

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF UASIN GISHU

COUNTY TREASURY

COUNTY BUDGET REVIEW AND OUTLOOK PAPER
2025

SEPTEMBER 2025

A County of Opportunities for All in Kenya and Beyond

© County Budget Review and Outlook Paper (CBROP) 2025

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

Email: info@uasingishu.go.ke

Website: www.uasingishu.go.ke

FOREWORD

The 2025 County Budget Review and Outlook Paper (CBROP) has been prepared in compliance with Section 118 of the Public Finance Management Act, 2012. It serves as an important tool in our fiscal planning framework, providing a comprehensive review of the county's budget performance for the 2024/2025 financial year while laying the foundation for the 2026/2027 Medium-Term Expenditure Framework (MTEF).

The 2025 CBROP has been prepared against the backdrop of Kenya's resilient economic performance over the past three years, consistently outpacing both global and regional growth averages. In 2024, the economy expanded by 4.7 percent, driven by strong agricultural output, industrial recovery, and a vibrant services sector. Looking ahead, growth is projected at 5.3 percent for both 2025 and 2026, underpinned by continued momentum in services sector and sustained infrastructure investments.

Uasin Gishu County continues to benefit from Kenya's broader economic resilience, with its Gross County Product (GCP) reflecting steady growth across key sectors. The county's share of the GCP has shown consistent improvement, rising from 2.4 percent in 2019 to 2.5 percent in 2023, resulting in a five-year average of 2.4 percent. This growth has been driven primarily by strong agricultural performance, supported by favourable rainfall over the past two years, a recovering manufacturing and agro-processing sector, and a vibrant services industry encompassing education, healthcare, and trade. This upward trend underscores the county's expanding economic footprint and its strategic role in driving regional development.

The county's economic outlook for the 2026/27 fiscal year reflects a deliberate and strategic shift toward inclusive growth and socio-economic transformation. Realizing this vision will depend on the timely completion and operationalization of key flagship projects currently underway, including the six agro-processing facilities, an asphalt plant, Uasin Gishu hospital and diagnostic centre, modern library and youth and innovation centre, the County Aggregation and Industrial Park (CAIP), the 64 ultra-modern market, an Export Processing Zone (EPZ), and the affordable housing initiative, among others. These strategic investments are poised to unlock new economic opportunities, stimulate local enterprise, and improve the overall well-being of residents across the county.

On fiscal performance, for the period ending 30th June 2025, the county recorded total revenue of KSh12.7 billion, comprising equitable share, conditional grants, unspent balances,

and own-source revenues. This represents a performance rate of approximately 84 percent against the annual target of KSh15.1 billion, highlighting a revenue shortfall that impacted the full implementation of planned programs and development priorities. Own-source revenue, including Facility Improvement Fund (FIF) and Appropriations-in-Aid (AIA), amounted to KSh 1.352 billion against a target of KSh 1.606 billion, also translating to a performance rate of 84 percent. Total expenditures during the period stood at KSh 11.13 billion against a target of KSh 15.18 billion, resulting in an overall absorption rate of 73 percent. The recurrent expenditure absorption rate was 85 percent, while development expenditure lagged at 57 percent, underscoring the need for improved execution of development projects.

Over the 2026/27 medium term, the county will focus on completing and operationalizing all key projects initiated during the current plan period to ensure their intended benefits are fully realized by residents. As this period marks the final phase of the current planning cycle, emphasis will also be placed on fast-tracking transformative initiatives outlined in the *Nguzo Kumi* agenda and the County Integrated Development Plan (CIDP), with a view to delivering lasting socio-economic impact.

In Conclusion, I urge all stakeholders to actively utilize this resource to guide informed decision-making in the development and implementation of the FY 2026/27 budget.



MICAH KIPKOSGEI ROGONY
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

This County Budget Review and Outlook Paper (CBROP) has been prepared in compliance with Section 118 of the Public Finance Management Act, 2012 which mandates the County Treasury to prepare and submit the paper to the County Executive Committee (CEC) by 30th September of every year. The document reviews the county's fiscal performance for the 2024/2025 financial year and presents the economic outlook for the upcoming period, highlighting its implications for the preparation and implementation of the FY 2026/2027 budget and the medium-term expenditure framework. Additionally, the CBROP supports fast-tracking the *Nguzo Kumi* agenda and CIDP priorities as the county approaches the final phase of its current planning period.

In this regard, therefore, I wish to express my sincere gratitude to H.E. Dr. Hon. Jonathan Chelilim Bii, the Governor of Uasin Gishu County and H.E. Hon. Evans Kapkea, the Deputy Governor, for providing their support during the entire process in the preparation of this document. I also want to thank the County Executive Committee Members, County Chief Officers, Directors and their staff who participated in the preparation process.

Appreciation also goes to the CEC Member for Finance and Economic Planning Mr. Micah Rogony for his unwavering support throughout the development of this document.

I also acknowledge the contribution of the Economic Planning Department for successfully planning and coordinating the preparation of the 2025 CBROP.

Finally, I wish to reiterate the department's commitment in strengthening linkages with various stakeholders to improve the quality of the future policy documents.



NIXON K. CHEPLONG

CHIEF OFFICER – ECONOMIC PLANNING

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ABBREVIATIONS

AiA	:	Appropriation in Aid
BETA	:	Bottom Up Economic Transformation Agenda
BPS	:	Budget Policy Statement
CAIPs	:	County Aggregation and Industrial Parks
CBROP	:	County Budget Review and Outlook Paper
CEC	:	County Executive Committee
CFSP	:	County Fiscal Strategy Paper
CIDP	:	County Integrated Development Plan
CIP	:	Customer Price Index
CO	:	Chief Officer
CRA	:	Commission of Revenue Allocation
ECDE	:	Early Childhood Development Education
EPZ	:	Economic Processing Zones
ERS	:	Economic Recovery Strategy
FIF	:	Facility Improvement Fund
FY	:	Financial Year
GCP	:	Gross County Product
GDP	:	Gross Domestic Product
GVA	:	Gross Value Added
IBEC	:	Intergovernmental Budget Economic Council's
ICT	:	Information and Communication Technology
KISIP	:	Kenya Informal Settlement Improvement Programme
M&E	:	Monitoring and Evaluation
MSME	:	Micro Small & Medium Enterprises
MTEF	:	Medium Term Expenditure Framework
NOREB	:	North Rift Economic Block
PE	:	Personnel Emoluments
PFM	:	Public Finance Management
PPP	:	Public Private Partnership
PWD	:	People With Disability

REAP : Revenue Enhancement Action Plan
REREC : Electrification and Renewable Energy Corporation
VTC : Vocational Training College

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PREAMBLE

Section 118 of the Public Finance Management (PFM) Act, 2012 mandates the County Treasury to prepare a County Budget Review and Outlook Paper (CBROP) and submit it to the County Executive Committee (CEC) by 30th September of each financial year. Specifically, Section 118(1) states that the County Treasury shall:

- i. Prepare a County Budget Review and Outlook Paper in respect of a County for each financial year; and
- ii. Submit the paper to the County Executive Committee by 30th September of that year.

In addition, Section 118 (2) of the Act detail issues to be presented in the County Budget Review and Outlook Paper, thus:

- i. The details of the actual fiscal performance in the previous year compared to the approved budget for that year;
- ii. The updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
- iii. Any changes in the forecasts compared with the CFSP;
- iv. How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- v. Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

Further, the county government is obligated by Section 107 of PFM Act, 2012 to manage public finances in accordance with the fiscal responsibility principles. Specifically, the section states that:

- i. The County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the prescribed limits.
- ii. In managing the County government's public finances, the County Treasury shall adhere to the following fiscal responsibility principles - (a) the County government's recurrent expenditure shall not exceed the County government's total revenue; (b) over the medium term plan a minimum of Thirty percent of the County government's budget shall be allocated to the development expenditure;

(c) the County government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County government's total revenue as prescribed by the County Executive Member for finance in regulations and approved by the County Assembly; (d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure; (e) the County debt shall be maintained at a sustainable level as approved by County assembly; (f) the fiscal risks shall be managed prudently; and (g) 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.

- iii. For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited County government revenue.
- iv. Every County government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the County assembly.
- v. The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

EXECUTIVE SUMMARY

The 2025 County Budget Review and Outlook Paper (CBROP) has been prepared in accordance with Section 118 of the Public Finance Management Act, 2012. It serves as an important tool within the county's fiscal planning framework, offering a detailed assessment of budgetary performance for the 2024/2025 financial year. Additionally, it provides the basis for the formulation of the 2026/2027 Medium-Term Expenditure Framework (MTEF), ensuring alignment with county development priorities and resource allocation objectives.

Fiscal performance for the period ending 30th June 2025 shows the county recorded total revenue of KSh 12.7 billion, representing 84 percent of the annual target of KSh 15.1 billion. This shortfall affected the full implementation of planned programmes and development priorities. Own-source revenue, including FIF and AIA, stood at KSh 1.352 billion against a target of KSh 1.606 billion, also reflecting a performance rate of 84 percent.

