrent	31,118,796	32,324,914	33,941,159
		Development	54,697,849	20,682,741	21,716,879
		Total	85,816,645	53,007,655	55,658,038
	Livestock & Fisheries	Recurrent	8,303,557	8,718,735	9,154,671
		Development	98,770,377	103,095,774	107,637,441
		Total	107,073,934	111,814,509	116,792,112
	Agriculture and Food Security	Recurrent	237,199,393	241,779,252	244,062,216
		Development	368,190,712	418,733,393	427,894,116
		Total	605,390,105	660,512,645	671,956,332
Sector Sub-Total		798,280,684	825,334,809	844,406,482	
Energy, Infrastructure and ICT	Roads and Transport	Recurrent	226,325,006	231,641,256	233,523,320
		Development	960,354,143	970,629,493	1,003,418,610
		Total	1,186,679,149	1,202,270,749	1,236,941,930
	Housing and Urban Development	Recurrent	178,139,914	177,446,910	139,069,255
		Development	139,174,566	148,075,566	151,924,261
		Total	317,314,480	325,522,476	290,993,516
	Public Works	Recurrent	18,080,000	18,984,000	19,933,200
		Development	69,562,236	71,040,348	74,592,365
		Total	87,642,236	90,024,348	94,525,565
	Digital Economy	Recurrent	6,800,000	7,140,000	7,497,000
		Development	25,000,000	25,000,000	25,000,000
		Total	31,800,000	32,140,000	32,497,000
	Energy	Recurrent	28,370,970	29,789,519	30,278,994
		Development	123,812,199	125,502,809	126,577,949
		Total	152,183,169	155,292,328	156,856,943
	ICT	Rec	48,175,132	50,583,888	53,113,083
		Recurrent	80,466,324	-	-
		Development	128,641,456	50,583,888	53,113,083
Sector Sub-Total		1,904,260,490	1,855,833,789	1,864,928,037	
Commercial, Tourism and Labour Affairs	Trade and External Relations	Recurrent	22,550,306	23,677,821	24,861,713
		Development	30,008,658	31,509,091	33,084,545
		Total	52,558,964	55,186,912	57,946,258
	Industry and Innovation	Recurrent	48,638,808	50,113,248	51,934,235
		Development	17,000,000	17,250,000	18,000,000
		Total	65,638,808	67,363,248	69,934,235
	SME	Recurrent	6,500,000	6,825,000	7,166,250
		Development	44,567,311	46,795,677	49,135,460
		Total	51,067,311	53,620,677	56,301,710
	Culture and Tourism	Recurrent	79,328,178	83,294,587	85,459,316
		Development	39,000,000	35,450,000	31,972,500
		Total	118,328,178	118,744,587	117,431,816
Sector Sub-Total		236,525,950	241,294,747	245,312,309	
Health	Health	Recurrent	4,242,640,010	4,288,149,400	4,473,299,394
		Development	572,722,244	598,968,306	637,916,721
		Total	4,815,362,254	4,887,117,706	5,111,216,115
Public	Office of the	Recurrent	797,345,768	797,345,768	797,345,768

Sector	County Entity	Vote	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Administration	Governor	Development	59,830,059	52,821,562	49,171,951
		Total	857,175,827	850,167,330	846,517,719
	Finance	Recurrent	389,684,303	373,014,067	373,014,770
		Development	96,744,825	151,582,066	156,661,169
		Total	486,429,128	524,596,133	529,675,939
	Revenue Management	Recurrent	386,066,261	388,662,443	390,945,566
		Development	51,425,522	53,996,798	56,696,638
		Total	437,491,783	442,659,241	447,642,204
	Economic Planning	Recurrent	110,242,754	115,754,892	119,542,637
		Development	8,000,000	-	-
		Total	118,242,754	115,754,892	119,542,637
	Public Service and Performance Management	Recurrent	487,699,335	442,735,168	443,669,426
		Development	4,400,000	2,100,000	2,205,000
		Total	492,099,335	444,835,168	445,874,426
	County Attorney	Recurrent	86,851,773	88,194,362	95,754,080
		Development	6,510,000	7,000,000	10,000,000
		Total	93,361,773	95,194,362	105,754,080
	County Public Service Board	Recurrent	38,013,709	38,013,709	38,013,709
		Development	21,796,931	18,900,000	19,845,000
		Total	59,810,640	56,913,709	57,858,709
	Decentralized Units and County Administration	Recurrent	328,722,243	329,708,355	329,993,773
		Development	63,376,394	65,045,214	66,797,474
		Total	392,098,637	394,753,569	396,791,247
	Inspectorate, Firefighting and Emergency Services	Recurrent	168,806,459	171,277,305	137,748,017
		Development	39,210,733	40,498,248	43,672,549
		Total	208,017,192	211,775,553	181,420,566
	Public Participation, Civic Engagement and Customer Service	Recurrent	8,000,000	8,375,000	8,768,750
Development		11,000,000	11,550,000	12,127,500	
Total		19,000,000	19,925,000	20,896,250	
Public Communication and E-Government	Recurrent	60,716,000	60,716,000	60,716,000	
	Development	10,000,000	10,500,000	11,025,000	
	Total	70,716,000	71,216,000	71,741,000	
County Assembly	Recurrent	1,114,313,264	1,114,313,264	1,114,313,264	
	Development	174,400,000	184,720,000	190,867,000	
	Total	1,288,713,264	1,299,033,264	1,305,180,264	
Sector Sub-Total		4,523,156,333	4,526,824,221	4,528,895,041	
Education and Social Welfare	Education	Recurrent	560,803,754	567,498,942	569,523,888
		Development	110,410,378	115,930,897	121,727,442
		Total	671,214,132	683,429,839	691,251,330
	Youth and Sports	Recurrent	78,397,105	80,816,960	81,407,808
		Development	233,000,000	231,650,000	230,224,466
		Total	311,397,105	312,466,960	311,632,274
	Gender and Social Welfare	Recurrent	59,374,710	61,343,446	62,460,618
		Development	142,158,502	142,988,994	149,654,748
		Total	201,533,212	204,332,440	212,115,366
Sector Sub-Total		1,184,144,449	1,200,229,239	1,214,998,970	
Water and	Water and Irrigation	Recurrent	101,439,399	110,636,848	111,341,589

