



**COUNTY GOVERNMENT OF MOMBASA
COUNTY TREASURY**

MEDIUM TERM

FISCAL STRATEGY PAPER

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Foreword

The 2024 Mombasa County Fiscal Strategy Paper (CFSP) is the second to be prepared under the new Administration, of the Kenya Kwanza Government. It is based on the framework of Bottom-up Economic Transformation Agenda (BETA). It sets out the Administration's priority programs, policies and reforms to be implemented in the Medium-Term Expenditure Framework (MTEF). The 2024 BPS comes at a time when the Government is finalizing the preparation of the Fourth Medium Term Plan (2023-2027) of the Kenya Vision 2030 that will prioritize implementation of economic recovery strategies of the new Administration to reposition the economy on a steady, inclusive and sustainable growth trajectory.

The CFSP is framed against a backdrop of global economic slowdown underpinned by the ongoing Israeli-Palestinian war; high interest rates limiting access to credit and exacerbating debt servicing costs; significant losses and damages due to frequent extreme weather events ; elevated commodity prices such as on petroleum products on account of increased geopolitical fragmentation; global oil supply cuts ; the lingering effects of the COVID-19 pandemic; persistent supply chain disruptions and the drought effects that have created urgency on food security and climate change effects. This urgency allows us to refocus investments on mitigation, adaptation and firm resilience. The Kenyan economy bounced back recording a GDP growth rate of 5 percent in 2023 from 4.8 percent in 2022, propelled by heavy public investments in public infrastructure and a strong rebound in the agricultural sector. However, the momentum has been slowed again by the effects European conflict and the Israel Genocide that has disrupted global trade through increased fuel, fertilizer and food prices. Inflation has remained sticky in the upper bound of the Government's target range since July 2023.

In addition, the drought impacts in the economy has created a strong focus on food security and climate change. These effects will become dominant in economic management and focusing on its quality and structure. We have witnessed how it has reversed efforts in poverty reduction and inequality, but above all promoted social conflicts. These effects are compounded and amplified by declining manufacturing productivity; skewed access to finance for business and development; rigidities in business regulatory framework; weak governance; and fiscal risks including pension's liabilities, stalled public projects, payment arrears; and high debt service that has hindered the economy from achieving its full potential. This CFSP identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year (FY) 2024/2025 and the Medium Term in accordance with the Public Finance Management Act 2012, section 117(1) which stipulates that the County Treasury should prepare the Fiscal Strategy Paper for the County.

The strategy covers the following broad areas: review of the fiscal performance of the first half of FY 2023/2024; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2024/2025 as indicated in the Medium-Term

Fiscal Framework and as outlined in the Mombasa County Integrated Development Plan (CIDP) 2023-2027.

The following are the Governor's ten key pillars aimed at transforming the lives of Mombasa residents in the Manifesto;

- Revitalizing Mombasa's blue economy
- Providing all citizens with access to clean water, sewer & drainage services
- Solving public transport challenges
- Prioritizing social welfare; improving quality of life for our people
- Entrenching good governance
- Reforming county government finance
- Investing in education
- Promoting cohesion, eliminating criminal gangs and battling drug addiction
- Modernizing solid waste disposal
- Leveraging Technology for development; Mombasa as a Smart City

The County Government is inclined to revamp social programmes so as to spur the economy and improve the quality of life of its citizens. The County priorities and goals outlined herein are based on the County Integrated Development Plan 2023-2027, Governor's Manifesto and the inputs from stakeholders. The key County proposed priority areas are;

- Revamping of quality and affordable health services
- Youth, Women Empowerment, Cohesion and Inclusivity
- Education and Training
- Streamlined waste management services
- Investment Promotion
- Infrastructure Development, land management and affordable Housing services

This strategy will also compliment the National Government's Bottom-Up Economic Transformation Agenda (BETA) development agenda, the Fourth Medium Term Plan, the Mombasa Vision 2035 and all other development blueprints. The critical programmes to be implemented are expected to stimulate the County's socio-economic development and revamp the economy.



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Acknowledgement

The Mombasa County Fiscal Strategy Paper 2024 has been prepared in compliance with the provisions of the Public Finance Management Act, 2012. It outlines the current state of the economy, provides macro-fiscal outlook over the medium term and specifies the set strategic priorities and policy goals together with a summary of Government spending plans, as a basis of the FY 2024/25 budget.

This Strategy Paper sets out broad strategic priorities and policy goals that will guide the Mombasa County Government in preparing its budget for the Financial Year 2024/2025 and over the medium term is expected to improve the public's understanding of Kenya's public finances and guide public debate on economic and development matters.

The preparation of this fiscal strategy paper continues to be a collaborative effort from an array of expertise of professionals and key stakeholders in the County. We are grateful for their inputs and the comments from the Commission for Revenue Allocation and other stakeholders.

Immense appreciation goes to the Executive Member for Finance and Economic Planning for his impactful input, good will and guidance provided during the entire period of preparing this document. The Budget and Economic Planning unit spent significant amount of time consolidating and enriching this policy document.

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Abbreviations and Acronyms

ADP	Annual Development Plan
BBB	Building Back Better
BETA	Bottom-Up Economic Transformation Agenda
CAPEX	Capital Expenditure
CBEF	County Budget and Economic Forum
CIDP	County Integrated Development Plan
CFSP	County Fiscal Strategy Paper
CGM	County Government of Mombasa
COB	Controller of Budget
COVID -19	Corona Virus Disease of 2019
ECDE	Early Childhood Development
EPZ	Economic Processing Zone
ERS	Economic Recovery Strategy
FDI	Foreign Direct Investments
FY	Financial Year
GCP	Gross County Product
G-Pay	Government pay System
NHIF	National Health Insurance Fund
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
KIHBS	Kenya Integrated Household and Budget Survey
KIRDI	Kenya Industrial Research and Development Institute
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NMTs	Non-Motorized Transport
OSR	Own Source of Revenue
PFM	Public Finance Management
SEZ	Special Economic Zone

Executive Summary

The fiscal strategy of the County Government of Mombasa for the year 2024/2025 is set out in this paper. The CFSP is prepared in accordance to PFM Act section 117 which states that, the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper (CFSP) for approval and then shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28 February of each year. The contents of the CFSP are largely informed by the PFM Act section 117(2) which provides for the aligning of the CFSP with the national objectives in the Budget Policy Statement.

The fiscal framework is guided by various principles which are in line with the medium-term expenditure framework, the County Integrated Development Plan (CIDP) 2023-2027 which is aligned to the National Government's development agenda of the Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV) which will augment economic transformation by complimenting key programs under the Bottom-Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth. The focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings.

The County will initiate a revamped revenue strategy that will ensure increased and efficient own source revenue mobilization and collection which will result to a balanced budget with an overall objective of being self-reliant in budget financing. The County will purpose to ensure that the budget expenditures are consistent with the agreed county sectoral priorities with an increased allocation to capital expenditures while ensuring resources for operation and maintenance of capital stock are adequately provided for while at the same time providing sufficient fiscal space for infrastructural and social programmes necessary to implement the Strategy and the CIDP 2023-2027 in the long term.

The critical programmes to be implemented are expected to accelerate economic activities and improve socio-economic welfare and economic growth. To achieve this, the Government endeavors to prioritize expenditure in focus on ten key pillars aimed at transforming the lives of Mombasa residents which are; Revitalizing Mombasa's economy, Providing all citizens with access to clean water, sewer & drainage services, Solving public transport challenges, Prioritizing social welfare; improving quality of life for our people, Entrenching good governance, Reforming county government finance, Investing in education, Promoting cohesion, eliminating criminal gangs and battling drug addiction, Modernizing solid waste disposal and Leveraging Technology for development; Mombasa as a Smart City.

The overall objective of this is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved livelihoods for the citizenry. The fiscal strategy Paper serves as the basis for the preparation of the annual estimates of revenue and expenditure for the County of Mombasa Budget 2024/25.

Legal Context

The Mombasa County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Finance Management Act, 2012. It states that;

- (1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of —

- (a) The Commission on Revenue Allocation;
- (b) The public;
- (c) Any interested persons or groups; and
- (d) Any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.

(8) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

Fiscal Responsibility Principle

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the responsibility principles to ensure prudence and transparency in the management of public resources.

The PFM law (Section 15) states that:

- ❖ Over the medium term, a minimum of 30 percent of the national budget shall be allocated to development expenditure
- ❖ The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
- ❖ Over the medium term, the national government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- ❖ Public debt and obligations shall be maintained at a sustainable level as approved by Parliament and county assembly.
- ❖ Fiscal risks shall be managed prudently.
- ❖ 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.

Objective

The objective of the 2024 County Fiscal Strategy Paper is to lay down the frame work for the preparation of the County budget. It is a requirement under section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year.

This Fiscal Strategy Paper contains the following:

- The principles that will guide the 2024/2025 budgetary process;
- The broad fiscal parameters for the 2024/2025 budget and the key strategies and policies for management of revenues and expenditures;
- The broad strategic priorities and policy goals that will guide the preparation of the budget over the medium term;
- A discussion of risks to the budget parameters and Budget Strategies;
- The medium-term outlook for county government revenues and expenditures;
- A discussion of how the Budget Strategies relates to the County priorities as drawn from the third generation County Integrated Development Plan (CIDP) 2023-2027; and
- A framework for the preparation of departmental budget estimates and the development of detailed budget policies.

Outline of the 2024/2025 Fiscal Strategy Paper

The Fiscal Strategy Paper is presented in Four Chapters.

The introduction presented in Chapter One, outlines the Mombasa County Plan for sustaining the Bottom-Up Economic Transformation Agenda for economic recovery and improved livelihoods.

Chapter Two, presents the recent Economic Developments and Medium-term Outlook which gives an overview of the global, national, regional and county economic development outlook.

In Chapter Three, the paper describes the Fiscal Policy and Budget Framework with;

Chapter Four presenting the Medium-term Expenditure Framework for the 2024/25- 2026/27 financial years.

CHAPTER ONE

1.0: SUSTAINING BOTTOM – UP ECONOMIC TRANSFORMATION AGENDA FOR ECONOMIC RECOVERY AND IMPROVED LIVELIHOODS

1.1 Overview

1. The 2024 County Fiscal Strategy Paper is the second to be prepared under the Kenya Kwanza Government and sets out the priority programs, policies and reforms of the Administration that will be implemented in the Medium-Term Expenditure Framework (MTEF). It presents the Bottom–Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth. The document is framed against a backdrop of global economic slowdown occasioned by the ongoing Israeli-Palestinian war, the effects of the Russia-Ukraine conflict, elevated global inflation, lingering effects of the COVID-19 pandemic, persistent supply chain disruptions and the food security and climate effects.
2. In the context of these challenging times, Kenya’s economy remains resilient with an impressive economic performance of 5.5 percent in 2023 from 4.8 percent the previous year on account of bold economic policies and structural reforms as well as sound economic management implemented overtime. However, the momentum has been slowed again by the effects of the Russia-Ukraine conflict that has disrupted global trade through increased fuel, fertilizer and food prices. For the first time in five years, inflation rate in Kenya is above the Government target range mainly driven by supply side constraints occasioned by external shocks. Aside from these shocks, the Kenyan economy is confronted by various bottlenecks including: recurrent drought affecting agricultural productivity; declining manufacturing productivity; skewed access to finance for business and development; rigidities in business regulatory framework; weak governance; and fiscal risks including pension’s liabilities, stalled public projects, pending bills; and high debt service that has hindered the economy from achieving its full potential.
3. The need to address these challenges, bolster resilience while building on successes realized overtime forms the basis of the Kenya Kwanza Government’s Bottom-Up Economic Transformation Agenda. The agenda is geared towards economic turnaround and inclusive growth. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings.
4. The priority programmes are classified under two categories; core pillars and the enablers which aim at creation of a conducive business environment for socio economic transformation. Under

the core pillars, the Government seeks to increase investments in five sectors envisaged to have the biggest impact on the economy as well as on household welfare. These include: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry. To make these programmes feasible, the Government will implement strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; the Services Economy, Environment and Climate Change; Education and Training; Women Agenda; Youth Empowerment and Development Agenda; Social Protection; Sports, Culture and Arts; and Governance.

5. The budgeting process for the priority programmes will be done through a value chain approach under five clusters: i) Finance and Production Economy; ii) Infrastructure; iii) Land and Natural Resource; iv) Social Sectors; and v) Governance and Public Administration. This process ensures there is no break in the cycle in the resource allocations for a value chain. The process also ensures adequate resources are allocated to any entity along the value chain and helps to eliminate duplication of roles and budgeting of resources.
6. The priority programmes will be implemented through a value chain approach under five clusters: i) Finance and Production Economy; ii) Infrastructure; iii) Land and Natural Resource; iv) Social Sectors; and v) Governance and Public Administration. This will ensure no break in the cycle either by not allocating requisite resources to any entity along the value chain and also eliminate duplication of allocations and roles.
7. Through the various priority economic policies, structural reforms, fiscal consolidation plan and sectoral expenditure programs outlined in the 2024 BPS, the Government is taking determined steps to address the challenges, bolster resilience to shock as part of the strategy for socio-economic transformation and inclusive growth. Over the medium term, the Government through the Fourth Medium-Term Plan (2023-2027) will prioritize implementation of economic recovery strategies to re-position the economy on a steady and sustainable growth trajectory.