Total expenditure for the period was KSh 11.13 billion against a budgeted target of KSh 15.18 billion, reflecting an overall absorption rate of 73 percent. This included recurrent expenditure absorption at 85 percent, and development expenditure absorption at 57 percent. The lower development absorption highlights the need to strengthen project execution and implementation.

During the review period, the County Executive settled KSh 664.71 million out of KSh 710.18 million in pending bills, achieving a clearance rate of 98.7 percent. In contrast, the County Assembly settled KSh 3.3 million of its KSh 37.66 million in outstanding pending bills, reflecting a significantly lower clearance rate of 8.8 percent.

The FY 2026/27 marks the final year of the current planning cycle (2023–2027) and represents a pivotal moment for consolidating achievements and accelerating progress toward the county's development goals, as outlined in the Nguzo Kumi and the County Integrated Development Plan (CIDP). Towards this end, in FY 2026/27 and the medium term, the county will build on recent gains by prioritizing programmes with high impact and transformative potential. Resource allocation will focus on five key sectors: agriculture, trade and cooperatives, infrastructure, health, and education and training.

Therefore, total revenue for FY 2026/27 is projected at KSh 10,486 million, comprising equitable share at KSh 9,103 million and Own Source Revenue at KSh 1,339 million. Total

expenditure is equally projected at KSh 10,486 million, comprising recurrent expenditure at KSh 7,320 million and development expenditure at KSh 3,165 million.

The resource allocation in the medium term will be anchored on alignment with the Nguzo Kumi agenda and the County Integrated Development Plan. Priority will be given to the completion of ongoing projects, revival of viable stalled projects, and settlement of pending bills. These decisions will be shaped by citizen and stakeholder input through structured public participation forums and consultations.

CHAPTER ONE: INTRODUCTION

This section presents the objectives, significance and the structure of County Budget Review and Outlook Paper (CBROP).

1.1 Objectives of CBROP

The 2025 County Budget Review and Outlook Paper (CBROP) review the county's fiscal performance during the 2024/2025 financial year and evaluates its implications on the financial objectives and fiscal responsibility principles outlined in the 2024 County Fiscal Strategy Paper (CFSP).

The paper analyses the following key areas:

- i. The actual fiscal performance in the previous year compared to the approved budget for that year;
- ii. The updated economic and financial forecasts with adequate data to show changes from the forecasts in the most recent CFSP;
- iii. Information on any changes in the forecasts compared with the CFSP; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- iv. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.

1.2 Significance of CBROP

The 2025 CBROP provides a comprehensive assessment of the county's fiscal performance for the 2024/2025 financial year, alongside updated macroeconomic developments and projections that influence fiscal outcomes in the current and subsequent financial years. It serves as a key input for budget revisions through supplementary estimates and informs broad fiscal planning for the upcoming budget cycle and the medium-term framework. Additionally, the document provides indicative sector ceilings that will be affirmed in the 2026 CFSP, guiding resource allocation for the next financial year and the medium-term.

1.3 Structure of CBROP

The 2025 CBROP is structured into four other main sections. Section Two reviews the county's fiscal performance for the previous year under the sub-sections; The Overview, Fiscal Performance, and Implications of Fiscal Performance. Section Three reviews recent economic developments and comprises the following sub-sections; Recent Economic Developments, Economic Outlook & Policies, Medium Term Fiscal Framework, Risks to the Outlook and possible remedies to the risk. Section Four outlines resource allocation framework with indicative expenditure ceilings set for each department. It is divided into four sub-sections, thus; Adjustment to the Proposed Budget, the Medium-Term Expenditure Framework, Proposed Budget Framework, and Projected Fiscal Balance. Finally, Section Five presents conclusion for the document.

CHAPTER TWO:

REVIEW OF COUNTY FISCAL PERFORMANCE FOR THE FY 2024/25

This section provides a detailed review of revenue and expenditure performance for the previous financial year, highlighting any deviations from budgeted targets and providing explanations for those variances.

2.1 Overview of FY 2024/25 Budget

During the period under review, the county implemented a revised budget amounting to KSh 15.18 billion. It comprised KSh 6.36 billion (41.9 per cent) and KSh 8.82 billion (58.1 per cent) allocation for development and recurrent programmes, respectively.

The budget estimates reflect a KSh 1.89 billion increase, representing a 14.2 percent growth from the FY 2023/24 budget. The total comprises a development budget of KSh 5.16 billion and a recurrent budget of KSh 8.12 billion.

The budget was to be financed from various revenue sources, including the equitable share of revenue raised nationally, amounting to KSh 8.47 billion (55.8 per cent), conditional allocations of KSh 3.0 billion (19.8 per cent), a cash balance of KSh 2.10 billion (13.8 per cent) brought forward from FY 2023/24, and KSh 1.61 billion (10.6 percent) generated as own-source revenue (OSR) inclusive of Facility Improvement Fund (FIF) and Appropriation in Aid (AIA).

2.2 Revenue Performance

In the 2024/2025 financial year, the county received total revenue amounting to KSh 12,765 million against the projected KSh 15,179 million. The revenue was drawn from the equitable share, conditional grants, own-source collections, and unspent balances carried forward from the previous fiscal year as indicated in Table 1.

During the period under review, the County Allocation of Revenue Act, 2024 revised the county's equitable shareable revenue allocation downward to KSh 8,472.40 million, from the KSh 8,766.32 million initially projected in the 2025 Budget Policy Statement (BPS). In addition, the County Governments Additional Allocations Act (CGAA), 2024 allocated KSh 3,000.4 million to the county in the form of conditional grants.

The county collected a total revenue of KSh 1,352.16 million from own sources, representing 84 percent of the annual target of KSh 1,606.18 million. This comprised collections in form

of OSR, FIF and AIA. Additionally, the county carried forward an unspent cash balance of KSh 2,097.1 million from the FY 2023/2024.

Table 1: Summary of Revenue Performance FY 2024/2025 (KSh Million)

Revenue Type	FY2023/24 (a)	FY 2024/2025			%Growth (c-a/a)
		Approved (b)	Actual (c)	%Deviation (c-b/b)	
Unspent balance from Previous Year	1,479.89	2,097.10	2,097.10	0	41.71
Equitable Share	7,751.99	8,472.40	8,472.40	0	9.29
Own Source Revenue	1,345.38	1,395.00	1,010.39	-27.57	-24.9
Facility Improvement Fund (FIF)	59.39	79.14	233.04	194.47	292.39
Appropriation in Aid (AIA)	-	132.03	108.73	-17.65	0
Grants	992.92	3,004.11	843.94	-71.91	-15
Total Revenues	11,629.57	15,179.78	12,765.60	-14.72	9.77

Source: Uasin Gishu County Treasury, 2025

2.2.1 Own Source Revenue

In FY 2024/25, the county collected KSh 1,010.39 million as OSR translating to 72 percent of the annual target of KSh 1,395.00 million. This performance reflected a shortfall of KSh 384.61 million, equivalent to 28 percent of the projected target. When compared to the same period in the previous financial year during which collections totaled KSh 1,361.94 million this marks a decline of KSh 351.55 million, representing a 26 percent drop in own-source revenue. Table 4 indicates OSR performance by stream.

The under collection was attributed to several challenges that undermined the performance of OSR streams. These included frequent system downtimes that disrupted revenue collection, limited public participation and engagement, and delays in concluding key policy formulations. The situation was further compounded by interference from emerging issues and ongoing court cases, which diverted attention and resources. Additionally, inadequate capacity within revenue administration teams hindered effective service delivery. The lack of clear linkage between specific fees and the services they fund also contributed to public resistance.