Sector	County Entity	Vote	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Irrigation		Development	262,954,931	265,559,671	267,736,814
		Total	364,394,330	376,196,519	379,078,403
	Sewerage, Sanitation and Waste Management	Recurrent	22,960,000	12,012,000	12,612,600
		Development	58,300,000	39,300,000	39,625,000
		Total	81,260,000	51,312,000	52,237,600
Sector Sub-Total			445,654,330	427,508,519	431,316,003
Lands, Environment and Natural Resources	Lands and Physical Planning	Recurrent	46,627,057	48,958,410	51,406,331
		Development	63,928,885	65,121,115	1,102,500
		Total	110,555,942	114,079,525	52,508,831
	Environment	Recurrent	12,736,938	13,735,140	16,731,233
		Development	19,430,000	26,930,000	24,000,000
		Total	32,166,938	40,665,140	40,731,233
	Climate Change	Recurrent	26,084,159	19,084,172	13,588,930
		Development	264,926,793	226,500,000	227,500,000
		Total	291,010,952	245,584,172	241,088,930
Sector Sub-Total			433,733,832	400,328,837	334,328,994
TOTAL RECURRENT			10,067,055,061	10,092,664,781	10,242,192,563
TOTAL DEVELOPMENT			4,325,130,572	4,325,427,763	4,389,511,098
Total County Budget.			14,392,185,633	14,418,092,544	14,631,703,661

Source: Machakos County Treasury, 2024

Annex 6: Expenditure by Economic Classification in the Medium Term

i. Recurrent Expenditure

County Entity	Item	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Office of the Governor	Compensation to Employees	171,596,310	178,460,162	185,598,569
	Use of Goods and Services	625,749,458	618,885,606	611,747,199
	Current Grants			
	Total	797,345,768	797,345,768	797,345,768
County Public Service Board	Compensation to Employees	32,627,689	33,932,796.56	35,290,108.42
	Use of Goods and Services	5,386,020	4,080,912	2,723,601
	Current Grants			
	Total	38,013,709	38,013,709	38,013,709
Roads, Transport and Public Works	Compensation to Employees	186,758,309	194,228,641.36	201,997,787.01
	Use of Goods and Services	57,646,697	56,396,615	51,458,733
	Current Grants			
	Total	244,405,006	250,625,256	253,456,520
Health	Compensation to Employees	3,444,357,190	3,582,131,477.60	3,725,416,736.70
	Use of Goods and Services	715,032,820	622,767,922	664,632,657
	Current Grants	83,250,000	83,250,000	83,250,000
	Total	4,242,640,010	4,288,149,400	4,473,299,394
County Assembly	Compensation to Employees	515,924,464	536,561,442.56	558,023,900.26
	Use of Goods and Services	598,388,800	577,751,821	556,289,364
	Current Grants			
	Total	1,114,313,264	1,114,313,264	1,114,313,264
Water, Irrigation, Environment and Climate Change	Compensation to Employees	98,544,555	102,486,337.20	106,585,790.69
	Use of Goods and Services	36,655,941	36,206,823	30,624,811
	Current Grants	11,000,000	11,000,000	11,000,000
	Total	146,200,496	149,693,160	148,210,602
Agriculture, Food Security and Co-operative Development	Compensation to Employees	234,018,446	243,379,183.84	253,114,351.19
	Use of Goods and Services	42,603,300	39,443,717	34,043,695
	Current Grants			
	Total	276,621,746	282,822,901	287,158,046
Finance, Economic Planning and Revenue Management	Compensation to Employees	581,358,202	604,612,530.08	628,797,031.28
	Use of Goods and Services	411,818,030	382,410,542	366,826,807
	Current Grants	1,708,218	1,708,218	1,708,218
	Total	994,884,450	988,731,290	997,332,056
Gender, Youth, Sports and Social Welfare	Compensation to Employees	56,818,546	59,091,287.84	61,454,939.35
	Use of Goods and Services	87,753,269	90,209,118	89,910,487
	Current Grants			
	Total	144,571,815	149,300,406	151,365,426