1.2 Core Thematic Areas

Kenya Kwanza Government's Bottom-Up Economic Transformation Agenda (BETA)

8. The County Government will align with the Bottom –Up Economic Transformation Agenda (BETA) through implementation of policies, structural reforms and promotion of investment in five core thematic areas that are expected to have the highest impact at the bottom of the economy. These are: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.

9. The BETA Agenda is geared towards economic turnaround and inclusive growth, and aims to increase investments in at least five sectors envisaged to have the largest impact and linkages to the economy as well as on household welfare. These include: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; Digital Superhighway and Creative Industry. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings.
10. To make BETA programmes feasible, the Government will implement strategic interventions under the nine (9) value chains: Leather and Leather Products, Livestock Value Chain (Dairy and Pastoral Economy), Tea Value Chain, Rice Value Chain, Edible Oils (Soya beans, sunflower, canola, simsim among others), Apparel/Garments/ Textiles (cotton), Construction/Building Materials, Mining (artisanal mining) and Blue Economy. Special focus will be placed on increased employment, more equitable distribution of income, social security.
11. BETA will be implemented by the following twelve (12) enablers: Infrastructure, Manufacturing, Blue Economy, The Services Economy, Environment and Climate Change, Education and Training, Women Agenda, Social Protection, Sports, Culture and Arts; Youth Empowerment and Development Agenda; Governance; and Foreign Policy and Regional Integration. To align to BETA, the County Government of Mombasa will undertake the following investments and/ or strategic interventions:
12. On Agricultural Transformation the county intends to;
 - Establish value additional centers that will ensure innovative, commercially oriented, and modern agriculture and livestock sector
 - Adoption of modern technology into agricultural practices
 - Increase youth and women participation in integrated agricultural value chains by coming up with relevant loan products
 - Promotion of agri-business and cottage industries
 - Increase agricultural production and productivity through sustainable land management, employment of modern farming and fishing technologies
 - Offer input subsidies and fruit trees supplied for planting
 - Farmers capacity building on farming methods and post-harvest management
 - Promotion of high-value crops, water harvesting and drought resistant crops
 - Revamping of Blue Economy: fish cold storage facility and Mari culture
 - Undertake crop pest and disease surveillance

- Promotion of adoption of modern livestock and fisheries and marketing of produce
 - Promotion of value-chains for fruits (mangoes & avocados), coconut processing plant, nuts/ cashew nuts
13. In addressing the Micro, Small and Medium Enterprise (MSME) Economy the County will;
- Restructure the county fees and charges based on the economic strength of the businesses in Mombasa
 - Encourage sub-contracting arrangements between SMEs and large enterprises with certification for local informal skilled laborers
 - Allocate a considerable portion of the county government procurement contracts to the local industry
 - Improve Ease of Doing Business
 - Refurbish existing county markets and construct new modern markets with cold storage facilities.
14. Under Housing and Settlement, the County Government plans will undertake the following initiatives;
- Provision of security of tenure to squatters
 - Redevelopment of county housing estates
 - Informal settlements servicing
 - Establishment of an “Ardhi” fund to settle squatters within the county
 - The county planning authorities to inform and educate members of the public on values and principles of compact urban planning and development to preserve drainage facilities;
 - Ensure that no registration and titling of urban land takes place outside the framework of approved urban development plans
 - County zoning and county spatial planning
 - Mainstream environmental concerns in urban and city planning and development
15. In revitalizing Healthcare, the county will ensure that it;
- Resource the devolved healthcare infrastructure at sub-county level so that there is adequate healthcare staff, medication and equipment to serve the needs of the people
 - Ensure increased uptake of NHIF to reduce out of pocket spending
 - Acquire a second cancer treatment centre

- Recruitment, continuous and progressive training for healthcare workers and promotions
 - Ensure Universal Health Care for all citizens
 - Operationalize the Mombasa County Community Health Service Bill,2023
 - Provide disaster relief services
16. On Digital Superhighway and Creative Industry, the county will;
- Develop a comprehensive digitization of public services strategic plan focused on investing in systems and building internal capacity
 - Establish free public ICT hubs at ward level to promote ICT innovation
 - Seek out PPP frameworks to establish technology training centers
 - Provide ICT infrastructure that meets the set acceptable universal standards
 - Review of prohibitive by-laws that limit ICT innovation
 - Promote small holder ICT startup culture
 - Provide free Wi-Fi for residents at the ICT hubs
 - Installation of learning institution with ICT infrastructure, internet and e-learning tools
 - Establishment of ICT training centers
 - Setting up of ICT Hubs in Ward Offices

1.3 Enablers

17. The Government's Bottom – Up Economic Transformation Agenda will be underpinned by sound and innovative policy and structural reforms targeted at all socio-economic sectors, building efficient infrastructure, climate-change mitigation mechanisms, as well as foster strict compliance with the Constitution and the rule of law.
18. Infrastructure: The Government will intensify national connectivity through water, road, rail, port, energy and fibre-optic infrastructure to foster an enabling environment for economic recovery and inclusive growth. The Government is finalizing a framework for centralization of resources to deal with all stalled infrastructure projects.
19. Public and onsite Infrastructure development: As the county diversifies its economic activities and positions its self to becoming a preferred destination for investors both local and foreign so as to improve the quality of life for its citizens, it will establish onsite infrastructure. This is will stimulate the ailing economy by providing an enabling environment for investment and delivery of services by acting as a catalyst that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination.

20. In infrastructure development, the main interventions continue to be improvement of access roads, drainage, non-motorized transport, beautification and aesthetics of the County. To empower the SMES the county will continue to improve and set up trading infrastructure within the county.
21. Water: Two-thirds of Kenya’s agricultural land requires irrigation, against only 4 percent that is irrigated. Irrigation is the single most important game changer in agriculture. To enhance access to safe water for domestic and industrial use, the Government has planned to construct small and medium dams, water pans, boreholes and large-scale dams under “Water 10,000 Program” and connection of water to 1,000,000 households. Most of the projects in water and irrigation are being prepared as Privately Initiated Proposals (PIPs);
22. Increased accessibility to safe potable water and sustained food security: Potable water consumed in the County is managed by the Mombasa Water and Sewerage Company (MOWASCO). This entity obtains its main water supply from Mzima Springs in Taita Taveta County, Marere in Kwale County, Sabaki/Baricho in Kilifi County and also Tiwi Boreholes in Kwale County.
23. The projected water demand for the County is 186,000 cubic meters per day while the current supply is at 42,000 cubic meters. The available supply can only meet about 25% of the demand and thus there is need for concerted efforts to address the water deficit. The establishment of desalination plants that will address the shortfall has been prioritized within the county development plans. A large population relies on borehole water that contains a high percentage of fecal contamination and not safe for domestic use.
24. There are 452 shallow wells spread across the entire county, three permanent springs, four water pans found in the remote areas of the county and a number of boreholes operated by private investors, NGOs and local CBO’s. These sources are complemented by the piped water system. The rehabilitation and laying of new piping system is currently ongoing in phases with the support of the Water and Sanitation Development Project (WSDF) by the World Bank, as it is a capital-intensive project.
25. **Roads:** Roads are the most important infrastructure in the country. Overtime, the Government has pursued ambitious projects that have doubled the number of paved roads. This has been achieved by adopting the Low Volume Sealed Roads (LVSR) programme resulting in 6,000 kilometers completed with another 3,805 kilometers under construction. The adoption of the LVSR standard has reduced cost of paving low traffic roads substantially.

26. However, the need for roads remains immense as one third of classified roads need either reconstruction or rehabilitation. Over the medium term, the Government will continue to investing in road infrastructure by completing all roads under construction. The Government will also prioritize upgrading and maintaining rural access roads as well as improve road infrastructure in urban informal settlement and critical national and regional trunk roads that have the highest immediate economic impact.
27. **Public and onsite Infrastructure development:** As the county diversifies its economic activities and positions its self to becoming a preferred destination for investors both local and foreign so as to improve the quality of life for its citizens, it will establish onsite infrastructure. This is will stimulate the ailing economy by providing an enabling environment for investment and delivery of services by acting as a catalyst that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination.
28. In infrastructure development, the main interventions continue to be improvement of access roads, drainage, non-motorized transport, beautification and aesthesis of the County. To empower the SMES the county will continue to improve and set up trading infrastructure within the county.
29. **Electricity:** Electricity is a vital economic and social good critical for production of consumer goods and provision of essential services such as health and security. While generation capacity and total electricity connections have increased considerably in the recent years, electricity in the country remains expensive and unreliable. One of the key contributors to both the cost and quality of power is the aging transmission and distribution network. The investment required to upgrade the network is considerable, more so in the difficult financial situation that the country is in.
30. To improve reliability and bring down the cost of power, the Government will:
- Mobilize the resources needed to revamp the transmission and distribution network and accelerate geothermal resources development;
 - Develop Liquefied Natural Gas (LNG) storage facility in Mombasa, with a view to phasing out heavy fuel oil (HFO) from the power generation portfolio. This will also contribute to meeting Kenya’s emission reduction commitments; and
 - Enforce transparency and public accountability of the electricity sector requiring the Energy & Petroleum Regulatory Authority (EPRA) to publish quarterly system, financial and operational performance reports.

31. Further, the County Government will invest in initiatives to harness renewable energy sources and directing their utilization for households, manufacturing, production so as to boost our energy sources. Recently, the Governor of Mombasa signed a renewable energy solutions MoU with US solar firm worth more than Ksh3.8 billion. The aim of the firm is to use Mombasa as a feasibility study to help reduce air pollution, curb greenhouses gases emissions and generate cost effective, efficient and reliable renewable energy solutions.
32. **Petroleum and E-mobility:** Petroleum is the largest import in terms of volume and price in the country, and will remain an important component for several decades. Price volatility in this commodity is a challenge for consumers and economic stability. In particular, the recent fuel price escalation as a result of global price shock has severely affected Kenyans with significant fiscal implications. In order to stabilize consumer prices against unpredictable swings in global oil prices, the Government has developed a strategy to revive and commercialize the National Oil Corporation of Kenya (NOCK). The Government has also developed the Liquefied Petroleum Gas (LPG) Growth Policy. The Policy seeks to steer our nation along an irreversible path towards securing the dignity of all households through the use of safe and affordable LPG.
33. The National Government also rolled out electric vehicle (EV) charging infrastructure in all urban areas and along the highways and create incentives for adoption of electric mass transit systems in all cities and towns; provide financial and tax incentives for public service vehicles and commercial transporters to convert to electric vehicles; leverage the financial support that will be provided to the bodaboda sector through the Hustler Fund, to develop the nascent electrical vehicle (EV) and motorcycle assembly industry. Accelerating transition to electric vehicles is a win-win proposition in terms of contributing to Kenya's emission reduction commitment, cheaper transport, and leveraging on the large local and regional motorcycle market to build an electric vehicle industry.
34. **Manufacturing Sector:** The manufacturing sector has been declining as a percent of GDP in the recent years. To improve productivity in the sector, the Government has adopted a value chain approach through the Bottom-Up initiative that will address the bottlenecks that impede the growth of manufacturing sector and enhance the country's competitiveness. The value chain adopted enables analysis of the economy on a competitiveness angle and to address the bottlenecks that impede the growth of the manufacturing sector in a deliberate manner.
35. On light manufacturing and industries development there are plans on reviving local industries and development of new industries through harnessing new skills and technology for growth in the County.

36. On the County's Contribution to the growth of the National GDP through manufacturing: From 2018-2022, Mombasa County contributed 9.6 percent of total GVA (Gross Value Added) of the manufacturing sector. The County Government will continue to support job creation by encouraging manufacturing industries to set up shop within the county through the improvement of the existing infrastructure and setting up of special economic zones. The County will additionally work with industry player to support innovation across the entire value chain – whether in buying new solutions, building their own, or partnering with others to innovate.
37. On the blue economy, the County is committed to revamp the blue economy and our strategic location in the coastline creates thousands of marine related opportunities and jobs hence support efforts to realize food and nutrition security in addition to enhancing environmental sustainability. The National Spatial Plan 2015-2045 identifies Mombasa as a key coastal urban Centre that serves as a Port City and Gateway to East Africa. The Sea Port of Mombasa provides direct connectivity to over 80 Ports worldwide and is linked to a vast hinterland comprising countries in East Africa.
38. Building and Construction Materials: Building products are currently one of Kenya's leading manufactured exports to neighboring countries. To support building and construction value chains, the County Government will work collaborate with the National Government to:
- Initiate the establishment of industrial park for construction materials;
 - Enhance manufacture of construction materials (clinker, cement, cabros, prefabs) locally;
 - Complete the modernization of kiln and installation of new moulds for cabros and prefabs;
 - Promote use of Jua Kali products (mass fittings);
 - Promote local production of electrical & electronics fittings, cables and products;
 - Strengthen capacity of Jua Kali MSMEs to produce high quality products for construction through skills development, access to technology and certification;
 - Enhance testing of construction materials, accreditation of inspections for ongoing construction, use of professional personnel registered by accredited CABs;
 - Promote use of alternative building materials for construction (soil, plants); and
 - Ring fence certain components of the low-cost housing project for MSMEs.
39. Garments and Textiles: Garments and textiles exports is Kenya's third largest component at Ksh60 billion and employing 50,000 people. The sector is however confronted by numerous challenges including high cost of labor and low agricultural productivity that hampers the competitiveness of Kenya's garment export. In order to support locally manufactured textiles, the County Government will collaborate with the National Government to:

- Promote modernization of cotton ginneries, textiles mills and attraction of new investments in integrated textile mills and cotton ginneries;
- Attract investment in manufacture of garments & apparels;
- Capacity building on fashion and design of clothing & textiles products; and
- Promote linkage of MSMEs (tailors) with schools, institutions to provide a market for uniforms.
- Establish a tannery in the County
- Promote leather products
- Promote Akamba handicraft

40. According to the KIPPRA report on Enhancing Productivity and Competitiveness of the Kenyan Economy through a Cluster Development Strategy (2012), Mombasa was identified as a strategic cluster with advantages in Transport and Logistics, Marine Fisheries, Textile and Garments, Tea Value Addition and Auction and Beach Tourism. The County also has unique advantages in the Blue Economy.