Table 2: Revenue Performance by Stream for FY 2024/2025

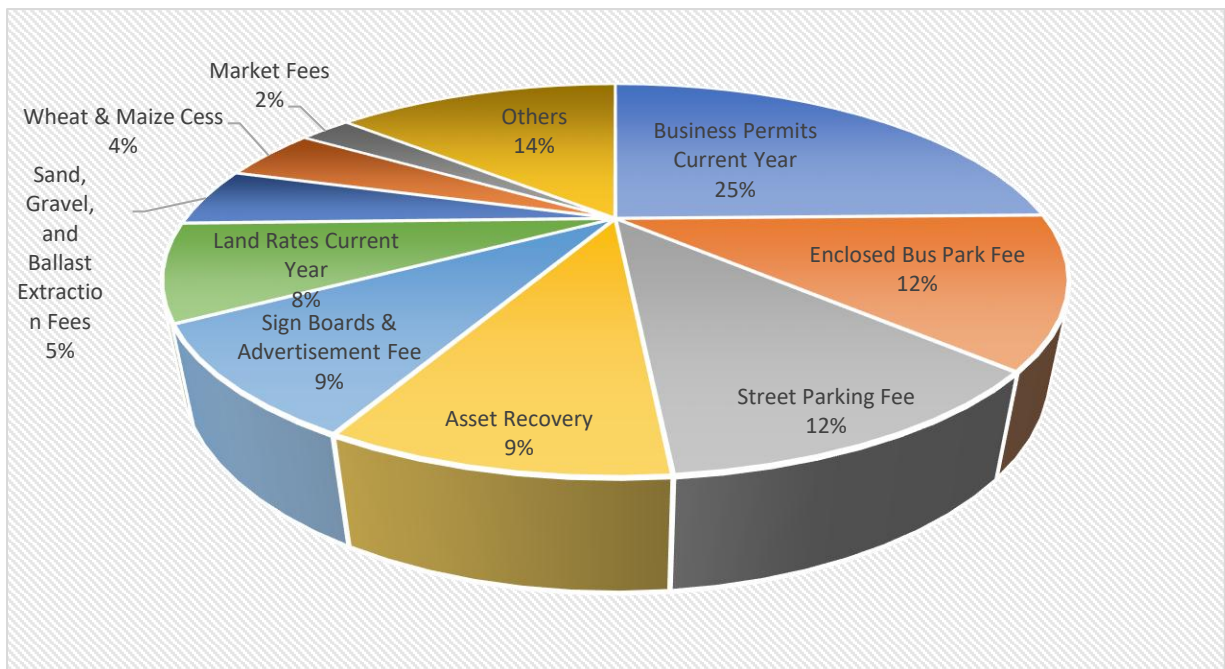
Revenue Streams	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Agriculture AMS	117,137	9,026	261,040	806,552	1,193,755
Agriculture Veterinary	-	-	-	1,000	1,000
Application Fee	-	-	-	69,700	69,700
Audit Fees	944,901	412,300	1,280,700	1,397,610	4,035,511
Betting Control	732,000	165,000	389,750	124,500	1,411,250
Buildings Plan Approval Fee /scrutiny	6,793,663	5,587,265	4,942,605	4,580,624	21,904,157
Business Permits Current Year	9,399,140	1,963,801	154,416,576	83,755,123	249,534,640
Council Premises Occasional Hire (Offices, etc.)	40,001	18,000	25,000	23,000	106,001
Court Fines	1	39,900	118,000	-	157,901
Enclosed Bus Park Fee	29,498,400	30,998,100	31,952,650	31,391,300	123,840,450
Fire-Fighting Services	504,500	153,000	5,536,000	1,321,000	7,514,500
Fisheries	67,200	121,000	137,100	187,800	513,100
Housing Estates Monthly Rent	4,210,831	2,671,015	4,561,874	5,072,025	16,515,745
Impounding Charges	788,250	574,800	723,300	1,243,200	3,329,550
Land Rates Current Year	10,635,399	7,990,991	43,244,892	18,592,774	80,464,056
Livestock Auction/Sales Fees	566,450	1,268,210	360,950	788,630	2,984,240
Log Cess/ Bark Cess/Hide/skins/Hay	399,199	100,105	192,730	404,650	1,096,684
Library Fee	-	-	11,000	1,040	12,040
Motor Bikes	5,010,100	3,876,900	5,038,500	5,875,410	19,800,910
Market Fees	6,773,788	6,400,122	5,153,459	6,083,230	24,410,599
Refuse Collection Fee/Nema	3,820,680	284,340	7,775,720	4,621,935	16,502,675
Right-of-Way / Way-Leave Fee	1,831	100,277	14,075	210,374	326,557
Sand, Gravel, and Ballast Extraction Fees	11,846,014	10,895,247	12,803,124	14,250,922	49,795,307
Staff Loan commission	2,150,134	2,436,197	3,686,055	1,474,616	9,747,002
Sign Boards & Advertisement Fee	8,100,436	5,494,820	44,380,574	30,661,189	88,637,018
Slaughtering Fee	5,244,080	5,346,821	5,112,130	4,575,060	20,278,091
Street Parking Fee	25,015,745	18,922,650	49,345,560	23,653,250	116,937,205
Sugarcane Cess	1,098,117	788,356	702,072	1,421,841	4,010,386
Hire of Machinery Water	-	1,560,000	-	-	1,560,000

Revenue Streams	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Weight and Measures	434,500	386,000	502,650	108,700	1,431,850
Wheat & Maize Cess	2,323,034	13,990,297	22,197,986	6,613,788	45,125,105
Salary Refund	47,591	-	23,099	21,000	91,690
Staff surcharge/Imprest	324,028	313,430	257,263	69,000	963,721
Asset Recovery	-	94,072,000	-	-	94,072,000
Direct Banking	201,723	173,748	382,526	1,259,954	2,017,951
TOTAL REVENUE	137,088,873	217,113,718	405,528,961	250,660,796	1,010,392,348

Source: Uasin Gishu County Treasury, 2025

During the review period for FY 2024/25, business permits remained the county’s most significant source of own-source revenue, generating KSh 249 million and accounting for 25 percent of total collections as indicated in Figure 1. Enclosed bus park fees ranked second, contributing KSh 123 million (12 percent) of the total. In contrast, agriculture veterinary fees and library fees recorded minimal collections of KSh 1,000 and KSh 12,040, respectively representing a negligible share of overall revenue. These figures reveal a disproportionate dependence on a limited number of revenue streams, highlighting the urgent need to strengthen and diversify underperforming sources through improved enforcement, enhanced service delivery, and targeted public awareness initiatives.

Figure 1: Revenue Streams



2.2.2 Facility Improvement Fund

In FY 2024/25, the County reported collections of KSh.233.04 million as FIF, surpassing the projected annual target of KSh.79.15 million by 294 percent. The collected amount was retained and utilized at source in line with the Facility Improvement Financing Act, 2023. The County had developed regulations to operationalize the FIF Act of 2023.

In FY 2024/25, health facilities recorded approved claims from the Social Health Authority (SHA) amounting to KSh.146.84 million. Of this, only KSh.102.79 million was disbursed,

occasioning a pending balance of KSh.44.05 million; however, claims paid by SHIF totaled KSh.30.97 million.

2.2.3 Appropriation in Aid

During the 2024/2025 financial year, the County realized KSh 108.72 million in Appropriation-in-Aid (AiA) revenue, achieving 83 percent of the annual target of KSh 132.03 million. This reflects a shortfall of KSh 23.31 million. The AiA comprised KSh 73.15 million from the Alcoholic Drinks Control Board and KSh 58.88 million from the Chebororwa Agricultural Training Centre. The shortfall may be attributed to several factors, including reduced demand for services due to economic pressures, delays in program implementation, limited public awareness of available services, and possible enforcement or regulatory challenges that affected revenue collection particularly in the alcohol sector. Addressing these gaps through improved service delivery, targeted outreach, and strengthened enforcement mechanisms could enhance future performance.

2.2.2 Other Strategies towards revenue mobilization in FY 2024/2025 & the medium term

As part of revenue enhancement measures, the County will undertake the following:

- Formulate and develop key policies to enhance revenue collection;
- Build capacity of ward-level teams to match the standards of main service centers;
- Strengthen public engagement to improve client–county relationships and facilitate easier fee payment;
- Conduct detailed discussions on linking fees to services, guided by best practices and successful models;
- Support the development of a comprehensive Tariff and Pricing Policy; and
- Ensure continuous review and alignment of action plans by all stakeholders.

2.3 Expenditure Performance

In the FY2024/25, total expenditure by county departments and entities, including the County Assembly, amounted to KSh 11,132 million against a budgeted allocation of KSh 15,179 million. This resulted in an underspending of KSh 4,048 million, representing 27 percent of the total budget. Recurrent expenditure stood at KSh 7,538.88 million compared to an approved budget of KSh 8,820.74 million, translating to an absorption rate of 85 percent.

Development expenditure totaled KSh 3,593.32 million against a revised target of KSh 6,359.05 million, reflecting an absorption rate of 57 percent.

Compared to the previous financial year, overall budget absorption rates dropped by 4 percent to 73 percent. Overly, development spending had improved by 8.1 percent attributable to the early rollout of the procurement plan with recurrent expenditure absorption falling by 10.2 percent.

Table 3: Total Expenditures for FY 2024/2025 (KSh Millions)

Description	FY 2023/24	FY 2024/25			
	Actual (a)	Approved (b)	Actual (c)	% Deviation [(c-b)/b]	% Growth [(c-a)/a]
Development Expenditure	2,522.40	6,359.05	3,593.32	-0.43	0.42
Recurrent Expenditure	7,733.61	8,820.74	7,538.88	-0.15	-0.03
Total Expenditure	10,256.01	15,179.79	11,132.20	-0.27	0.09

Source: Uasin Gishu County Treasury, 2025

2.3.1 Expenditures by Department

Table 4 indicates absorption rates by department and expenditure category.