County Entity	Item	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
Trade, Industry, Tourism and Innovation	Compensation to Employees	63,352,510	65,886,610.40	68,522,074.82
	Use of Goods and Services	93,664,782	98,024,046	100,899,439
	Current Grants			
	Total	157,017,292	163,910,656	169,421,514
Education	Compensation to Employees	348,320,563	362,253,385.52	376,743,520.94
	Use of Goods and Services	212,483,191	205,245,556	192,780,367
	Current Grants			
	Total	560,803,754	567,498,942	569,523,888
Lands, Urban Development, Housing and Energy	Compensation to Employees	96,121,506	99,966,366.24	103,965,020.89
	Use of Goods and Services	122,016,435	121,228,473	81,789,559
	Current Grants	35,000,000	35,000,000	35,000,000
	Total	253,137,941	256,194,839	220,754,580
Devolution	Compensation to Employees	506,912,029	527,188,510.16	548,276,050.57
	Use of Goods and Services	465,836,008	393,182,318	340,467,665
	Current Grants	37,500,000	37,500,000	37,500,000
	Total	1,010,248,037	957,870,828	926,243,716
County Attorney	Compensation to Employees	22,071,794	22,954,665.76	23,872,852.39
	Use of Goods and Services	64,779,979	65,239,696	71,881,228
	Current Grants			
	Total	86,851,773	88,194,362	95,754,080
Total Compensation to Employees		6,358,782,113	6,613,133,398	6,877,658,733
Total Net Use of goods and services		3,539,814,730	3,311,073,165	3,196,075,612
Total Net Current Grants		168,458,218	168,458,218	168,458,218
TOTAL NET EXPENDITURE		10,067,055,061	10,092,664,781	10,242,192,563

ii. Development Expenditure

County Entity	Details	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2025/2027
Office of the Governor	Acquisition of Assets	59,830,059	52,821,562	49,171,951
	Capital Grants			
	Total Development	59,830,059	52,821,562	49,171,951
County Public Service Board	Acquisition of Assets	21,796,931	18,900,000	19,845,000
	Capital Grants			
	Total Development	21,796,931	18,900,000	19,845,000
Roads, Transport and Public Works	Acquisition of Assets	715,069,233	726,822,695	763,163,829
	Capital Grants	314,847,146	314,847,146	314,847,146
	Total Development	1,029,916,379	1,041,669,841	1,078,010,975

County Entity	Details	Printed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2025/2027
Health	Acquisition of Assets	560,778,494	587,024,556	625,972,971
	Capital Grants	11,943,750	11,943,750	11,943,750
	Total Development	572,722,244	598,968,306	637,916,721
County Assembly	Acquisition of Assets	174,400,000	184,720,000	190,867,000
	Capital Grants			
	Total Development	174,400,000	184,720,000	190,867,000
Water, Irrigation, Environment and Climate Change	Acquisition of Assets	468,111,724	418,289,671	418,736,814
	Capital Grants	137,500,000	137,500,000	137,500,000
	Total Development	605,611,724	555,789,671	556,236,814
Agriculture, Food Security and Co- operative Development	Acquisition of Assets	242,362,429	263,215,399	277,951,927
	Capital Grants	279,296,509	279,296,509	279,296,509
	Total Development	521,658,938	542,511,908	557,248,436
Finance, Economic Planning and Revenue Management	Acquisition of Assets	246,636,671	216,078,864	224,382,807
	Capital Grants			
	Total Development	246,636,671	216,078,864	224,382,807
Gender, Youth, Sports and Social Welfare	Acquisition of Assets	400,158,502	399,638,994	404,879,214
	Capital Grants			
	Total Development	400,158,502	399,638,994	404,879,214
Trade, Industry, Tourism and Innovation	Acquisition of Assets	130,575,969	131,004,768	132,192,505
	Capital Grants			
	Total Development	130,575,969	131,004,768	132,192,505
Education	Acquisition of Assets	110,410,378	115,930,897	121,727,442
	Capital Grants			
	Total Development	110,410,378	115,930,897	121,727,442
Lands, Urban Development, Housing and Energy	Acquisition of Assets	236,741,084	248,524,924	189,430,144
	Capital Grants	90,174,566	90,174,566	90,174,566
	Total Development	326,915,650	338,699,490	279,604,710
Devolution	Acquisition of Assets	117,987,127	121,693,462	127,427,523
	Capital Grants			
	Total Development	117,987,127	121,693,462	127,427,523
County Attorney	Acquisition of Assets	6,510,000	7,000,000	10,000,000
	Capital Grants			
	Total Development	6,510,000	7,000,000	10,000,000
Total Acquisition of Non-Financial Assets		3,491,368,601	3,491,665,792	3,555,749,127
Total Capital Grants		833,761,971	833,761,971	833,761,971
TOTAL NET EXPENDITURE		4,325,130,572	4,325,427,763	4,389,511,098