41. **Dairy Products:** Dairy and livestock economy are sub-sectors with the quickest economic turnaround time and they will become key drivers in improving food security, creating jobs and boosting exports. However, dairy farmers in Kenya struggle with the high cost of feed and challenges of storage, preservation of milk and access to markets. To support value chains under the dairy sub-sector, the Government will:

- Establish cottage industries for animal feeds, in particular, promote animal feeds production;
- Customize, modernize and equip CIDCs and link with TVETs to promote value addition of animal feeds;
- Supply and installation of dairy mechanization and value addition equipment including: bulk milk coolers; liquid nitrogen plants; embryo transfer facility; milking parlor; lab equipment; and feeds equipment; and Modernize new KCC plants; fabricate dairy products machinery and equipment; and promote investment in the cold chains and cooling plants
- Operationalization of Livestock Improvement and vaccination programmes

42. **Edible and Crop Oils:** Edible oils, primarily palm oil, is Kenya's second largest import after petroleum. The Kenyan government has set aside KSh134 million for the Edible Oil Crops Promotion Project in the 2023–2024 fiscal year. County governments are being encouraged to use this funding to purchase planting supplies and enhance the ability of local farmers to cultivate edible oil crops. According to available data, Kenya consumes over 900,000 metric tonnes of

edible oil annually, of which only 80,000 metric tonnes are produced domestically. Despite having the capacity to generate these oils, Kenya imports more than 90% of its vegetable oils, at a cost to the exchequer of almost KSh100 billion. The Kenyan government intends to use the e-voucher input subsidy services to supply 720 metric tonnes of certified sunflower seeds, 200 metric tonnes of mixed canola seeds, 10,000 coconut seedlings, and sunflower, soya, and soya seedlings. Additionally, as part of the National Edible Oil Crops Project, 840 farmers in Kwale, Mombasa, Taita Taveta Tana River, and Kilifi Counties will receive loans totaling KSh. 42 million.

43. The County Government will invest in;

- Formation of cooperatives for simsim traders
- Traditional factories/ plants extracting, packing and selling simsim oil
- Value Addition in Fish Oil

44. Tea Sub-sector: Tea sub-sector provides livelihoods to millions of Kenyans. Despite its contribution to foreign exchange earnings, the returns to farmers have been declining due to low productivity, high input costs, low levels of value addition and weak regulatory and institutional framework. To enhance productivity and improve competitiveness of the sub- sector, the Government will undertake the following interventions:

- Provision of processing equipment to tea cooperatives;
- Establishment of tea value addition hub and promote investments into the hub;
- Export market development and export promotion including market diversification, legal and regulatory reform; and
- Provision of fiscal incentive; and establishment of warehouse for value added tea in key development markets
- Establishment of Tea blending and packaging facility

45. With the provision of Ksh 4 billion from the Coffee Cherry Fund, farmers will now receive four times the advance payment for their crop, from a low of Ksh 20 to Ksh 80, demonstrating the success of the government's reforms in the coffee sector. Regulations pertaining to coffee reform will provide growers with the required voice and weight at the Nairobi Coffee Auction. It is anticipated that these actions will support current initiatives, such as doubling coffee output in the next four years and extending production to additional counties.

46. **Blue Economy:** Sustainable use of ocean and blue economy resources remains a key socio-economic development priority for the Government as a means to end hunger, reduce poverty, create jobs and spur economic growth. The Government will review the National Blue Economy Strategy to strengthen community structures in participatory management of freshwater, coastal

and marine resources and ecosystems. The strategy is expected to contribute to socio-economic development through food and nutrition security, coastal and rural development and income increases along the aquaculture value chains, maritime transport and tourism.

47. Exploiting the Blue Economy; the main economic activities driving the Gross County Product (GCP) in Mombasa County are Transport and Storage (27.0 per cent) and Manufacturing (16.0 per cent). The National Spatial Plan 2015-2045 identifies Mombasa as a key coastal urban centre that serves as a Port City and Gateway to East Africa. The Sea Port of Mombasa provides direct connectivity to over 80 Ports worldwide and is linked to a vast hinterland comprising countries in East Africa. To fully exploit the blue economy the County Government will initiate programmes aimed at;

- Assisting BMUs in training, distribution of fishing gears & forming cooperatives;
- Improvement of landing sites; setting up of cold storage facilities; social amenities, bay areas
- Establishment of Cold storage facilities
- Agricultural mechanization and climate smart techniques in farming
- Promotion of deep-sea fishing
- Establishment of fish Markets within the landing sites
- Setting up of Fish processing plant
- Promotion of Sea weed farming
- Promotion of Marine Tourism
- Zoning of tourist sites
- Preservation and restoration of tourist sites
- Sports fishing promotion

48. **The Services Economy:** On Financial Services, Kenya is a global leader in financial innovation with access to formal financial services standing at 84 percent as of recent accounts largely attributed to the progress made by Kenya to expand financial access through various channels including mobile money financial platforms. The Government is currently implementing the MSMEs Credit Guarantee Scheme (CGS) to promote enterprise development through access to quality and affordable credit to MSMEs. Despite the recent improvements in the Credit Information Sharing (CIS) framework, some concerns persist about its use. This relates largely to the use of adverse credit reports issued by credit Reference Bureaus, which are used to deny borrowers credit ('blacklisting').

49. Additionally, on financial services the County Government will:

- Revamp and operationalize the Mombasa Investment Corporation
- Develop a strategy for investments promotion to grow the county economy
- Strengthen revenue collection systems that will increase efficiency
- Develop innovative and effective sources of finance (including Public Private Partnerships) to fund urban development and the provision of services.

50. **Tourism Sector:** Tourism is a historically important sector for the economy, in terms of foreign exchange earnings and job creation. In the year 2022 inbound tourism earnings grew up to Kshs. 268.09 billion compared to Kshs.146.51 billion in 2021 indicating a growth of 83 percent. To support the sector, the Government will focus on a bottom-up job-creating tourism industry by:

- Nurturing a tourism ecosystem that supports independent travel particularly for young people, including quality and secure budget hotels and bed and breakfast facilities, affordable budget air travel to all parts of the country and safe road travel;
- Diversify Kenya’s tourism by promoting niche market products, notably adventure, sport and cultural tourism;
- Diversify source markets to include African markets.

51. The County Government of Mombasa additionally contributes to tourism through:

- Conducting rehabilitation of all public beaches which will give the tourism sector a major boost and see Mombasa reclaiming its glory as a major tourism destination.
- Marketing Mombasa to attract more tourists and diversify investment in alternative tourist attraction activities including Meeting, Incentive Travel, Conferences and Exhibitions (MICE).
- Establishment of an online tourism information portal and website.

52. Services sector activities include the wholesale and retail trade, repair of motor vehicles and motorcycles (62.2%); arts, entertainment and recreation (9.5%); accommodation and food services (6.6%). Overall, majority of the MSMEs (44.4%) in Mombasa County get their raw materials from their peer MSMEs within the County. MSMEs generally sell their products to individual consumers (93.9%) within the County. This means that when some firms are adversely affected this tend to spread fast in the private sector. MSMEs face various challenges in the County. This including financial and technical capacity, market environment, and worksite and related infrastructure (KIPPRA 2019, KNBS, 2016).

53. **Aviation Sector:** Aviation is a strategic industry for the economy. It is vital for the tourism industry, exports of fresh produce and maintenance of Kenya’s position as a regional hub. The Kenya

Airways had demonstrated that Kenya could become a global aviation hub. To support the aviation industry, the Government will develop a turnaround strategy for Kenya Airways. A critical plank of this strategy will be a financing plan that does not depend on operational support from the exchequer beyond December 2023.

54. The County intends to capitalize on the open to sky policy so as to increase air traffic within the county hence ultimately boosting the tourism sector as well as the other sectors.
55. **Environment and Climate Change:** Environmental conservation and response to the impacts of climate change are at the centre of the Government's socio-economic transformation agenda. Provision of a cleaner and safer environment is consistent with the Constitutional obligations and will cement the country's position as a global leader in environmental protection and sustainable development. To actualize this, the Government will continue to mainstream issues of environment conservation, climate change mitigation and adaptation, halt and reversal of deforestation, biodiversity loss and land degradation, in all Government programmes and across all levels of Government.
56. In order to deliver locally-led climate resilience actions and strengthen National and County Governments' capacity to manage climate risks, the Government in collaboration with Development Partners developed an innovative Financing Locally-led climate Action (FLLoCA) Program. The Program is designed to encourage cross-agency collaboration and vertical linkages from community level up to national level in addressing climate change. The programme is supporting counties to put in place participative climate change policy and legislative frameworks in order to be able to access pooled finance to support implementation of locally-led climate actions.
57. On Climate Change the County Endeavors to;
 - Commercialization of tree growing to attain 10 per cent tree cover.
 - Identify and set aside appropriate land for disposal of solid waste
 - Establish innovative practices in waste reduction, reuse, recycling, treatment and disposal to reduce disposable materials
 - Promote urban regeneration programs to increase gentrification of informal settlements to improve sewer services;
 - Maintain existing neighborhood sewerage and drainage infrastructure while developing new infrastructure in support of high growth sectors in urban centers;
 - Implement an EcoLoo program of biodigester public toilets to ensure adequate community based sanitary facilities in informal settlement

- Formalize landholding in urban and city informal settlements to manage approved development to avoid damaging drainage

1.4: County Priority areas

58. The fiscal framework for the financial year 2024/25 entails a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter increase of recurrent expenditures in favor of productive capital spending.

59. In this regard, the County Government continues to take decisive steps to harness the implementation of various policies and programmes within the key priorities in the CFSP 2024. To achieve this, the Government endeavors to prioritize expenditure in the following sectors:

- Revamping of quality and affordable health services
- Youth, Women Empowerment, Cohesion and Inclusivity
- Education and Training
- Streamlined waste management services
- Investment Promotion
- Infrastructure Development, Land management and affordable Housing services.

60. Revamping of quality and affordable health services

The Department of Health continues to strategize and improve the support it offers to the community units which are manned by community health workers so as to address sanitation, hygiene and health issues as well as stepping up the water and sanitation programme compliance in the county.

The County Government has the following priority interventions:

- Ensure increased uptake of NHIF to reduce out of pocket spending
- Resource the devolved healthcare infrastructure at sub-county level so that there is adequate healthcare staff, medication and equipment to serve the needs of the people
- Acquire a second cancer treatment centre
- Recruitment, continuous and progressive training for healthcare workers and promotions
- Ensure Universal Health Care for all citizens
- Operationalize the Mombasa County Community Health Service Bill,2023

61. Youth , Women Empowerment, Cohesion and Inclusivity

In Mombasa, the largest trading hub in East Africa, the rate of youth unemployment still remains high at 44%. Roughly, 4 out of 10 of our young people are jobless. The County Government shall seek to create systems for vibrant economic growth and development in the County by placing special focus on creating opportunities for informal self – employed residents working as hairdressers, jua kali workers, mama mboga as well as our young people working as waiters, artists, creatives, tuk drivers, boda operators among others.

The County intends to exploit and tap into the Youth talents by ensuring we have adequate sporting facilities within the County for them nurture their talents. Provision of a revolving fund with the county’s budget will empower Women, Youth and Persons living with disabilities so as to improve their standards of living and their quality of life. On Youth, Women Empowerment and Development Agenda the County will;

- Create a job placement database to provide companies with local talent working with the Ease of Business Directorate
- Implement the air lifting program for youth to expand job creation
- Engage the Youth in social projects through the “Mombasa Yangu” initiative.
- Training of the youth and rehabilitate youth resource centers; equipping them with skills to match the industry/ practice
- Create a County Revolving Youth and Women Fund
- Setting up innovation funds, challenge funds for young people to test new ideas among the youths.
- Cushion the elderly people in Mombasa
- Establish County Gender Based Violence, child protection and Youth friendly wellness centres
- Implementation of the 30% government procurement rule, to give youth opportunity to do business with government.