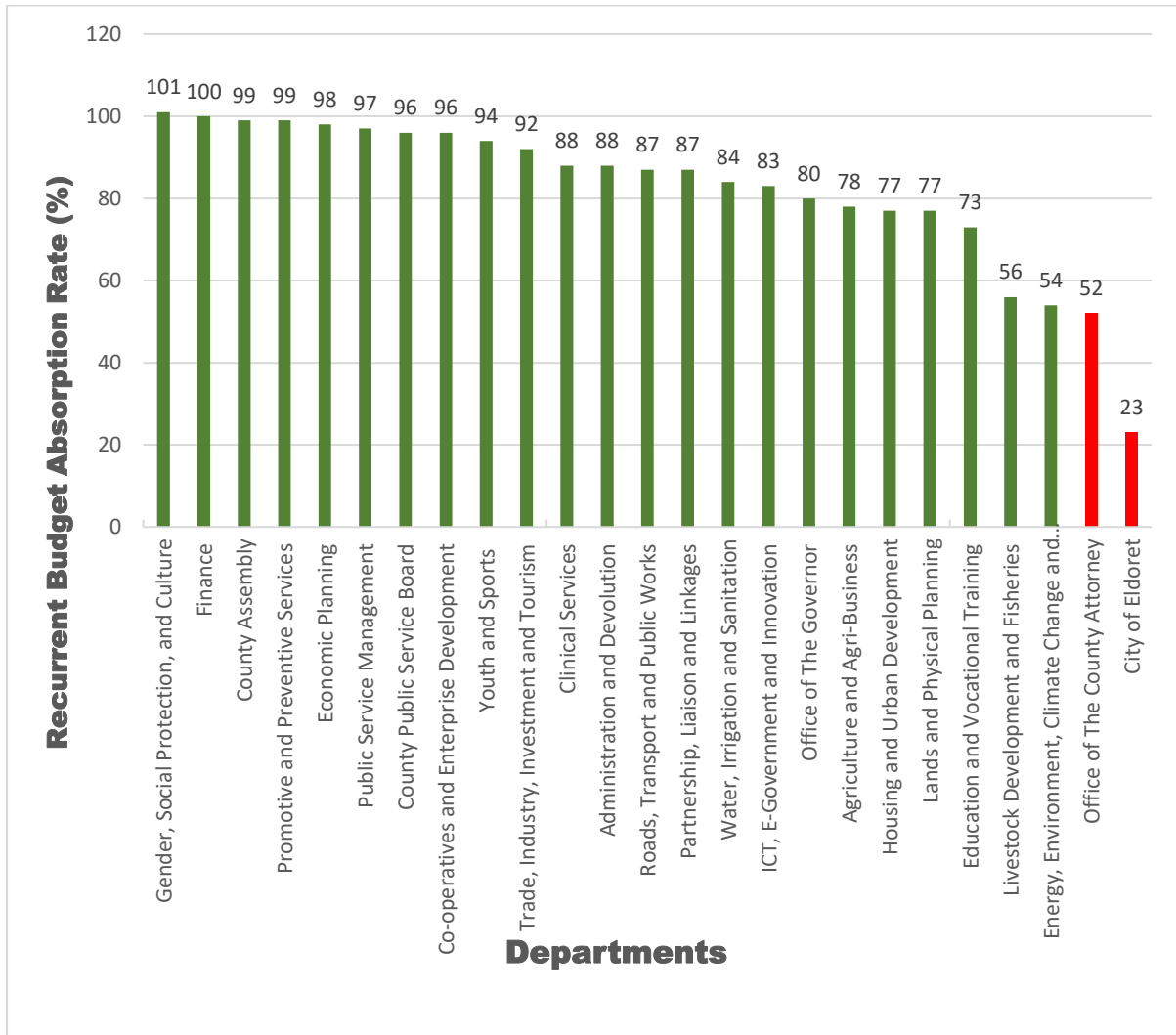
Table 4: Budget Performance by Department (KSh Millions)

Department	Recurrent Budget			Development Budget			Total Absorption %
	Approved Estimate	Cumulative Expenditure	Absorption %	Approved Estimate	Cumulative Expenditure	Absorption %	
Office of The Governor	131.12	105.02	80	0	0	0	80
Finance	763.91	762.25	100	0	0	0	100
Public Service Management	891.92	861.42	97	0	0	0	97
ICT, E-Government and Innovation	76.15	62.99	83	30.03	20.41	68	79
Roads, Transport and Public Works	608.74	532.14	87	818.67	716.84	88	87
Clinical Services	1,829.55	1,614.00	88	472.14	225.47	48	80
Agriculture and Agri-Business	287.88	223.19	78	425.85	243.48	57	65
Trade, Industry, Investment and Tourism	156.44	143.33	92	403.03	196.31	49	61
Education and Vocational Training	628.99	456.41	73	236.01	78.22	33	62
County Public Service Board	73.95	71.05	96	0	0	0	96
County Assembly	807.07	799.89	99	110.67	31.02	28	91
Economic Planning	121.89	119.25	98	0	0	0	98
Administration and Devolution	179.17	158.05	88	273.48	182.43	67	75
Youth and Sports	241.79	227.78	94	93.86	62.92	67	87
Co-operatives and Enterprise Development	163.44	156.36	96	0	0	0	96
Livestock Development and Fisheries	48.75	27.13	56	158.26	87.8	55	56
City of Eldoret	584.08	136.22	23	169.67	101.31	60	32
Promotive and Preventive Services	544.89	538.56	99	110.49	50.06	45	90
Energy, Environment, Climate Change and Natural Resources	50.28	26.92	54	445.94	341.04	76	74
Partnership, Liaison and Linkages	49.08	42.93	87	0	0	0	87
Gender, Social Protection, and Culture	148.95	150.3	101	51.79	33.01	64	91
Housing and Urban Development	40.5	31.31	77	1,356.25	456.27	34	35
Lands and Physical Planning	97.05	74.65	77	268.91	92.01	34	46
Water, Irrigation and Sanitation	204.22	170.72	84	933.98	674.74	72	74
Office of The County Attorney	90.93	47.02	52	0	0	0	52
TOTAL	8820.74	7538.89	85	6359.03	3593.34	57	73

Source: Uasin Gishu County Treasury, 2025

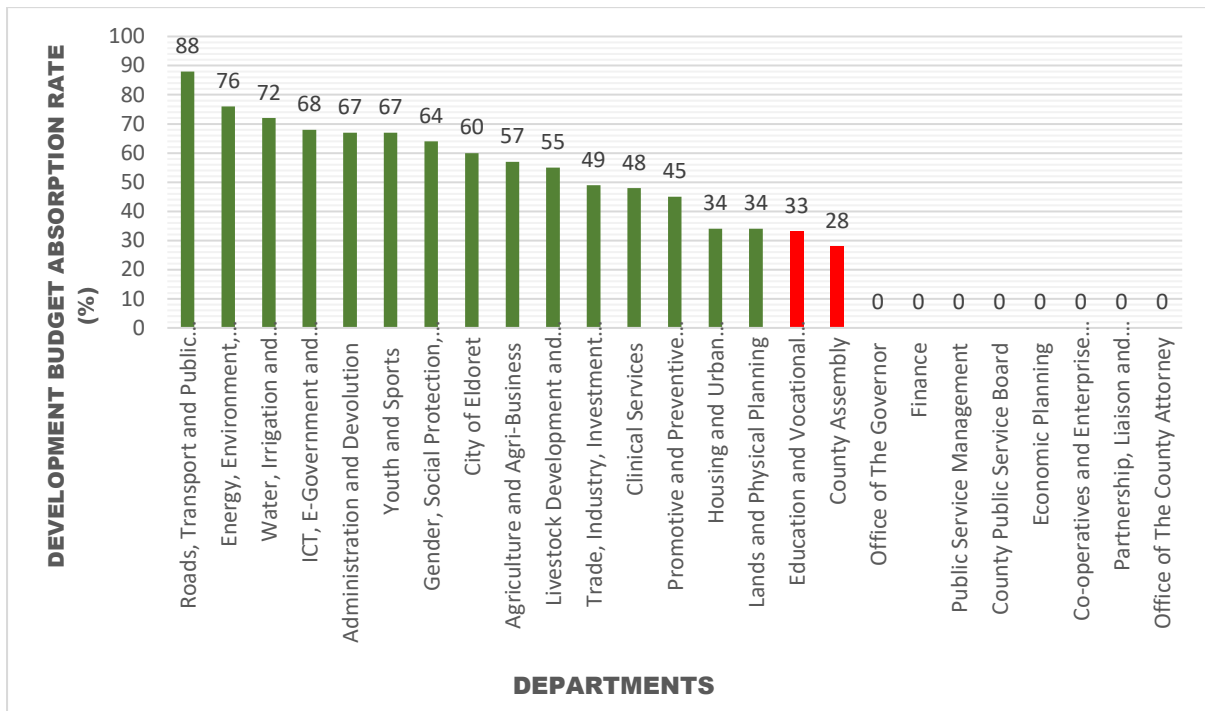
On the recurrent expenditure side, the Department of Gender, Social Protection and Culture and the Department of Finance posted the highest absorption rates at 101 percent and 100 percent, respectively. In contrast, the City of Eldoret and the Office of the County Attorney registered the lowest recurrent absorption levels at 52 percent and 23 percent, respectively, as illustrated in Figure 2.