Annex 7: Machakos County Sector Composition

Sector	County Entity
Agriculture and Co-operative Development	<ul style="list-style-type: none"> • Agriculture and Food Security. • Livestock and Fisheries; • Co-operative Development
Energy, Infrastructure and ICT	<ul style="list-style-type: none"> • Energy, • Roads & Transport; • Public Works, • ICT; • Urban Development and Housing; • Digital Economy;
Commercial, Tourism and Labour Affairs	<ul style="list-style-type: none"> • Trade and External Relations; • Culture & Tourism; • Small and Medium Enterprise Development; • Industry and Innovation
Health	<ul style="list-style-type: none"> • Medical Services, • Public Health; • Health Facilities and Infrastructure Development
Public Administration	<ul style="list-style-type: none"> • Office of the Governor; • County Administration and Decentralized Units; • Public Service and Performance Management; Inspectorate, Firefighting and Emergency Services; • Public Participation, Civic Engagement and Customer Service; • Finance; • Revenue Management; • Economic Planning; • Public Communication and E-Government; • County Public Service Board; • County Attorney; • County Assembly
Education, Youth and Social Welfare	<ul style="list-style-type: none"> • Education, • Vocational Training; • Youth & Sports • Gender & Social Welfare
Water and Irrigation	<ul style="list-style-type: none"> • Water and Irrigation
Land, Environment and Natural Resources	<ul style="list-style-type: none"> • Lands & Physical Planning; • Environment and Natural Resources; • Climate Change; Sewerage, Sanitation and Waste Management

Source: Machakos County Integrated Development Plan 2023-2027

Annex 8: Machakos County Budget Calendar FY 2025/2026

No.	Activity	Responsibility	Timeline
1.	Issue guidelines for preparation of FY 2025/2026 and Medium-Term County Budget Estimates (<i>Sec. 128 (2)</i>)	County Executive Committee Member for Finance (CECMF)	30 th August 2024
2.	Submission of Annual Development Plan (ADP) for FY 2025/2026 to the County Assembly for approval (<i>Sec. 126 (3)</i>)	CECM responsible for Planning	1 st September, 2024
3.	Submission of CBROP-2024 to County Executive Committee (<i>Sec. 118 (1b)</i>)	County Treasury	30 th September 2024
4.	Approval of CBROP 2024 (<i>Sec. 118 (3)</i>)	County Executive Committee	14 th October, 2024
5.	Submission of CBROP-2024 to County Assembly (<i>Sec. 118 (4)</i>)	County Treasury	21 st October, 2024
6.	Submission of CFSP- 2025 to County Executive Committee	County Treasury	14 th February, 2025
7.	Submission of CFSP-2025 to County Assembly (<i>Sec. 117 (1)</i>)	County Treasury	28 th February, 2025
8.	Approval of CFSP-2025 (<i>Sec. 117(6) & Reg. 30 (4)</i>)	County Assembly	15 th March, 2025
9.	Submission of Budget Proposals for FY 2025/2026 to County Treasury (<i>Reg. 30(6)</i>)	Accounting Officers	10 th April, 2025
10	Submission of Budget Estimates for FY 2025/2026 to County Executive Committee (<i>Sec. 129 (1) & Reg. 30(7)</i>)	County Treasury	20 th April, 2025
11	Submission of Budget Estimates for FY 2025/2026 to County Assembly (<i>Sec. 129 (2a) & Reg. 30(8)</i>)	CECMF	30 th April, 2025
12	Submission of County Finance Bill 2025 to County Assembly (<i>Sec. 132 (2)</i>)	CECMF	June, 2025
13	Approval of the Budget Estimates for FY 2025/2026 (<i>Sec. 131 (1)</i>)	County Assembly	30 th June, 2025
14	Approval of Finance Bill 2025 (<i>Sec. 133</i>)	County Assembly	30 th September, 2025

Source: PFM Act 2012