62. Education and Training

As the County nurtures a globally competitive workforce that will drive economic growth and spur job creation, rehabilitation and improvement of the Technical and Vocational Training Institutions (TVETs) is paramount. To increase enrolment and retention in Early Childhood Education, the County is investing in construction of modern and state of the art ECDEs as well as rehabilitation and equipping of the existing ones while ensuring the learners are well nurtured through implementing a school feeding program. In addition, the County Government continues to issue

bursaries for vocational training sponsorship to School leavers, dropouts and the youth in general. The following are some of the proposed interventions;

- ECDEs construction and refurbishment
- Enhance the schools' mentorship programmes
- Run a comprehensive and transparent Bursary Program
- Provide free learning at ECDE centres
- Support the School Feeding Program at ECDE Centers
- Revive Technical and Vocational Education and Training centres
- Enhance capitation for TVETs
- Promote decent jobs through training on entrepreneurship
- Recruit and train adequate early childhood education and vocational polytechnic personnel
- Invest in the development of appropriate infrastructure at Serikali Mtaani level
- Promote public participation to build awareness on the importance of early childhood education as foundational in the trajectory of young people's lives
- Widen the Reach of the Second Chance Program- designed to support vulnerable women who have dropped out of formal education as a result of early pregnancy to resume their studies

63. Streamlined Waste Management Services

As the County aligns itself to the Green economy which is a global phenomenon, unstructured waste disposal continues to be the leading cause of environmental degradation due to lack of an efficient and effective solid waste management system. Due to the proliferation of illegal dumpsites witnessed within the county with piles of uncollected garbage littering most estates, the county is embarking on putting up structures and mechanisms so as to address the perennial menace.

An exponential amount of untreated sewage is being disposed into the Indian Ocean while solid waste is disposed at the Mwakirunge Dumpsites with only 17 per cent of the County being connected to the sanitation and sewerage system at Kipevu Sewerage plant. In this regard, the County Government is currently embarking on solid waste management initiatives with efforts in place to commission landfills that will adhere to environmental safeguards. The safe disposal of solid and liquid waste will inhibit disposal of raw and untreated waste into our water bodies. The following are some of the initiatives that the County will undertake in this sector;

- Establish innovative practices in waste reduction, reuse, recycling, treatment and disposal to reduce disposable materials
- Identify and set aside appropriate land for disposal of solid waste

- Promote urban regeneration programs to increase gentrification of informal settlements to improve sewer services;
- Maintain existing neighborhood sewerage and drainage infrastructure while developing new one infrastructure in support of high growth sectors in urban centers;
- Implement an EcoLoo program of bio digester public toilets to ensure adequate community based sanitary facilities in informal settlement
- Formalize landholding in urban and city informal settlements to manage approved development to avoid damaging drainage

64. Investment Promotion

The County will promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. Mombasa is a key driver of the entire country's economic growth. We are among the top contributors to the national GDP in terms of transport and logistics, manufacturing, industry and services associated with being the regional tourist hub in addition to the employment that was created through the port. Through concentration, Mombasa as an urban area provides the economies of scale and scope that reduce production and transaction costs, thus making the provision of basic infrastructure services and other amenities, more economically viable.

About 70% of all employment is drawn from the informal sector. Over the last decade, the County has experienced major challenges especially due to global trends which has led to the closure of industries, the transfer of clearing and forwarding services inland and the decline of the tourism sector. This has led to widespread job losses, subsequently leading to a decline in the quality of life to the citizens within the county. In order to revive the economy to an upward trajectory the County Government envisions to explore the following interventions;

- Revamp and operationalize the Mombasa Investment Corporation
- Develop a strategy for investments promotion to grow the county economy
- Strengthen the revenue collection systems that will increase efficiency
- Develop innovative and effective sources of finance (including Public Private Partnerships) to fund urban development and the provision of services.
- Establish business incubation centers
- Facilitation of shadowing and apprenticeship opportunities both in public and private sectors.
- Develop, facilitate, and implement business incubation and accelerator programmes/information centers for start-ups, early and growth stage businesses.

- Host annual business competition and exhibition forums to foster business innovation and linkage to investment opportunities.
- Support the manufacturing sector through provision of a conducive work environment.

65. Infrastructure Development, Land management and affordable Housing Services

As the county diversifies its economic activities and positions its self to becoming a preferred destination for investors both local and foreign so as to improve the quality of life for its citizens, it will endeavor to invest on infrastructure development projects.

This is will stimulate the ailing economy by providing an enabling environment for investment and delivery of services by acting as a catalyst that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination. Being the smallest County in land mass within the Country, housing and land management has been prioritized so as to provide a dignified, peaceful and stable coexistence of our citizens through planning, land administration and provision of decent, adequate and affordable housing. In infrastructure development, the main interventions of the County are:

- Improvement of access roads, drainage, non-motorized transport, beautification and aesthesis of the County
- The County will continue to work closely with the National Government in Planning and issuance of titles in the medium term and also repossession of all grabbed public land.
- The County will take part in surveying, planning and land mapping to ensure investors and the residents are able to benefit from land as a factor of production.
- Strengthening of the “Ardhi Fund” to settle squatters within the County
- In order to compliment the BETA Agenda, the County has commissioned the mega program on Social Housing Units through PPP for construction of social housing units within the County owned dilapidated Estates.
- To empower the SMES the county will continue to improve and set up trading infrastructure within the county.

66. The actualization of the key priority areas will complement the BETA Agenda and the Governor’s Manifesto which is expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which every Citizen is guaranteed of affordable and decent quality of life.

CHAPTER TWO

2.0: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

2.1: Overview

67. The Kenyan economy continued to expand in 2023, compared to the slower pace of the 4.8 percent recorded in 2022. Real GDP is expected to have grown by 5.5 percent in 2023 supported by the services sector despite subdued performance in agriculture and weaker global growth. The economy is projected to stage between 4.5 and 5.2 percent in 2024, reinforced by the Government's Bottom – Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth.
68. The coordination between monetary and fiscal policies continued to support macroeconomic stability with interest rates remaining relatively stable. Since July 2023, inflation has stayed stuck in the top end of the government's target range of 5+/-2.5%.
69. The external sector has remained stable despite the tight global financial conditions attributed to strengthening of US Dollar and uncertainties regarding the effects of the Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling, like all world currencies, has weakened but strengthened against other major international currencies. A 10 percent decline in the value of the Kenyan shilling relative to the US dollar would affect revenues more so than expenses. In FY 2024–2025, income and expenses will rise by Ksh24.1 billion and Ksh3.7 billion, respectively, lowering the anticipated budget deficit by Ksh20.3 billion.
70. Over the medium term, this shock's effects would continue, with a lower than projected budget deficit as a result of rising revenues offsetting rising expenses. By FY 2027/28, the fiscal deficit would have decreased by a projected Ksh25.8 billion. As opposed to 5.1 percent of GDP in 2022, the current account deficit is expected to decrease to 4.4 percent of GDP in 2023 and 4.0 percent of GDP in 2024. A decrease in imports in the face of declining oil prices, currency rate adjustments, and additional rationalization of capital spending are the main factors driving the anticipated narrowing of the current account deficit. Strong remittance inflows will also continue to maintain the current account balance.
71. The fiscal policy continues to pursue growth friendly fiscal consolidation to preserve debt sustainability. This will be achieved through enhancing revenue collection and curtailing non-core expenditures while prioritizing high impact social and investment expenditure. Consequently, revenue collections are expected to rise to 19.7 percent of GDP in FY 2026/27 from 18.9 percent

of GDP in the FY2023/24. Total expenditures are projected to remain stable at about 23.7 percent as a share of GDP over the medium term. Implementation of the reforms on revenue and expenditure is expected to result in reduction in the fiscal deficit including grants from Ksh 886.6 billion (5.5 percent of GDP) in the FY 2023/24 to Ksh692.5 billion (3.1 percent of GDP) in the FY 2026/27.

2.2: Recent Economic Development and Outlook

Global and Regional Economic Developments

72. Global economic outlook has become more uncertain - reflecting the impact of the Russia-Ukraine conflict, elevated global inflation, lingering effects of COVID-19 pandemic, elevated global interest rates on account of inflationary pressures limiting access to credit and exacerbating debt servicing costs, significant losses and damages due to frequent extreme weather events and persistent supply chain disruptions. Global growth is projected to slow down to 3.0 percent in 2023 and 2.9 percent in 2024 from 3.5 percent in 2022 which is below the historical (2000–2019) average of 3.8 percent.
73. The geopolitical fragmentation arising from the Israeli-Palestinian conflict and elevated global oil prices on account of supply cuts by major oil exporters particularly Saudi Arabia and Russia could weigh on the global economic outlook.
74. Advanced economies are projected to record a slower growth of 1.5 percent in 2023 and 1.4 percent in 2024 from 2.6 percent in 2022 mainly driven by lower growth in the Euro Area. The slowdown in growth in the advanced economies is as a result of aggressive monetary policy tightening that has contributed to a significant deterioration of global financial conditions.
75. Growth in the emerging market and developing economies is projected to decline relatively modestly, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, although with notable shifts across regions. In sub-Saharan Africa, growth declined to 3.3 percent in 2023 from 4.0 percent in 2022 reflecting worsening climate change related shocks, inflationary and exchange rate pressures, and domestic supply issues, including, notably, in the electricity sector. Growth in the region is expected to rebound to 4.0 percent in 2024, picking up in four fifths of the sub-Saharan Africa's countries, and with strong performances in non-resource intensive countries.

Table 1: Global Economic Growth, Percent

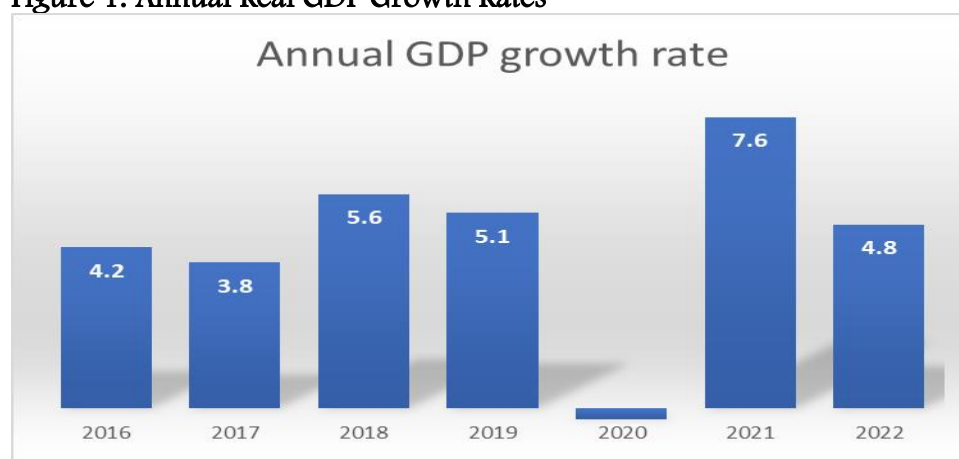
Economy	Growth (%)			
	Actual		Projected	
	2021	2022	2023	2024
World	6.3	3.5	3.0	2.9
Advanced Economies	5.4	2.6	1.5	1.4
<i>Of which: USA</i>	5.9	2.1	2.1	1.5
<i>Euro Area</i>	5.3	3.3	0.7	1.2
Emerging and Developing Economies	6.8	4.1	4.0	4.0
<i>Of which: China</i>	8.4	3.0	5.0	4.2
<i>India</i>	9.1	7.2	6.3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

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

Domestic Economic Developments

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

Figure 1: Annual Real GDP Growth Rates



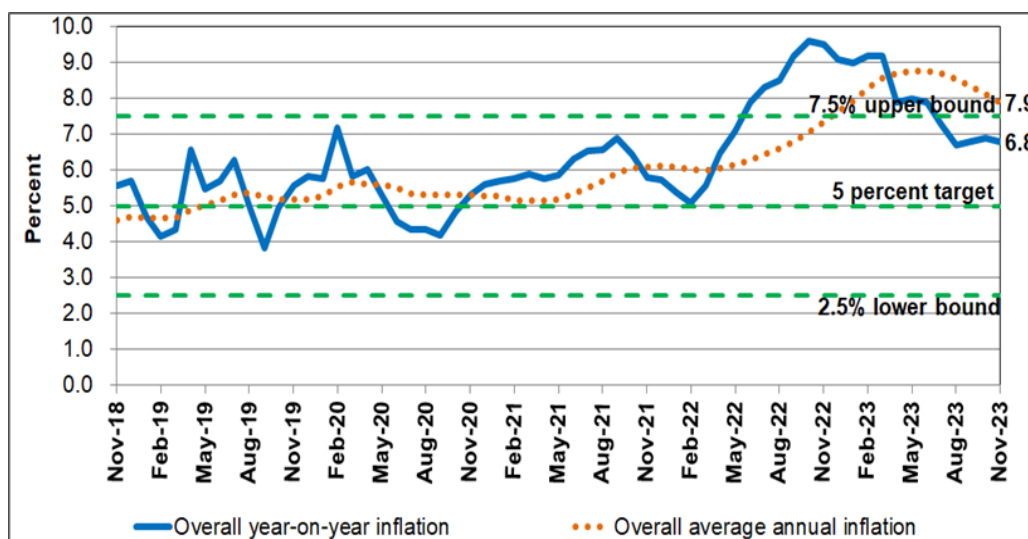
Source: Kenya National Bureau of Statistics and World Development Indicator