Figure 2: Recurrent Budget Absorption



An analysis of departmental expenditure revealed that the Department of Roads, Transport and Public Works achieved the highest development budget absorption rate at 88 percent, followed by the Department of Energy, Environment, Climate Change and Natural Resources at 76 percent. On the other hand, the Department of Education and Vocational Training and the County Assembly recorded the lowest absorption rates at 33 percent and 28 percent, respectively, as illustrated Figure 3.

Figure 3: Development Budget Absorption Rate



2.3.2 Expenditure by Economic Classification

The expenditure analysis by economic classification for FY 2024/25 indicates that the County Executive spent KSh 4.49 billion on employee compensation against the approved budget of KSh 4.58 billion, translating to an absorption rate of 98 percent. Operations and Maintenance recorded expenditures of KSh 2.25 billion, representing 65 percent of the allocated KSh 3.44 billion. Development registered KSh 3.56 billion in spending out of a KSh 6.25 billion allocation, translating to a 57 percent absorption rate.

In FY 2024/25, the County Assembly spent KSh 0.335 billion on employee compensation, achieving 92 percent of the approved budget of KSh 0.366 billion. Development programs recorded spending of KSh 0.031 billion against a budget of KSh 0.111 billion, translating to a 28 percent absorption rate

Notably, wages and salaries continue to dominate recurrent expenditure, limiting resources available for service delivery. This underscores the urgent need to rationalize the wage bill and redirect savings toward essential public services.

Table 5: Summary of Budget and Expenditure by Economic Classification (KSh Billions)

Expenditure Classification	Budget (KSh)			Expenditure (KSh)			Absorption (%)		Cumulative Absorption (%)
	County Executive	County Assembly	Cumulative	County Executive	County Assembly	Cumulative	County Executive	County Assembly	
Total Rec	8.014	0.807	8.821	6.739	0.8	7.539	84	99	85
Compensa	4.576	0.366	4.942	4.492	0.335	4.827	98	92	98
Operations	3.438	0.441	3.879	2.247	0.465	2.712	65	105	70
Maintenan									
Developme	6.248	0.111	6.359	3.562	0.031	3.593	57	28	57
Total Expe	14.262	0.918	15.18	10.301	0.831	11.132	72	91	73

Source: Uasin Gishu County Treasury, 2025

2.4 Status of Pending Bills FY 2024/25

As of 30th June 2024, the county reported total pending bills amounting to KSh 710.18 million. Of this amount, the County Executive accounted for KSh 672.52 million, comprising KSh 420.68 million in recurrent expenditure, and KSh 251.84 million in development expenditure. The County Assembly reported KSh 37.66 million, attributed solely to recurrent expenditure.

During the period under review, the county executive settled pending bills totaling KSh 664.71 million, achieving a clearance rate of 98.7 percent. This comprised KSh 415.30 million for recurrent programmes, and KSh 249.42 million for development programmes. In comparison, the County Assembly cleared KSh 3.3 million of its outstanding bills, representing 8.8 percent of its recurrent expenditures.

2.5 Implications of Fiscal Performance on Financial Objectives

The fiscal performance in the FY 2024/25 was broadly in line with the financial objectives outlined in the 2024 CSFP.

- The allocation of funds in the budget was guided by the broad priorities outlined in the 2024 CFSP. These priorities, ranked in order of emphasis, included: water, health, agriculture, roads, energy, and education.

- The withdrawal of the Finance Bill following widespread Gen Z-led protests necessitated downward adjustments to revenue projections through Supplementary Budget II. As a result, the projected equitable share from the national government was revised to reflect the reduced fiscal capacity, impacting the county’s overall budget envelope and limiting funding for planned programmes.
- The under-spending in the development budget for FY 2024/25 was partly due to the underperformance of own-source revenues, which limited available funds for planned projects and delays in execution of procurement plans. To address these challenges, the county has initiated revenue enhancement strategies aimed at boosting OSR collections. Additionally, efforts are underway to strengthen procurement processes through the accelerated rollout of the eGPay system, which is expected to streamline procurement.

2.6 Adherence to Fiscal Responsibility Principles

In accordance with Section 107 of the Public Finance Management (PFM) Act of 2012 and the PFM (County Government) Regulations 2015, and in keeping with prudent and transparent management of public resources, the county government will strive to adhere to the fiscal responsibility principles outlined in these statutes. Thus,

Maintaining a Balanced Budget – The law states that the county government’s recurrent expenditure shall not surpass its total revenues. In compliance to this, the county has maintained a balanced budget and commits to implement the same over the medium-term period.

Compliance with the Requirement for Expenditure on Wages – Regulation 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that county governments’ wage bill shall not exceed 35 percent of its total revenues. In conformity to this requirement, the expenditure on wages and benefits now stands at 38 percent and it’s anticipated to grow by 7 percent in FY 2025/26 and over the medium term. The high wage bill calls for measures to keep it within the prescribed limits.

Adherence with the Requirement for Development Spending Allocations – In compliance with Section 107(2) (b) of the PFM Act, 2012 the government allocation to development expenditures stood at 39 percent during the review period and it’s expected to decline by 19 percent in the FY 2024/25 and over the medium-term plan as indicated in table 3.2, attributable to the overall decrease in grants.

County Debt Financing to be used for development – Any government borrowing shall be utilized in financing development expenditure and not recurrent expenditure. The county will continue to implement a balanced budget. However, any borrowing undertaken will be solely used to finance development programmes and projects in accordance with Section 107 (2) (d) of the PFM Act, 2012 and the Borrowing Framework for sub-nationals.

CHAPTER THREE:

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

This section discusses recent economic developments, county economic outlook and policies, the medium-term fiscal framework, and risks to the outlook. Its objective is to shift the focus from the past to the present and the immediate future. In this part, the county administration shares its evaluation of the possibilities for growth based on current economic events and conditions.

3.1 Recent Economic Developments

Global economic outlook suggests a cautiously optimistic rebound, though risks from geopolitical tensions, debt vulnerabilities, and climate-related shocks remain significant. Global growth is expected to pick up slightly to 3.1 percent in 2026 compared to 3.0 percent in 2025 as a result of easing of monetary policy as inflationary pressures subside, stronger domestic demand in emerging markets and developing economies, and a gradual recovery in global trade. However, Kenya's economy has remained remarkably resilient over the past three years, consistently growing at a pace that outperforms both the global and regional averages, supported by deliberate policies and the benefits of a diversified economy, and thus withstanding adverse impacts of domestic and external shocks. In 2024, the country realized growth of 4.7 percent compared to a revised growth of 5.7 per cent in 2023, supported by positive growths in all sub-sectors except construction, and mining and quarrying. Further, the economy remained strong with a growth of 4.9 percent in the first quarter of 2025, supported by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of services sector.

Kenya's macroeconomic indicators performed fairly well, with year-on-year inflation declining while remaining below mid-point of the policy target range of 5.0 ± 2.5 percent since June 2024. The year-on-year inflation was stable at 4.5 percent in August 2025 compared to 4.4 percent in August 2024, supported by abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation attributed to the stability of the exchange rate; lower international oil prices; and the decline in non-core inflation reflecting impact of previous monetary policy tightening.

Core inflation increased to 3.0 percent in August 2025 from 2.2 percent in August 2024, largely driven by higher prices of processed food items. Core inflation is compiled from non-volatile commodities such as manufactured food items, health services, education services

and ICT. Non-core inflation decreased to 9.2 percent in August 2025 from 10.3 percent in August 2024, basically as a result of relatively lower energy prices. Non-core Consumer Price Index (CPI) component is largely comprised of fresh vegetable farm produce, energy items and select transport components, which are predominantly driven by volatility in global energy prices and domestic weather conditions.

With the relaxation of monetary policy, short-term interest rates have also fallen. In August 2025, the interbank rate fell to 9.5 percent from 13.0 percent in August 2024, remaining within the CBR target range of ± 75 basis points. The 91-day Treasury Bills rate fell to 8.0 percent in August 2025, from 15.9 percent in August 2024. The 182-day Treasury Bills rate fell to 8.1 percent in August 2025 from 16.7 percent in August 2024, while the 364-day Treasury Bills rate fell to 9.6 percent from 16.9 percent during the same time period. The fall in government domestic borrowing rates has resulted in cheaper debt payment costs. Commercial banks' average lending and deposit rates fell in the year to July 2025, coinciding with the relaxation of monetary policy. The average loan rate fell to 15.2% in July 2025 from 16.8% in July 2024, while the average deposit rate fell to 8.1 percent from 11.3 percent during the same period. As a result, the average interest rate spread climbed to 7.2 percent in July 2025, from 5.6 percent in July 2024.