77. In 2022, the real GDP grew by 4.8%, a decrease from the robust recovery following the Covid-19 crisis, with an annual growth rate of 7.5 percent in 2021. This growth rate is, however, roughly in line with Kenya's potential GDP growth rate and the pre-pandemic decade average. The recent two years' climate shock has had a significant negative impact on economic growth; in 2022, real GDP growth (apart from agriculture) was only 6.3%. In addition, domestic economic activity is severely harmed by the effects of tightening domestic macroeconomic policies and difficult global financial circumstances, particularly in the second half of the year.
78. The country's real GDP grew by 5.9 per cent in the third quarter of 2023, compared to 4.3 per cent in the corresponding quarter of 2022. This growth was mainly supported by a rebound in agricultural activities that had contracted in 2022. During the review quarter, Agriculture, Forestry, and Fishing activities' GVA rose by 6.7 per cent compared to a contraction of 1.3 per cent in the third quarter of 2022 owing to favorable weather conditions that characterized the better part of 2023. In addition, the growth was also buoyed by significant growths in Financial and Insurance (14.7%), Information and Communication (7.3%) and Accommodation and Food Service (26.0%) activities. The substantial growth in Accommodation and Food Services was manifest by the significant increase in the number of visitor arrivals in the country. However, Transportation and Storage activities' GVA decelerated from 5.1 per cent in the third quarter of 2022 to 2.8 per cent during the review period, partly attributable to high cost of petroleum fuels.
79. In the first half of 2023, the industrial sector recorded lower growths of 2.5 percent in the first quarter and 1.8 percent in the second quarter compared to growths of 4.4 percent and 4.2 percent, respectively in similar quarters in 2022. The slowdown in growth was mainly reflected in manufacturing, and electricity and water supply sub-sectors. Activities in the manufacturing sector was hampered by a decline in the manufacture of both food and non- food products while electricity sub-sector slowed down due to a notable decrease in electricity generation from all sources, except geothermal.
80. The services sector continued to sustain strong growth momentum in the first half of 2023 growing by 6.0 percent in the first quarter and 5.9 percent in the second quarter. The robust performance was reflected in the notable growth of information and communication (driven by increases in wireless internet and fiber-to-home subscriptions), wholesale and retail trade, accommodation and food services (driven by recovery in tourism), transport and storage, financial and insurance (due to strong private sector credit growth and lending to the government) and real estate (supported by sustained expansion of the construction industry).

Inflation Rate

81. Inflation had remained above the Government target range of 5 ± 2.5 percent from June 2022 to June 2023. In order to anchor inflation expectations, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.50 percent in May 2022 to 10.50 percent in June 2023 and further to 12.50 percent in December 2023. The tightening of the monetary policy was to address the pressures on the exchange rate and mitigate second round effects including from global prices. This will ensure that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range.
82. Consequently, inflation eased gradually to 6.8 percent in November 2023 from a peak of 9.6 percent in October 2022 and has been within the target range for the five months of FY 2023/24. However, inflation has remained sticky in the upper bound of the Government’s target range since July 2023. The easing of inflation was also supported by lower food prices.

Figure 2: Inflation Rate, Percent



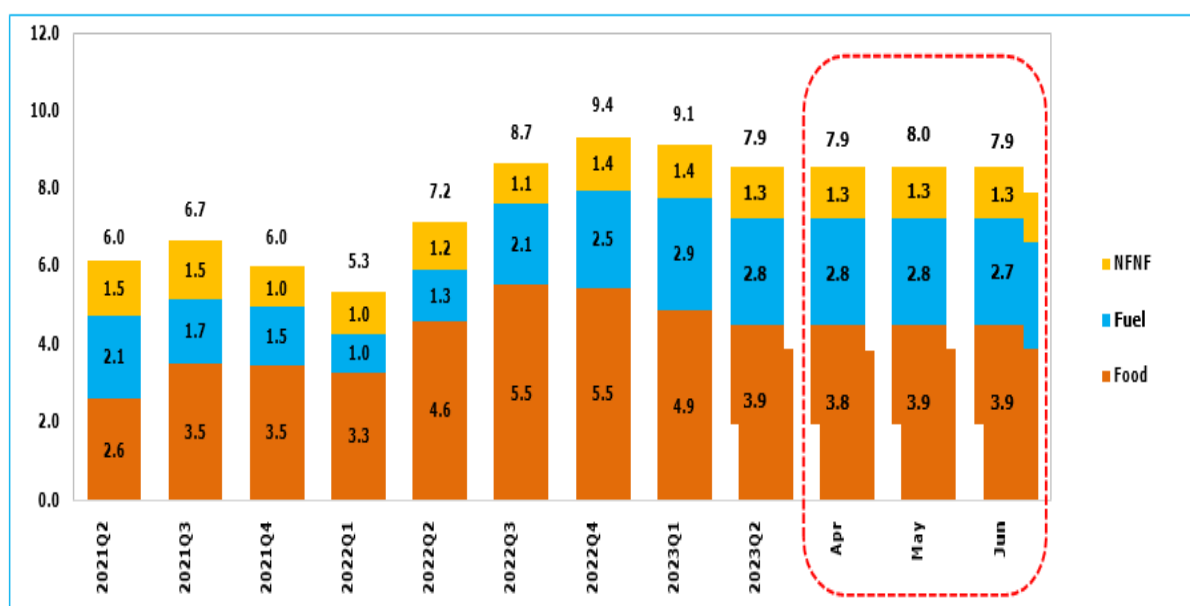
Source: Kenya National Bureau of Statistics, 2024

83. Food inflation remained the dominant driver of overall inflation in November 2023. However, it declined to 7.6 percent in November 2023 from a peak of 15.8 percent in October 2022 supported by general decline in international food prices, government interventions through zero rating of select food commodities, and improved weather conditions that enhanced production of fast-growing food items, thus moderating their prices. Nonetheless, sugar prices remained elevated driven by domestic and global factors.

84. Fuel inflation remained elevated reflecting the impact of the rise in international oil prices. It increased to 15.5 percent in November 2023 from 11.7 percent in November 2022. The increase reflects the impact of higher international oil prices, depreciation in the shilling exchange rate and gradual withdraw of the fuel subsidize from September 2022 and the upward adjustment of electricity tariff from April 2023. In addition, the upward adjustment of VAT on petroleum product in July 2023 from 8.0 percent to 16.0 percent to eliminate tax credits from the sector exacted upward pressures on prices. However, prices of cooking gas continued to decline and moderated inflation reflecting the impact of the zero-rating of VAT on liquefied petroleum gas (LPG).

85. Core (non-food non-fuel) inflation remained stable at 3.3 percent in November 2023, from a peak of 4.4 percent in March 2023. The decline is attributed to the tight monetary policy and muted demand pressures.

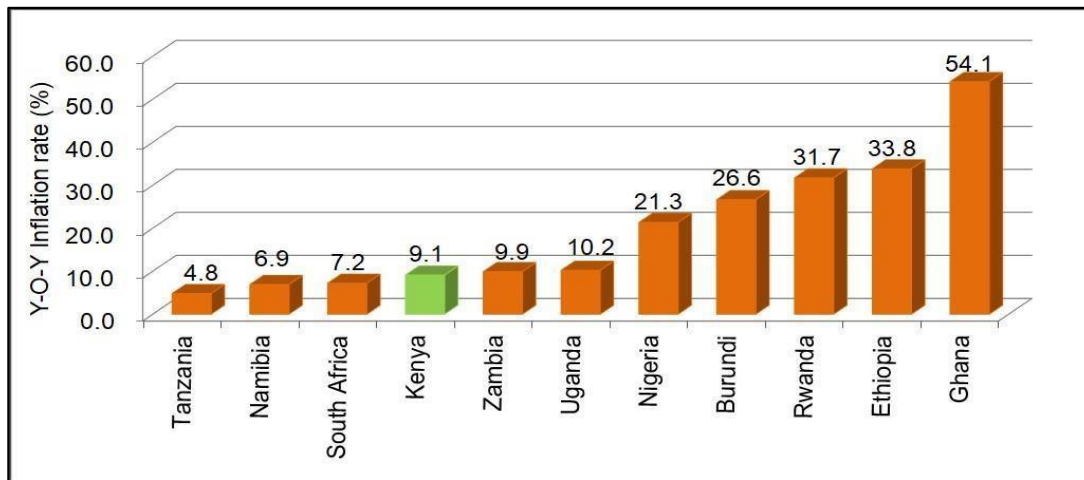
Figure 3: Contributions to Inflation, Percentage Points



Source: Kenya National Bureau of Statistics and Central Bank of Kenya, 2024

86. While inflation has been rising and remains high in most economies, Kenya’s inflation rate was at 9.1 percent in December 2023 is much lower than that of some countries in the Sub-Saharan African region that have double digits’ inflation.

Figure 4: Inflation Rates in selected African Countries December, 2023

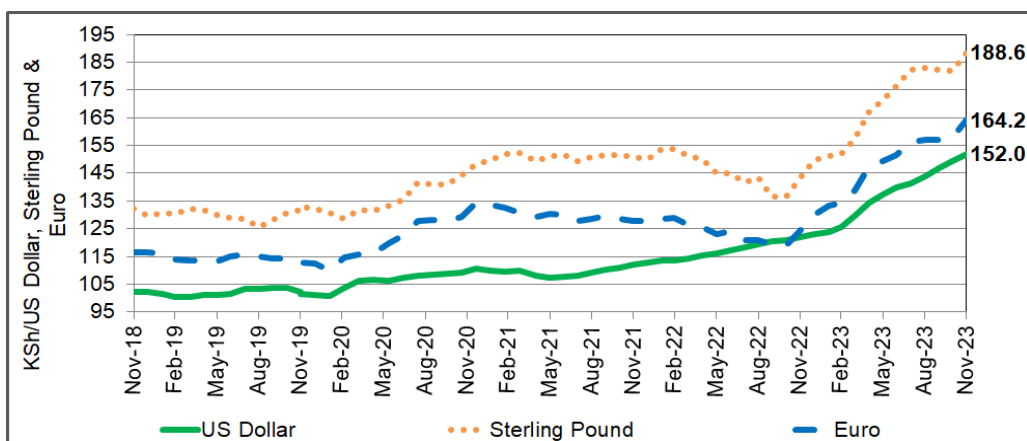


Source: National Central Banks, 2024

Kenya Shilling Exchange Rate

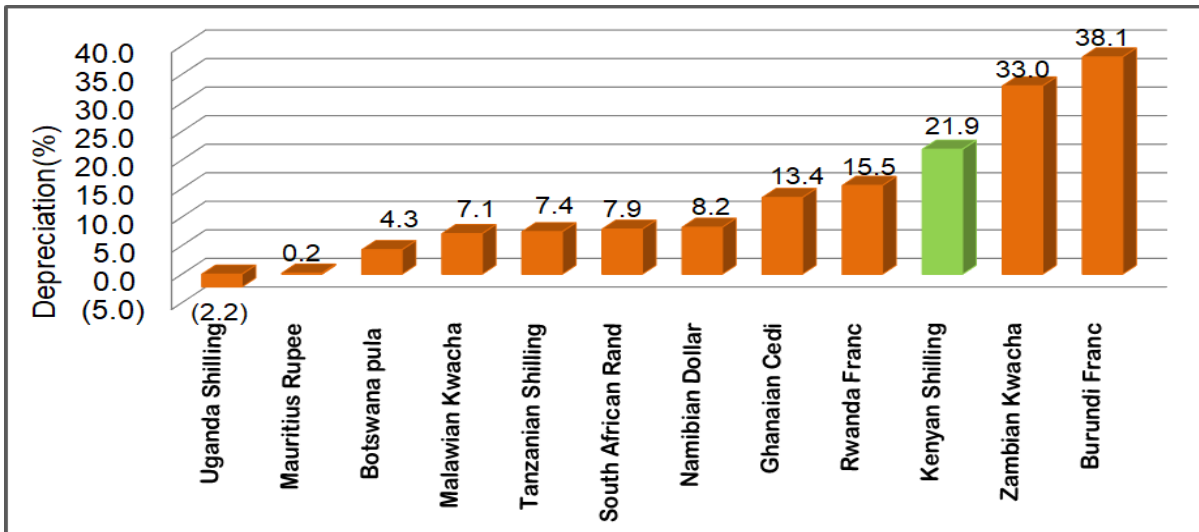
87. Kenya like several other countries is experiencing foreign exchange challenges due to the rise of US interest rates. In November 2023, the Kenya Shilling weakened by 24.7 percent against the US Dollar, 31.9 percent against the Sterling Pound and 32.2 percent against the Euro, compared to a similar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

Figure 5: Kenya Shillings Exchange Rate



88. In comparison to Sub-Saharan Africa currencies, the depreciation of the Kenya Shilling exchange rate has remained relatively low at 21.9 percent against the US Dollar in September 2023 (Figure 6). The depreciation rate of the Kenya Shilling was lower than that of Zambian Kwacha and Burundi Franc. The stability in the Kenya Shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports receipts. The below figure captures data from September 2022 to September 2023.