Official foreign exchange reserves remained satisfactory at the end of June 2025, with 5.2 months of import cover compared to 3.8 months in June 2024. This quantity of reserves is significantly more than the required requirement of 4.0 months of import cover; thus, it maintains a robust buffer against short-term external shocks, promotes exchange rate stability, and boosts investor confidence in the economy. The Kenya Shilling stayed generally stable against the major foreign currencies. It stabilized against the US dollar in August 2025, with an average exchange rate of KSh 129.2 compared to KSh 129.3 in August 2024. However, the Shilling fell 3.8 percent against the Sterling Pound and 5.6 percent against the Euro. In August 2025, the Sterling Pound exchanged at an average of KSh 173.7, up from KSh 167.3 in August 2024, while the Euro averaged KSh 150.4, up from KSh 142.4 over the same period. Overall, the foreign exchange market was well-supported by stable inflows from agricultural exports and diaspora remittances, which helped cushion the Shilling from extreme volatility.

The Uasin Gishu County Gross County Product (GCP) was about KSh 349.3 billion in 2023 compared to KSh 296.8 billion in 2022, translating to the county's contribution to gross value

added (GVA) of 2.4 percent and 2.5 percent respectively. This positions the county among the top ten richest counties in Kenya. The county's economy is mainly driven by agriculture, manufacturing, trade, and services, with the average GCP growth rate of 4.6 percent over the periods 2013-2022, which outperformed the national average of 4.37 percent.

The macroeconomic indicators of the country suggest positive prospects for the national and county economies in terms of stimulating aggregate demand, investment, and employment. Declining inflation supports consumer demand and economic activities; low interest regime stimulates private sector credit and investment, thus employment, especially for youth; and stable exchange rate supports international trade (exports and imports). Growth of both the national and county economies also translate to improved revenue performance which enhances the fiscal space, thus allowing for expanded implementation of county strategic interventions, especially in infrastructure, agriculture, manufacturing, trade, and services. For further growth of the county's economy, there is need for continued investment in the growth potential areas, as well as providing necessary environment to attract investments by investing in infrastructure expansion and ensuring better environment for doing business.

In FY 2024/25, the county's local revenue performance fell 28 percent short of the target, posting KSh 1,010.39 million against KSh 1,395.0 million. This represented a 26 percent decrease over FY 2023/24. The shortfall was attributed to frequent system downtime, limited public participation and engagement, interference from emergent concerns and legal proceedings, and a lack of clear link between specific payments and the services they fund (which led to public resistance). During the same time period, the government got an equitable share of county revenue of KSh 8.47 billion as well as grants of KSh 843.94 million.

The National Government's delay in releasing funds and under-collection of revenue had an impact on the implementation of the 2024/25 budget. During the review period, the absorption rate was around 73 percent, a four percent decrease from the previous fiscal year.

3.2 County Economic Outlook and Policies

The government appreciates the inherent scarcity of resources at its disposal, and as a result, it will focus on strategic interventions necessary to boost economic growth and improve lives and livelihoods of residents of the county. The county will implement the Governor's *Nguzo Kumi* while giving special attention to the county's growth potential areas of infrastructure, agriculture, manufacturing, trade, and service delivery. The government will leverage the

synergy created by strengthening collaboration, networking and partnerships. It will work with the National Government, development partners, the private sector, and other counties in the region and beyond in addressing development challenges facing residents of the county. the North Rift Economic Bloc (NOREB) framework will deepen regional integration for enhanced trade and investment. The government will support development initiatives jointly undertaken with the national government including KISIP project, County Aggregation and Industrial Parks (CAIPs) in Moiben, Affordable Housing Project, and Eldoret Export Processing Zone (EPZ) at Cherunya, Kipkenyo Ward.

3.3 Medium Term Fiscal Framework

The county government's fiscal policy objective in the coming year and over the medium term will be to channel resources to priority and growth potential areas including agriculture, trade and cooperatives, infrastructure, health, and education and training. To ensure sustainable utilization of resources, other subsectors will see a reduction in their respective allocations to appropriate levels. Over the same period, the government will operate with a balanced budget, with occasional short-term borrowing as may be necessary for cash flow management purposes. Investing in the priority areas, and creating conducive environment for business operations will stimulate economic growth, create employment and reduce poverty in the county. The county targets to raise its GCP growth rate to approximately three percent.

Clear measures will be adopted to bolster revenue performance and strengthen expenditure management mechanisms. To improve own source revenue performance, the government will strengthen digitalization of revenue collection systems, broaden tax base, strengthen legal and institutional frameworks, build capacity for revenue administration, explore new revenue streams and review current rates, and conduct public awareness and taxpayer education. The government will closely monitor and rationalize expenditure over the period to achieve an appropriate level of expenditure productivity. Major expenditure areas will be expected to include personnel emoluments (P.E), development, and operations. The county will also engage the national government, development partners, and the private sector to support expanded expenditure on capital projects. Effective expenditure management will also be achieved through full implementation of e-GP across all the departments. Further, to improve overall budget execution, involvement of all stakeholders will be critical. Prioritization of public needs will be key in shaping the final budget policies and allocations. The government

will also upscale implementation of programmes targeting the vulnerable including the youth, women and people living with disabilities (PWDs) to enhance their participation in the county's development discourse.

In the medium term, the county does not foresee any long-term borrowing. However, if long-term borrowing is required, it shall be done in accordance with the Inter-Governmental Budget and Economic Council's (IBEC) framework for Sub-Nationals and the guidelines issued by the Commission for Revenue Allocation. Furthermore, any borrowings will only be utilized to fund development projects. The county government will adhere to a sustainable debt level as established by the county assembly.

The fiscal responsibility principles will continue to be the guiding framework for public finance management in the county.

3.4 Risks to the Economic Outlook

The county's outlook will be exposed to adverse risks that could stymie growth. These include:

- Extreme weather events may have an impact on agricultural performance. Droughts and floods may disrupt food production, causing food prices to rise, aggravating inflation and squeezing household incomes. Furthermore, climate-related infrastructure damage could hinder economic activity while increasing government spending on disaster response and restoration;
- Rising fuel costs and food imports due to supply constraints could put pressure on inflation, eroding purchasing power, and increase the cost of doing business in the county.
- Fiscal pressures occasioned by increasing wage bill that could limit development vote, and revenue underperformance.

Despite the potential threats, there are several upside situations that could strengthen the county. These include the following:

- Continued Kenya's overall economic resilience supported by a favourable global economic environment, marked by stable commodity prices, fall in oil prices, and strong external demand, which could result in higher-than-expected growth in the country;
- Accelerated implementation of county priority areas to address water and irrigation needs, roads, climate-smart agriculture and disaster preparedness;
- Implement measures to improve revenue performance.

CHAPTER FOUR:

RESOURCE ALLOCATION FRAMEWORK

This section outlines the county's total resource envelope and sets expenditure ceilings for the 2026/2027 financial year and the Medium-Term Expenditure Framework (MTEF) period.

4.1 Implementation of the FY 2025/26 Budget

The rollout of the eGPay system by the National Treasury has posed initial challenges, resulting in a slower start to the implementation of the FY 2025/26 Budget and delaying the launch of various programmes and projects. However, with the system now operational, budget execution is anticipated to accelerate in the second quarter of the current financial year.

The FY 2025/26 budget maintains its key priorities, with a continued focus on completing all flagship projects initiated under the current administration, in line with the *Nguzo Kumi* and CIDP. Initially, total revenue was projected at KSh 10,181,021,786, comprising KSh 8,881,021,786 from the equitable share and KSh 1,300,000,000 from own source revenue. However, following the enactment of the County Allocation of Revenue Act (CARA), 2025, the equitable share has been revised upward by one percent to KSh 8,977,014,770. This adjustment, along with roll-overs from the previous financial year, will be incorporated into Supplementary Budget I.

4.2 Fiscal Policy for FY 2026/27 and the Medium-Term Budget

The fiscal policy for the FY 2026/27 seeks to maintain a sustainable balance between government expenditure and revenue growth. In the medium term, the county government will remain committed to strengthening its own-source revenue streams by implementing a comprehensive revenue strategy. This strategy aims to unlock the county's full revenue potential as outlined by the Commission on Revenue Allocation (CRA).

To achieve this, the county will adopt measures aligned with the County Revenue Enhancement Action Plan 2024, which emphasizes tax system reforms, improved efficiency in revenue collection, and enhanced taxpayer compliance. These reforms are expected to expand fiscal space, reduce reliance on equitable share transfers, and support the county's development agenda under the *Nguzo Kumi*. Key measures include:

- Implementing County Revenue Enhancement Action Plans (REAPs) to identify untapped revenue streams, improve collection systems, and align revenue policies with development goals.
- Automating revenue streams to reduce leakages, improve compliance, and enhance transparency.
- Developing and enforcing clear legislation around fees, charges, and taxes to ensure consistency and reduce disputes.
- Broadening the tax base by identifying new taxable activities and assets, including informal sector operations, idle land, and digital businesses.
- Educating residents on the importance of paying local taxes and how the funds are used builds trust and improves voluntary compliance.
- Establishing additional one-stop-shop service centres at the sub-counties.
- Training staff in modern revenue administration, customer service, and data analytics to boost efficiency and professionalism in revenue collection.
- Setting clear revenue targets and rewarding departments or officers who meet or exceed them.