Figure 6: Performance of Selected Currencies against the US Dollar



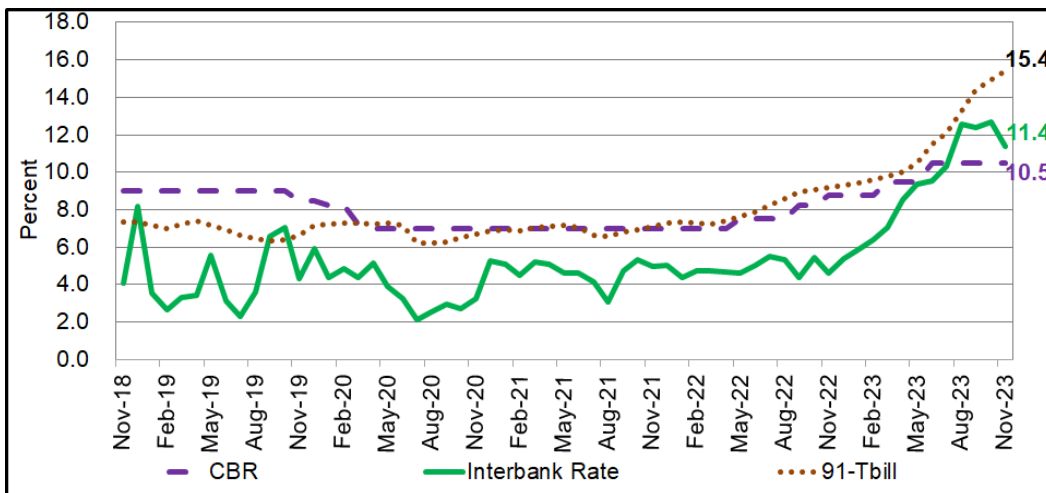
Source: National Central Banks, 2024

Interest Rates

89. Reflecting the tight monetary policy stance and liquidity conditions in the money market, interest rates increased in the year to November 2023. The interbank rate increased to 11.4 percent in November 2023 compared to 4.6 percent in November 2022 while the 91-day Treasury Bills rate increased to 15.4 percent compared to 9.2 percent over the same period. The introduction of the interest rate corridor, in August 2023, is expected to align the interbank rate to the Central Bank Rate and thereby improve the transmission of the monetary policy.

90. Commercial banks average lending and deposit rates increased in the year to September 2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 14.0 percent in September 2023 from 12.4 percent in September 2022 while the average deposit rate increased to 8.6 percent from 6.8 percent over the same period. Consequently, the average interest rate spread declined to 5.3 percent in September 2023 from 5.6 percent in September 2022.

Figure 7: Short Term Interest Rates, Percent



Source: Central Bank of Kenya, 2024

2.3: Fiscal Performance

91. Nationally, Budget execution during the first four months of FY 2023/24 progressed relatively well with revenues recording a growth of 13.0 percent in October 2023 compared to a growth of 11.9 percent in October 2022. Total revenue recorded a shortfall of Ksh 47.6 billion with ordinary revenue missing the October 2023 target by Ksh 59.1 billion and Ministerial Appropriation in Aid (AiA) recording a surplus of Ksh 11.5 billion. Revenue performance is anticipated to improve over the course of the fiscal year, mainly supported by the improved revenue administration by the Kenya Revenue Authority.
92. Similarly, overall expenditures were below target by Ksh 244.6 billion in October 2023 on account of below target disbursements towards; development expenditure by Ksh 104.3 billion, recurrent expenditures by Ksh 81.4 billion, and County Governments by Ksh 58.8 billion. The revenues are expected to progressively improve in the second half of the fiscal year following the gradual reopening of the economy and the increased demand for imports as well as improved domestic sales. The below target performance in expenditures is largely explained by the shortfalls in revenue performance.
93. The County Government has embarked on expenditure rationalization and prioritization to ensure that expenditures are on the most impactful programmes that yield the highest welfare benefits to Kenyans.

2.3.1: County Revenue Performance 2022/2023 Fy

94. In the 2022/2023 FY, the County realized Kshs 3,998,628,848 being 83 percent of the budgeted local revenue of Kshs. 4,814,500,985. The total revenue collected was Kshs 12,936,754,233 being 94 percent of the total budgeted revenue of Kshs. 14,000,000,000 of which Kshs 8,938,125,385 was exchequer issues and Kshs 666,796,746 transfers from other National Government entities including budgeted grants and donor funding.
95. The County received Donor Funding from World Bank WSDP Kshs 570,120,196, Agriculture Sector Support Program II Kshs 4,612,847 and Kenya Informal Settlement Improvement Project (KISIP) for Kshs 92,063,703.

2.3.2: County Expenditure Performance 2022/2023 Fy

96. Total expenditure amounted to Ksh 12,506,371,205 against a target of Ksh 14,000,000,000 representing an under spending of Kshs. 1,493,628,794 which is 10.7 percent deviation from the revised budget. The shortfall was attributed to lower absorption in both recurrent and development expenditures due to unrealized own source revenues.
97. The County had an 89.3% absorption rate which is a tremendous increase from 69% in the previous financial year's budget implementation.
98. Recurrent expenditure was 84% amounting Kshs 10,885,753,214 which comprised of personnel emoluments, operations and maintenance.
99. Development expenditure was Ksh 1.6 billion compared to a target of Ksh 4.4 billion. This represented an under-spending of approximately Ksh 2.8 billion (or 64 percent deviation from the approved development expenditure). The underperformance in development expenditure was majorly contributed by lack of unrealized local revenue that contributed to the shelving of most of the planned development undertakings and lack of disbursement of the World Bank's Water and Sanitation Grant.
100. In arriving at the revenues and expenditures above, the cash basis was used and therefore uncollected revenues and pending bills were excluded.

2.4: Fiscal Policy

101. Reflecting the above performance in revenue and expenditure, the County had a deficit in its budget with an absorption rate of 89.3 percent of the overall budget. There was an overall fiscal balance of approximately Kshs. 1.1 billion. This is the Cashbook balance and may differ from the bank balance due to reconciliation items that is un-credited receipts and un- cleared real time gross settlements (RTGS) and cheques.
102. The County had a fiscal deficit of Kshs. 1.1 billion to finance which was attributed to unrealized revenue.
103. The County Government continues to put up stringent measures that ensures that the budget deficit is reduced and adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance for the first two quarters of FY 2023/24.
104. Taking into account the slower pace of execution of the budget by County Departments, the reasons for the deviations, as explained above, from the financial objectives include: lower than projected revenue collection; under-spending in both recurrent and development; under-reporting on donor funding by Departments thus the base line ceilings for spending agencies will be adjusted and then firmed up in the CFSP 2024.
105. While we expect the economy to remain resilient, our projections remain cautious. We expect Revenue growth to be 10 percent in 2024/25; representing a steady 10 percent revision upwards from the 10 percent projected in the CFSP 2024.
106. To achieve this target, the Government will reprioritize in recurrent spending to only the basic necessities and double its effort in domestic resource mobilization.
107. The under-spending in both recurrent and development budget for the FY 2022/23 additionally has implications on the base used to project expenditures in the FY 2024/25 and the medium term. Appropriate revisions have been undertaken in the context of this CFSP, taking into account the budget outturn for the FY 2023/24. The County Treasury will work closely with the implementing Departments to fast-track absorption.
108. In addition, the county will continue venturing in public private partnerships with potential local and foreign investors and other development partners to assist in development of the county.
109. The county intends to initiate a catalyst fund geared towards the support of the various economic stimulus projects earmarked in the county to cater for projects facilitation, consultancy expenses and transaction costs to ensure acquisition of finances for the onset of the said projects.
110. Notably is the fact that Departments have been taking measures to ensure that they prioritize projects and programs that they are able to implement in the short term which will increase the

overall Departmental absorption rate and this trend to a greater extent should be maintained if not improved further.

2.4.1: Fiscal Performance and Emerging Challenges 2023/2024

111. The Mombasa County Assembly approved the Budget 2023/2024 with expenditure amounting to Ksh. 14,700,000,000 comprising of recurrent expenditure of Ksh. 9,144,504,489 and development expenditure of Ksh. 5,425,495,511. This budget was to be financed by Ksh. 5,252,786,118, from local revenue sources and total exchequer issues of Ksh 9,447,203,882, including Ksh. 7,861,523,820, from national equitable share, Ksh. 1,585,680,062 Grants.
112. Fiscal outcome for the first half of the financial year was low, which was attributed to shortfall of revenue amid rising expenditure pressures. Expenditure pressures relate to the rising wage bill with the current wage bill amounting to Ksh. 6.9 billion which is 47 percent of the budget. There is need to put in place austerity measures to ensure that the wage bill is sustainable by halting recruitment and promotions. The bloating wage bill poses a big risk to the stability of the budget for 2024/2025.
113. Unrealized local revenues, inadequate equitable share due to unfavorable formula parameters, delayed exchequer releases, and tedious procurement bureaucracies continue to hamper budget implementation.

2.4.2: Budget Out-turn, July – December 2023

114. In the current financial as at 31st December 2023 the actual own source revenue attained in the half of the FY was Ksh 918,847,558. The National Government transfers was Ksh 3,262,532,387, while the expenditure for the said period amounted to Ksh 4,050,000,442.10. There was a balanced carried forward from the previous year of Ksh 600,038,041.70.

Table 2: Local Revenue realized within Five Financial Years

MONTH	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
JULY	91,417,758	110,950,638	133,177,640	290,898,301	367,089,557
AUGUST	131,853,605	164,871,323	180,063,924	158,294,767	124,935,681
SEPTEMBER	75,372,653	195,639,679	207,752,314	324,609,448	76,843,866
OCTOBER	195,060,885	192,425,344	200,978,869	240,688,839	106,492,816
NOVEMBER	147,641,305	208,065,464	195,076,359	161,645,883	386,945,293
DECEMBER	362,828,365	228,108,277	162,790,308	220,922,958	339,317,651
JANUARY	434,584,730	286,649,313	441,650,127	498,998,855	270,132,327
FEBRUARY	422,738,253	421,483,469	415,598,494	479,635,817	510,261,367
MARCH	733,336,511	634,763,565	541,583,202	515,926,400	792,863,010
APRIL	468,186,699	203,268,450	280,251,148	290,568,789	420,946,047
MAY	203,642,080	160,817,790	211,868,868	138,306,690	393,590,939
JUNE	405,994,209	508,759,315	343,741,925	299,135,806	209,210,294
TOTAL	3,672,657,053	3,315,802,627	3,314,533,178	3,619,632,553	3,998,628,848

Source: County Treasury, 2024

Figure 8: Local Revenue Trend Analysis from Year 2018/2019 to 2022/2023

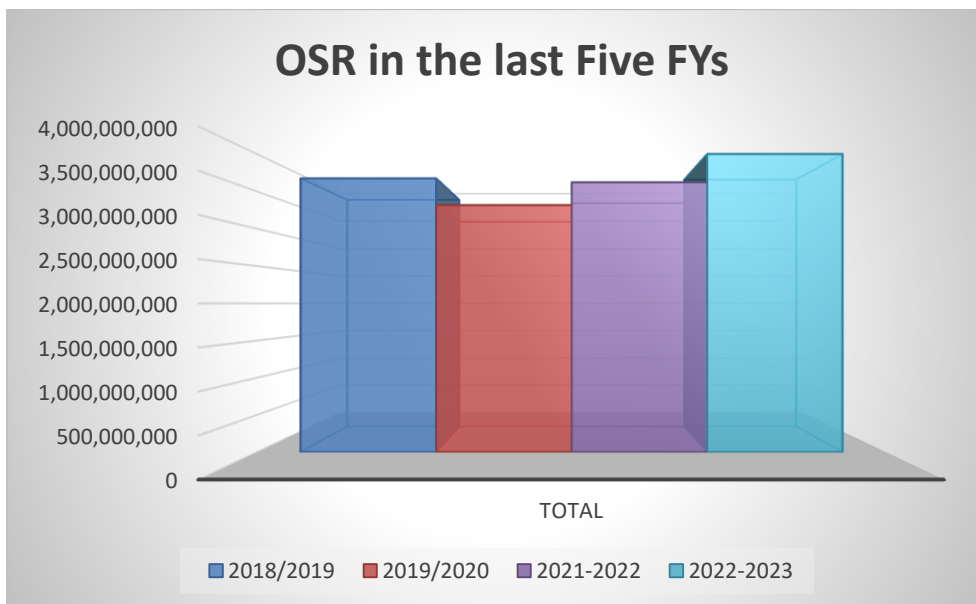


Table 3: Monthly Exchequer Issues Over Five Financial Year

MONTH	EXCHEQUER ISSUES 2018-2019	EXCHEQUER ISSUES 2019-2020	EXCHEQUER ISSUES 2020-2021	EXCHEQUER ISSUES 2021-2022	EXCHEQUER ISSUES 2022-2023
JULY	0	0	0	0	0
AUGUST	430,761,965	0	0	605,388,325	643,225,095
SEPTEMBER	587,699,500	1,228,083,300	0	643,225,095	605,388,325
OCTOBER	741,181,901	632,224,439	1,164,561,750	643,225,095	0
NOVEMBER	875,741,969	0	828,146,904	1,248,613,420	643,225,096
DECEMBER	822,680,000	824,676,155	574,671,000	825,326,491	605,388,325
JANUARY	944,297,016	949,232,625	798,466,182	643,225,095	983,546,633
FEBRUARY	794,895,339	1,592,730,838	628,955,904	845,033,993	0
MARCH	0	564,636,000	599,925,750	605,388,325	605,388,325
APRIL	1,515,161,166	40,134,590	599,925,750	712,922,804	1,286,450,190
MAY	54,151,120	741,084,750	574,844,314	864,906,837	605,388,325
JUNE	2,449,218,601	1,517,641,228	2,293,217,209	234,558,066	2,256,150,493
TOTAL DISBURSED	9,215,788,577	8,090,443,924	8,062,714,763	7,427,273,268	8,234,150,807

Figure 9: Total Exchequer Issues Over Five Financial Years

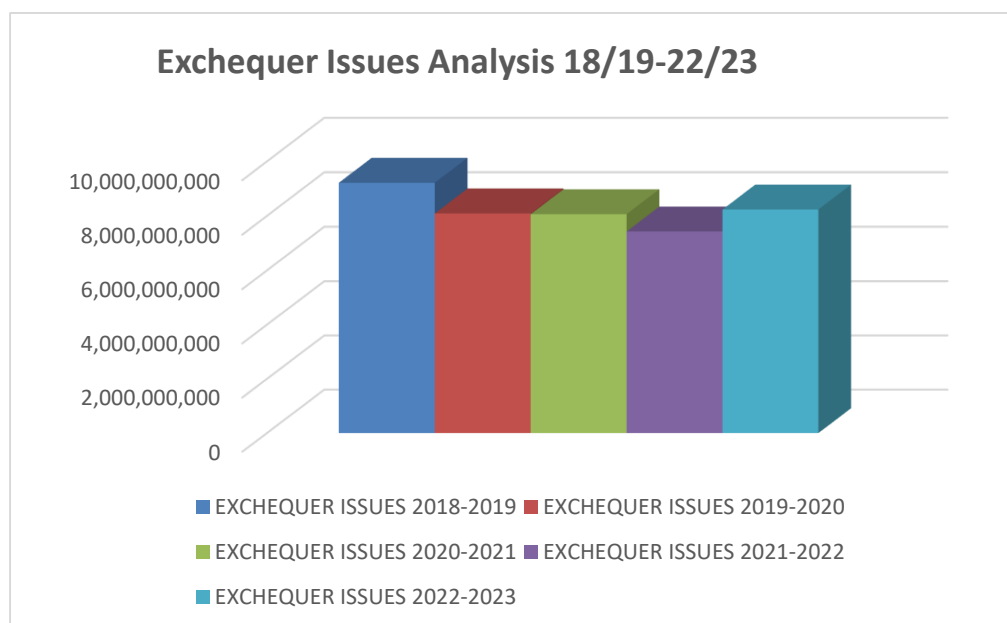


Table 4: Summary of Exchequer Issues Revenue Analysis FY-2022/2023

Revenue Item	Annual Budgeted	Total Receipt	Percentage
Equitable share	7,567,354,061	7,567,354,061	100
GRANTS			
Agriculture Sector Support Program II	8,847,410	4,612,847	52.1
DANIDA	14,874,100	-	0
Finance Locally - Led Climate Action Program (FLLOCA)	125,000,000	-	0
World Bank - Kenya Informal Settlement Improvement Project (KISIP)	219,423,444	92,063,703	42.0
Water & Sanitation Development Program – World Bank Fund	950,000,000	570,120,196	60.0
Total Grants	1,318,144,954	666,796,746	50.6
Total Exchequer Issues	8,885,499,015	8,234,150,807	92.7

2.4.3: Development and Recurrent Expenditures First Half 2023/24 FY

115. The total expenditure for the first half in the 2023/2024 FY amounted to Kshs. 4,050,000,442.10, which comprises of Kshs. 2,631,878,190.70 for compensation of employees, Kshs. 270,838,251.50 on use of goods and services, Kshs. 387,471,767.00 as transfers to other Government Entities, Kshs. 86,941,471.00 for other grants and transfer and Kshs. 577,935,856.25 on other payments and Kshs. 94,934,905.65 spent on Acquisition of Assets. Of the total Kshs. 4,050,000,442.10, Kshs. 3,845,452,237 was spent on recurrent expenditure and Kshs. 204,548,205 on development, hence a closing balance in the CRF of Kshs. 711,653,794.50.
116. Under recurrent expenditure, payments comprised of Kshs. 2,631,878,191 for compensation of employees, Kshs. 263,105,602 for use of goods and services, Kshs. 387,471,767.00 for transfers to other government units, Kshs. 10,413,505.00 for other grants and transfers and Kshs. 552,583,173 constituting other miscellaneous payments. Under development expenditure of Kshs. 204,548,205; it comprises of Kshs. 7,732,650 for Use of Goods and Services, Kshs. 76,527,966, other grants and transfers Kshs. 94,934,906 and Kshs. 25,352,683.30 for other payments.

Table 5: County’s Receipts and Expenditures Performance as at 31st December 2023

	Period ended Dec 2023	Comparative Period
	Kshs	Kshs
Receipts		
Transfers from the CRF		
Transfers to County Executive	3,699,600,683.00	10,153,060,276
Transfers to County Assembly	387,471,767.00	808,602,367
Total receipts	4,087,072,450.00	10,961,662,643.00
Payments		
Compensation of employees	2,631,878,190.70	6,460,757,728.00
Use of goods and services	270,838,251.50	908,668,953.15
Subsidies	0	0
Transfers to other government entities	387,471,767.00	826,367,949.85
Other grants and transfers	86,941,471.00	767,860,005.00
Social security benefits	0	0
Acquisition of assets	94,934,905.65	835,948,690.00
Finance costs, including loan interest	0	0
Repayment of principal on domestic & foreign	0	0
Other Payments	577,935,856.25	1,072,977,226.00
Total payments	4,050,000,442.10	10,872,580,552.00
Surplus/deficit	37,072,007.90	89,082,091

Source: County Treasury, 2024

Table 6: First Half Departmental Total Expenditure FY 2023/2024

	Period ended Dec 2023	Comparative Period
	Kshs	Kshs
Receipts		
Transfers from the CRF		
Transfers to County Executive	3,699,600,683.00	10,153,060,276
Transfers to County Assembly	387,471,767.00	808,602,367
Total receipts	4,087,072,450.00	10,961,662,643.00
Payments		
Compensation of employees	2,631,878,190.70	6,460,757,728.00
Use of goods and services	270,838,251.50	908,668,953.15
Subsidies	0	0
Transfers to other government entities	387,471,767.00	826,367,949.85
Other grants and transfers	86,941,471.00	767,860,005.00
Social security benefits	0	0
Acquisition of assets	94,934,905.65	835,948,690.00
Finance costs, including loan interest	0	0
Repayment of principal on domestic & foreign	0	0
Other Payments	577,935,856.25	1,072,977,226.00
Total payments	4,050,000,442.10	10,872,580,552.00
Surplus/deficit	37,072,007.90	89,082,091

Table 7: Departmental Percentage Recurrent Expenditure FY 2022/2023

S/NO	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Expenditure Total	%age
3011	The Executive	360,000,000	215,246,289	124,230,114	57.7
3012	County Assembly	859,000,000	874,783,020	809,459,880	92.5
3013	Public Service Board	130,000,000	78,618,480	84,163,570	107.1
3014	Finance and Economic Planning	594,483,999	889,649,083	1,106,590,891	124.4
3015	Energy, Environment and Waste Management	615,000,000	527,908,467	598,161,689	113.3
3016	Education, Information Technology and Mv. 2035	627,516,000	384,576,033	449,490,369	116.9
3017	Health	3,255,000,000	3,156,212,932	5,264,762,535	166.8
3018	Water, Environment and Natural Resources	130,000,000	48,007,492	50,488,867	105.2
3019	Youth, Gender, Sports and Cultural Affairs	260,000,000	123,366,425	112,549,636	91.2
3020	Trade, Tourism and Investments	450,000,000	360,060,797	386,913,721	107.5
3021	County Planning, Land and Housing	270,000,000	149,766,503	262,244,601	175.1
3022	Transport, Infrastructure and Public Works	594,000,000	505,821,927	565,040,350	111.7
3023	Agriculture, Fisheries, Livestock and Co-Operatives	235,000,000	136,403,848	170,696,746	125.1
3026	Devolution and Public Service Administration	920,000,000	2,417,990,997	900,960,245	37.3
	TOTAL	9,300,000,000	9,868,412,293	10,885,753,214	110

Table 8: Departmental Development Expenditure Fy 2022/2023

S/NO	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Expenditure TOTAL	%age
3011	County Executive	25,000,000	16,984,500	10,581,820	62
3012	County Assembly	30,000,000	30,000,000	-	0
3013	Public Service Board	20,000,000	20,000,000	3,640,050	18
3014	Finance & Economic Planning	300,000,000	585,294,434	248,990,804	43
3015	Energy, Environment & Waste Management	430,000,000	326,055,395	71,612,357	22
3016	Education, Information Technology & MV 2035	300,000,000	300,000,000	53,561,135	18
3017	Health Services	149,000,000	190,255,089	12,547,397	7
3018	Water, Sanitation & Natural Resources	1,000,000,000	625,000,000	591,779,862	95
3019	Youth, Gender, Sports and Cultural Affairs	500,000,000	500,000,000	34,132,607	7
3020	Trade, Tourism & Investment	380,000,000	379,451,561	46,668,502	12
3021	Lands, Housing and Physical Planning	400,000,000	280,576,556	27,576,821	10
3022	Transport, Infrastructure and Public Works	526,000,000	535,420,450	494,929,532	92
3023	Agriculture, Fisheries, Livestock and Co-operatives	250,000,000	252,549,719	22,822,883	9
3026	Devolution & Public Service Administration	90,000,000	90,000,000	4,562,309	5
	TOTAL	4,400,000,000	4,131,587,704	1,623,043,985	39

Table 9: Total Departmental Expenditure Fy 2022/2023

	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Total Expenditure	%age
3011	County Executive	385,000,000	232,230,789	134,811,934	58.1
3012	County Assembly	889,000,000	904,783,020	809,459,880	89.5
3013	Public Service Board	150,000,000	98,618,480	87,803,620	89.0
3014	Finance & Economic Planning	894,484,000	1,474,943,517	1,355,581,695	91.9
3015	Energy, Environment & Waste Management	1,045,000,000	853,963,862	669,774,046	78.4
3016	Education, Information Technology & MV 2035	927,516,000	684,576,033	503,051,504	73.5
3017	Health Services	3,404,000,000	3,346,468,021	5,277,309,931	157.7
3018	Water, Sanitation & Natural Resources	1,130,000,000	673,007,492	642,268,728	95.4
3019	Youth, Gender, Sports and Cultural Affairs	760,000,000	623,366,425	146,682,243	23.5
3020	Trade, Tourism & Investment	830,000,000	739,512,358	430,794,137	58.3
3021	Lands, Housing and Physical Planning	670,000,000	430,343,059	289,821,422	67.3
3022	Transport, Infrastructure and Public Works	1,120,000,000	1,041,242,377	1,059,969,882	101.8
3023	Agriculture, Fisheries, Livestock and Co-operatives	485,000,000	388,953,567	193,519,629	49.8
3026	Devolution and Public Service Administration	1,010,000,000	2,507,990,997	905,522,554	36.1
	TOTAL	13,700,000,000	14,000,000,000	12,506,371,205	89.3