On expenditures, the county will continue to implement strategic initiatives aimed at strengthening expenditure controls and enhancing the efficiency and effectiveness of public spending. The objective is to ensure optimal use of resources, promote transparency, and deliver quality services to residents. Key measures include:

- Linking budget allocations to measurable outcomes to ensure funds are directed toward impactful programmes.
- Keeping recurrent expenditures within affordable limits to prioritize critical development areas.
- Prioritization of ongoing projects for completion before introduction of new ones.
- Scaling up use of PPP arrangements to unlock private sector investment in commercially viable projects.
- Enforcing compliance with end-to-end e-procurement to promote fairness, competitiveness, and value for money.
- Strengthening internal and external audit functions to detect and prevent misuse of public funds.
- Ensuring regular publication of financial reports to foster accountability and public trust.

4.3 Fiscal Projections

In FY 2026/27 total revenue projections is projected at KSh 10,486 million. This comprises of equitable share of KSh 9,103 million and Own Source Revenue of KSh 1,339 million (inclusive of FIF amount of KSh 247 million and A.I.A. of KSh 115.35). The equitable share forms the bulk of total revenue, representing 86.8 percent, reflecting strong reliance on national transfers. In contrast, Own Source Revenue accounts for 12.8 percent, showing potential for growth through local revenue mobilization. The projected revenue performance is expected to be supported by enhanced fiscal outcomes at the national level and the continued implementation of revenue mobilization strategies at the county level. The overall expenditure for FY 2026/27 is projected at KSh 10,486 million, comprising KSh 7,320 million in recurrent expenditure and KSh 3,165 million in development expenditure. Table 5 outlines the fiscal projections for FY 2026/27 and the Medium-Term period

Table 6: County Government Fiscal Projections, KSh Million

	FY 2024/25	FY 2025/26	FY 2026/27		FY 2027/28		FY 2028/29
	Actual	Approved Budget	CFSP '25	CBROP '25	CFSP '25	CBROP '25	CBROP '25
TOTAL REVENUE	12,765.60	10,181.02	10,435.10	10,486.45	10,695.97	10,801.05	11,125.08
Equitable Share	8,472.40	8,881.02	9,103.05	9,147.45	9,330.62	9,421.88	9,704.53
Conditional Grants	843.94	0.00	0.00	0.00	0.00	0.00	0.00
Own Source Revenue	1,010.39	1,300.00	1,332.05	1,339.00	1,365.35	1,379.17	1,420.55
Balance b/f from Fy 2023/24	2,097.10						
Facility Improvement Fund (FIF)	233.04	0.00	0.00	0.00	0.00	0.00	0.00
Appropriation in Aid (AIA)	108.73	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	11,132.20	10,181.02	10,435.55	10,486.45	10,696.44	10,801.05	11,125.08
Recurrent	7,538.88	7,107.71	7,304.88	7,320.94	7,487.51	7,540.57	7,766.79
Development	3,593.32	3,073.31	3,130.66	3,165.51	3,208.93	3,260.48	3,358.29

Source: County Treasury 2025

4.4 FY 2026/27 and Medium-Term Budget Framework

The FY 2026/27 marks the tail end of the current planning cycle (2023–2027) and serves as a critical juncture for consolidating gains and accelerating progress toward the county’s development agenda as envisioned in the *Nguzo Kumi* transformative agenda and the CIDP. The FY 2026/27 Budget and the medium-term framework will therefore prioritize the completion and full operationalization of all flagship projects initiated during the current administration. The focus is to deliver the promised benefits to residents, in alignment with H.E. the Governor’s transformative *Nguzo Kumi* agenda.

FY 2026/27 marks the final year of the current planning cycle (2023–2027) and represents a pivotal moment for consolidating development gains and accelerating progress toward the

county's strategic objectives, as outlined in the *Nguzo Kumi* and the CIDP. Accordingly, the FY 2026/27 Budget and medium-term framework will prioritize the completion and full operationalization of key flagship projects initiated during the plan period, with the aim of realizing the aspirations of these plans and delivering tangible impact to county residents.

Notwithstanding these aspirations, the first two years of the current planning period prioritized the water sub-sector, followed by the roads sub-sector in the third year. Significant progress has been made in expanding household access to water through last-mile distribution initiatives. However, to fully realize the objectives of *Nguzo No. 7*, increased investment is key. This necessitates dedicated resourcing of the County Rural Water and Sanitation Company to accelerate implementation and ensure universal access to safe water. With roads identified as the top priority in the current budget, it is important that the implementation of prioritized infrastructure projects be fast-tracked. Timely delivery of key road networks will enhance connectivity and unlock economic opportunities across the county

In FY 2026/27 and the medium-term, the county will build on the progress achieved in recent years. Priority programmes and projects will be selected based on their potential to deliver lasting impact on residents' lives and act as catalysts for social transformation. To this end, resource allocation will be anchored on five key areas: agriculture; trade and cooperatives; infrastructure; health; and education and training.

- Agriculture – the sector remains the largest contributor to our Gross County Product (GCP), and by prioritizing value addition, we will be able to unlock the full potential of this vital sector. The county is currently establishing six agro-processing plants aimed at transforming locally produced raw materials into high-quality finished products that command higher market prices. Thus, the county's strategic focus over the medium term will be operationalizing these facilities and further investing in village-based agro-processing centres to empower farmers to add value to their produce. This will be supported by initiatives that include the distribution of seedlings for high-value crops such as coffee and avocado, as well as strengthening market linkages to ensure farmers access better prices.
- Trade and cooperatives - expanding financial inclusion through initiatives such as the Fanikisha Hustle and the Cooperative Enterprise Development Fund is central to the county's transformation agenda. By making affordable credit accessible and offering complementary business development services, these programs can empower MSMEs

and farmers to acquire essential equipment, scale their operations, and boost productivity, ultimately enabling them to thrive and contribute meaningfully to local economic growth. Thus, over the medium term, the county will revamp the Fanikisha Hustle and Enterprise Fund to extend loan access to a broader base of MSMEs and farmers engaged in wealth-creating and job-generating economic activities.

- Infrastructure - the county will continue to prioritize infrastructure investments over the medium term, recognizing their important role as enablers for unlocking economic potential and enhancing service delivery. Key focus will be on the operationalization of the asphalt plant to support upgrading of roads to bitumen standards in major urban centres and key access roads. To expand access to clean water for both domestic use and irrigation, the county will continue to invest in last-mile distribution from completed water projects. This will enable farmers to cultivate high-value crops under irrigation, supplying raw materials for local value addition initiatives and significantly boosting household incomes.
- Health – the priority will be to complete the construction and fully equip the Uasin Gishu Hospital and Diagnostic Centre, ensuring it is ready to deliver comprehensive diagnostic and specialized healthcare services. To strengthen access to quality primary healthcare, one existing health facility in each ward will be upgraded to Level 2 or 3. The county will also continue to mobilize resources for completion of ongoing health infrastructure projects, including the Moiben, Turbo, and Ziwa sub-county hospitals. Additionally, the county will acquire ambulances to enhance referral systems and emergency response services, ensuring timely and effective care for all residents.
- Education and Training – the county will prioritize the modernization of Vocational Training Centres (VTCs) into centres of excellence that not only equip youth with market-relevant skills but also provide opportunities for hands-on production. These institutions will be enhanced to manufacture basic commodities for local consumption, positioning them as both training hubs and engines of community-based economic activities.

4.5 Criteria for Allocation of Resources

The allocation of resources in the medium term will be guided by a combination of legal frameworks, strategic plans, and socio-economic priorities. The following criteria will guide prioritization and allocation of resources:

- All proposed programmes must demonstrate clear linkage to the County Integrated Development Plan (CIDP) and align with the Governor’s ten-point agenda as outlined in the *Nguzo Kumi* manifesto.
- Governor’s directives and resolutions passed by the County Executive Committee.
- Completion of ongoing projects, revival of viable stalled projects, and settlement of verified pending bills.
- The views and inputs of citizens and stakeholders gathered through public participation forums and consultations.
- Departments demonstrating strong implementation capacity and consistently high budget absorption rates will be prioritized for increased funding allocations.
- Recommendations from M&E reports, as well as findings from quarterly and annual progress reports, will inform decisions on project continuation, scaling, or restructuring based on implementation effectiveness and impact.

The County departments will be required to formulate sector-specific priorities based on the outlined criteria and within the indicative budget ceilings provided in Table 7.

Table 7: Summary of Indicative Sector Ceilings for the 2026/2027 – 2028/2029 MTEF

Sectors/ Department	Approved Budget FY 2025/2026			2025 CBROP Projections									% Share in Total Dep. Exp.			
				2026/2027			2027/2028			2028/2029			2025/26	2026/27	2027/28	2028/29
	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total				
Adm. & Governance	2,659,303,852	150,000,000	2,809,303,852	2,739,082,968	154,500,000	2,893,582,968	2,821,255,457	159,135,000	2,980,390,457	2,905,893,120	163,909,050	3,069,802,170	27.6%	27.6%	27.6%	27.6%
Office of the Governor	98,582,319	0	98,582,319	101,539,789	-	101,539,789	104,585,982	-	104,585,982	107,723,562	-	107,723,562	1.0%	1.0%	1.0%	1.0%
Finance Department	517,661,414	0	517,661,414	533,191,256	-	533,191,256	549,186,994	-	549,186,994	565,662,604	-	565,662,604	5.1%	5.1%	5.1%	5.1%
Economic Planning	107,669,898	0	107,669,898	110,899,995	-	110,899,995	114,226,995	-	114,226,995	117,653,805	-	117,653,805	1.1%	1.1%	1.1%	1.1%
Public Service Management	891,673,558	0	891,673,558	918,423,765	-	918,423,765	945,976,478	-	945,976,478	974,355,772	-	974,355,772	8.8%	8.8%	8.8%	8.8%
Devolution and Public Administration	113,234,578	40,000,000	153,234,578	116,631,615	41,200,000	157,831,615	120,130,564	42,436,000	162,566,564	123,734,481	43,709,080	167,443,561	1.5%	1.5%	1.5%	1.5%
County Public Service Board	69,668,830	0	69,668,830	71,758,895	-	71,758,895	73,911,662	-	73,911,662	76,129,012	-	76,129,012	0.7%	0.7%	0.7%	0.7%
Partnership, Liaison and Linkages	32,174,235	0	32,174,235	33,139,462	-	33,139,462	34,133,646	-	34,133,646	35,157,655	-	35,157,655	0.3%	0.3%	0.3%	0.3%
Office of the County Attorney	66,390,358	0	66,390,358	68,382,069	-	68,382,069	70,433,531	-	70,433,531	72,546,537	-	72,546,537	0.7%	0.7%	0.7%	0.7%
County Assembly	762,248,662	110,000,000	872,248,662	785,116,122	113,300,000	898,416,122	808,669,606	116,699,000	925,368,606	832,929,694	120,199,970	953,129,664	8.6%	8.6%	8.6%	8.6%
Infrastructure & ICT	905,196,663	1,667,694,020	2,572,890,683	932,352,563	1,717,724,841	2,650,077,403	960,323,140	1,769,256,586	2,729,579,726	989,132,834	1,822,334,283	2,811,467,117	25.3%	25.3%	25.3%	25.3%
Roads, Transport and Public Works	635,609,299	948,833,460	1,584,442,759	654,677,578	977,298,464	1,631,976,042	674,317,905	1,006,617,418	1,680,935,323	694,547,442	1,036,815,940	1,731,363,383	15.6%	15.6%	15.6%	15.6%
Water, Sanitation and Irrigation	166,082,767	383,688,140	549,770,907	171,065,250	395,198,784	566,264,034	176,197,208	407,054,748	583,251,955	181,483,124	419,266,390	600,749,514	5.4%	5.4%	5.4%	5.4%
Energy, Environment, NR & CC	44,298,038	292,572,420	336,870,458	45,626,979	301,349,593	346,976,572	46,995,789	310,390,080	357,385,869	48,405,662	319,701,783	368,107,445	3.3%	3.3%	3.3%	3.3%
ICT, E-Government and Innovation	59,206,559	42,600,000	101,806,559	60,982,756	43,878,000	104,860,756	62,812,238	45,194,340	108,006,578	64,696,606	46,550,170	111,246,776	1.0%	1.0%	1.0%	1.0%
Agriculture, Rural & Urban Dev.	439,188,224	504,772,420	943,960,644	452,363,871	519,915,593	972,279,463	465,934,787	535,513,060	1,001,447,847	479,912,830	551,578,452	1,031,491,283	9.3%	9.3%	9.3%	9.3%
Agriculture and Agribusiness	208,604,366	104,224,140	312,828,506	214,862,497	107,350,864	322,213,361	221,308,372	110,571,390	331,879,762	227,947,623	113,888,532	341,836,155	3.1%	3.1%	3.1%	3.1%
Livestock Development and Fisheries	44,048,410	199,124,140	243,172,550	45,369,862	205,097,864	250,467,727	46,730,958	211,250,800	257,981,758	48,132,887	217,588,324	265,721,211	2.4%	2.4%	2.4%	2.4%
Lands and Physical Planning	53,149,119	51,424,140	104,573,259	54,743,593	52,966,864	107,710,457	56,385,900	54,555,870	110,941,770	58,077,477	56,192,546	114,270,024	1.0%	1.0%	1.0%	1.0%
Housing and Urban Development	39,197,619	65,000,000	104,197,619	40,373,548	66,950,000	107,323,548	41,584,754	68,958,500	110,543,254	42,832,297	71,027,255	113,859,552	1.0%	1.0%	1.0%	1.0%
City of Eldoret	94,188,710	85,000,000	179,188,710	97,014,371	87,550,000	184,564,371	99,924,802	90,176,500	190,101,302	102,922,547	92,881,795	195,804,342	1.8%	1.8%	1.8%	1.8%
Health Sector	2,126,076,992	271,740,180	2,397,817,172	2,189,859,302	279,892,385	2,469,751,687	2,255,555,081	288,289,157	2,543,844,238	2,323,221,733	296,937,832	2,620,159,565	23.6%	23.6%	23.6%	23.6%
Clinical Services	1,579,900,749	175,000,000	1,754,900,749	1,627,297,771	180,250,000	1,807,547,771	1,676,116,705	185,657,500	1,861,774,205	1,726,400,206	191,227,225	1,917,627,431	17.2%	17.2%	17.2%	17.2%
Promotive and Preventive	546,176,243	96,740,180	642,916,423	562,561,530	99,642,385	662,203,916	579,438,376	102,631,657	682,070,033	596,821,527	105,710,607	702,532,134	6.3%	6.3%	6.3%	6.3%
General Econ. & Com. Affairs	122,355,691	132,610,478	254,966,169	126,026,362	136,588,792	262,615,154	129,807,153	140,686,456	270,493,609	133,701,367	144,907,050	278,608,417	2.5%	2.5%	2.5%	2.5%
Trade, Industry, Investment & Tourism	85,639,837	116,110,478	201,750,315	88,209,032	119,593,792	207,802,824	90,855,303	123,181,606	214,036,909	93,580,962	126,877,054	220,458,016	2.0%	2.0%	2.0%	2.0%
Co-op & Enterprise Dev.	36,715,854	16,500,000	53,215,854	37,817,330	16,995,000	54,812,330	38,951,850	17,504,850	56,456,700	40,120,405	18,029,996	58,150,400	0.5%	0.5%	0.5%	0.5%
Education & Social Prot.	873,989,826	328,093,440	1,202,083,266	900,209,521	337,936,243	1,238,145,764	927,215,806	348,074,330	1,275,290,137	955,032,281	358,516,560	1,313,548,841	11.8%	11.8%	11.8%	11.8%
Ed, Voc. Training, Culture & Lib. Services	565,106,634	207,320,880	772,427,514	582,059,833	213,540,506	795,600,339	599,521,628	219,946,722	819,468,350	617,507,277	226,545,123	844,052,400	7.6%	7.6%	7.6%	7.6%
Gender and Social, Protection	90,117,972	42,624,140	132,742,112	92,821,511	43,902,864	136,724,375	95,606,156	45,219,950	140,826,107	98,474,341	46,576,549	145,050,890	1.3%	1.3%	1.3%	1.3%
Youth and Sports	218,765,220	78,148,420	296,913,640	225,328,177	80,492,873	305,821,049	232,088,022	82,907,659	314,995,681	239,050,663	85,394,889	324,445,551	2.9%	2.9%	2.9%	2.9%

CHAPTER FIVE:

CONCLUSION

The 2025 CBROP provides a comprehensive assessment of the county's fiscal performance for the preceding financial year, offering critical insights into budget execution, revenue trends, and expenditure patterns. It highlights key achievements, emerging challenges, and areas requiring intervention to enhance fiscal discipline and service delivery.

By incorporating prevailing macroeconomic conditions and projecting future fiscal scenarios, the paper provides a forward-looking outlook that will inform the revision of the approved budget through supplementary estimates. It also lays the groundwork for the formulation of the FY 2026/27 budget and medium-term expenditure framework by presenting indicative sector ceilings and aligning resource allocation with the county's development priorities.

During the period under review, the county registered moderate fiscal performance, despite falling short of revenue and expenditure targets. The underperformance was largely attributed to a combination of operational and policy-related challenges. Key among these were frequent revenue system downtimes, limited institutional capacity, and the absence of clear linkages between specific fees and the services they are meant to support.

On the expenditure side, inefficiencies stemmed from poor procurement planning and weak project management, hindered timely and effective budget execution. The CBROP outlines targeted recommendations to address these challenges, including strengthening revenue systems, enhancing staff capacity, and streamlining procurement and project management.

Lastly, the County will consolidate recent gains by prioritizing the completion of ongoing projects that promise the greatest impact on residents' lives. In addition, the aspirations outlined in the *Nguzo Kumi* and the CIDP will be fast-tracked by giving precedence to earmarked programmes and projects.