Source: County Treasury, 2024

Table 10: GROWTH OF EXECUTIVE EXPENDITURE FROM 2018/2019-2022/2023

S NO.	DEPARTMENTS	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
3011	County Executive	367,868,652	170,907,637	134,579,861	124,868,359	134,811,934
3013	Public Service Board	82,182,927	42,223,122	57,481,487	53,739,218	87,803,620
3014	Finance & Economic Planning	2,724,996,907	1,929,435,855	1,674,353,623	1,661,433,513	1,355,581,695
3015	Environment, Waste Management and Energy	737,985,956	507,605,972	581,863,283	541,024,948	669,774,046
3016	Education & Information Technology	452,661,776	429,302,668	553,209,274	208,472,630	503,051,504
3017	Health Services	3,242,469,680	3,261,210,911	3,166,401,627	2,067,494,451	5,277,309,931
3018	Water, Sanitation & Natural Resources	68,635,562	282,665,964	333,232,081	236,462,366	642,268,728
3019	Youth, Gender, Sports & Cultural Affairs	280,429,106	181,268,380	454,099,872	303,179,857	146,682,243
3020	Trade, Tourism & Investment	486,693,687	286,680,390	450,113,691	366,410,252	430,794,137
3021	Lands, Housing & Physical Planning	311,766,515	214,961,915	487,982,311	242,381,419	289,821,422
3022	Transport, Infrastructure & Public Works	2,017,723,065	1,239,171,000	1,121,356,757	889,900,518	1,059,969,882
3023	Agriculture, Fisheries, Livestock & Cooperatives	325,189,634	141,925,916	175,574,698	126,438,905	193,519,629
3026	Devolution & Public Service Administration	1,621,225,848	1,389,053,177	1,107,593,596	2,172,829,629	905,522,554
	Total Expenditure	12,719,829,315	10,076,412,906	10,889,466,230	8,994,636,065	11,696,911,326
	Budgeted	13,689,901,837	12,925,617,143	13,066,172,243	13,120,745,608	13,095,216,980
	% Absorption	93	76	83	69	89

Figure 10: Absorption Analysis 2018/19-2022/23

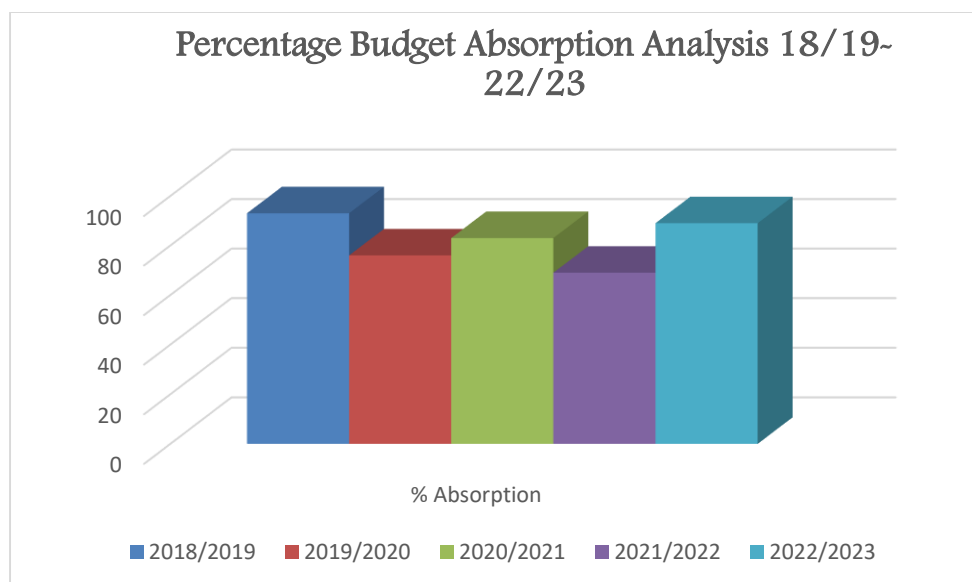
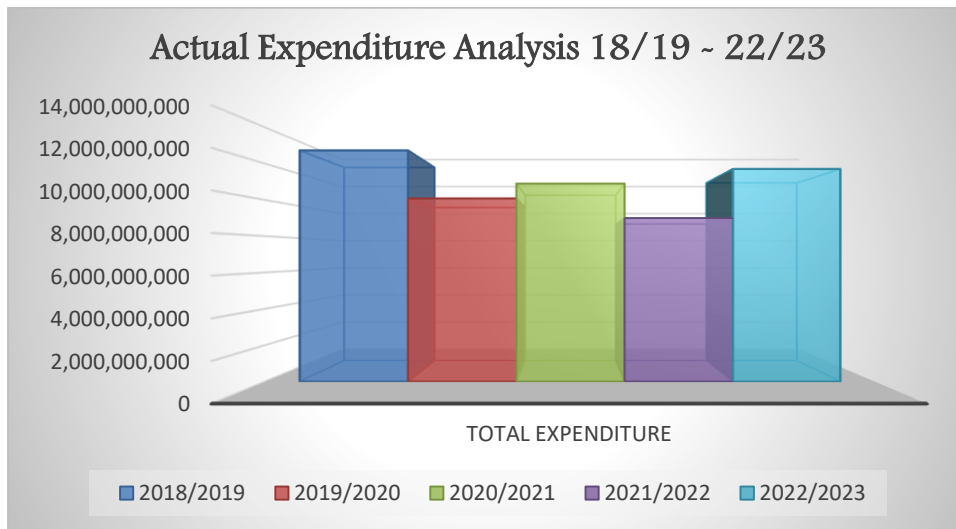


Figure 11: Actual Expenditure Analysis 2018/19 – 2022/23



2.5: Economic Outlook

117. The growth to the outlook will be reinforced by the Government’s development agenda geared towards economic turnaround and inclusive growth. Special focus will be placed on; increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings. The economic turnaround programme will seek to increase investments in at least five sectors envisaged to have the biggest impact on the economy as well as on household welfare. These include: Agriculture; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry.
118. In furtherance of the agenda on inclusive growth and innovation in Micro, Small, and Medium Enterprises (MSMEs), the Government has launched the Hustlers Fund, as an intervention to correct market failure problems at the bottom of the pyramid. This program aims to lift those at the bottom of the pyramid through structured products in personnel finance that includes savings, credit, insurance and investment. To address the adverse impact of the ongoing drought, the Government in partnership with the Development Partners and the private sector under the auspices of the National Steering Committee on Drought Response has provided response to affected persons, regions and communities. The Committee will work with both the National and County Governments in strengthening the national capacity for resilient recovery to protect development gains from recurrent drought.

119. The County Government will continue to pursue prudent fiscal policy to ensure stability. In addition, our fiscal policy objective will provide an avenue to support economic activity while allowing for sustainable management of public finances. As such, the CG has committed to a repayment plan of the pending bills so as to offset all the pending bills in the shortest period possible and ensuring expenditure is strictly done guided by availability of funds going forth.
120. Fiscal policy will continue to support County development economic activities while providing a platform for the implementation of the CIDP within a context of sustainable public financing. This process will be strengthened in the FY 2024/25 by encouraging more private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.
121. The growth of the outlook for the calendar year 2024 and the FY 2024/25 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the County Government under the various outlined priorities to compliment the “BETA” Agenda and the ongoing public investments in infrastructure projects.
122. With respect to revenue, the CG will maintain a strong revenue effort at 10 percent of Revenue Growth over the medium term. Measures to achieve this effort include upgrading of the county revenue automated systems, interdepartmental concerted efforts towards revenue collection, implementation of the finance act 2023 with a rejuvenated enforcement mechanism. In addition, the CG will rationalize existing fees and charges incentives, expand the income base and remove exemptions as envisaged in the Constitution.
123. On the expenditure side, the CG will continue with rationalization of expenditure to improve efficiency and reduce wastage. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.
124. The county will continue redirecting expenditure towards those priority programmes as identified in public consultative forums. The critical social programmes to be implemented are expected to accelerate economic activities and socio-economic welfare.

2.6: Risks to the Economic Outlook

125. The risk to the outlook for Mombasa County 2024/2025 budget and the medium- term emanates from both external and domestic quotas. The economy remains vulnerable to both domestic and external shocks. For prudent management of risks, the PFM Act, 2012 requires the preparation of a “Statement of Fiscal Risks”.
126. The “Statement of Specific Fiscal Risks” outlines County’s exposure to fiscal risks that are associated with macroeconomic assumptions used for fiscal projections, public debt dynamics, operations of state corporations, contingent liabilities, vulnerabilities of the financial sector, as well as risks posed by nature.
127. The Government remains committed to fiscal consolidation in order to ensure the long-term sustainability of public finances. Nevertheless, the Government will monitor the risks and take appropriate measures to safeguard macroeconomic and microeconomic stability.
128. The upside risk to the domestic economy relate to faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation. The Kenyan Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.
129. In the medium term, the shortfalls in revenue continues to pose a threat of a budget deficit due to the ever-increasing pending bills and a high wage bill. Systems, controls and structures are being put in place to improve the own source revenue performance coupled with a revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
130. The Government will monitor and mitigate the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.
131. The County will embark on the implementation of the Governor’s manifesto incorporating the BETA agenda so as to complement the National Government’s Economic Transformation agenda which has been bearish.
132. Other than the frequent late disbursement of exchequer issues, the main challenges that continue to be experienced relate to unrealized projected local revenue collection, bloated wage bill and huge pending bills some of which are statutory deductions that accrue huge interests.

133. The high wage bill continues to be a major challenge in the implementation of the budget. Currently in the 2023/24 financial year the personnel emoluments stand at 50% of the overall county budget which is 15% above the statutory requirement of 35%. The recruitment of key essential staff and the frequent salary increment for various cadres of staff continues to increase the already bloated wage bill. The various collective bargaining agreements (CBAs) to increase salaries and benefits of various officers also continues to threaten the already ballooned wage bill.
134. The unfavorable parameters used to allocate equitable to the county continues to be a major risk coupled with the delay in disbursement of funds by the national government especially in the fourth quarter and continues to be a challenge as this leads to delay in execution of planned activities of the County thus compromising service delivery.
135. In the medium term, due to revenue shortfalls, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance, following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
136. The fiscal framework for the financial year 2024/25 will entail a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter increase of recurrent expenditures in favor of productive capital spending. To achieve this, the Government endeavors to prioritize expenditure in the social sectors with the overall objective of this is being to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved standards of living and quality of life for the citizenry.
137. The CG recognizes that further stringent measures need to be put in place to ensure scaling up of revenue collection and mobilization of resources and more efficient production structure towards the implementation of the third generation CIDP 2023- 2027.
138. The County Government will continue monitoring the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

2.7: Sustaining Inclusive Growth

139. The County will enhance mobilization of resources and provide a conducive environment for businesses to thrive, sustaining inclusive growth by continuously improving transparency, responsiveness, accountability, efficiency and effective systems and controls.

140. In addition, the County Government will continue to provide leadership and coordination in county development planning, policy formulation and management, designing effective, efficient and secure systems of collecting revenue, to prudently mobilize and manage resources while ensuring compliance with policies, standards, procedures and applicable financial and procurement laws and regulations. These will be complimented by measures to address socio-economic inequities and improving the county's human capital.

141. To ensure planned and sustainable growth the County Government will adhere to synergize its efforts in implementing the socio-economic priority programmes as articulated in the County's Integrated Development Plan 2023-2027, the Governor's manifesto and all other policy plans.

2.8: Response to Overview of the County's Performance for FY 2023/2024

142. The following strategies will continue to be implemented to increase the revenue for the County in order to ensure that the planned budget is realized.

- **Enforcement of the Finance Acts and Regulations:** The County Government will ensure that fees and charges are collected in accordance with the Finance Acts.
- **Expanding the Revenue base:** So as to increase the revenue base the County shall identify the unexploited revenue streams as mandated in the Public Finance Management Act.
- **Upgrading of the automated revenue collection system:** The County will continuously upgrade the revenue collection systems so as to be at par with the current environment dynamics.
- **Business processes reengineering:** To ensure an effective and efficient revenue collection, the County Government shall embark on a vigorous exercise of fine tuning all the revenue collection processes.
- **Decentralization of revenue collection at the sub counties and ward levels:** This will ensure that there is maximum revenue collection realized from all corners. Plugging the revenue leakages by training the collectors and ensuring that all the revenue collected are deposited to the nearest commercial bank before the closure of the business. The revenue collectors will also be frequently rotated to new stations to avoid familiarity.
- **Adequate supervision and enforcement of revenue collection points to enhance accountability and seal corruption loopholes**

CHAPTER THREE

3.0: FISCAL POLICY AND BUDGET FRAMEWORK

3.1: Overview

143. The Mombasa County 2024 Medium-Term Fiscal Framework aims at stimulating the economic growth and development, reducing vulnerabilities, operating a balanced budget, ensuring effective delivery of services and supporting sustainable economic growth in the County. This policy underscores the need to prioritize crucial Recurrent Expenditure and undertake high impact Capital Expenditure in order to enhance economic growth. The 2024/25 Fiscal Strategy Paper highlights the following:

- The county shall enhance its revenue base with a view to ensuring we increase own source revenue collection and achieve greater efficiency in terms of cost savings from non-crucial expenditure to ensure priority is given to the set priorities.
- Maintaining a lean workforce will assist in controlling the wage bill. This will create fiscal space for spending on the key county priorities especially in the social sectors and other development programmes. This will further provide adequate room for future countercyclical fiscal policy in the event of a shock.
- Fiscal consolidation while ensuring that county resources are adequate to promote growth. The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development. At least thirty percent of the total county revenue shall be used in the implementation of development projects.
- The county will continuously exploit the public private partnerships, with potential local and foreign investors as well as other development partners to aid in the county's development.

3.1.1: Fiscal Policy Framework

144. Fiscal policy will support the County development economic activities while providing a platform for the implementation of the CIDP 2023-2027 and all other policy documents within a context of sustainable public financing. In the medium term, the County Government has reoriented expenditure towards priority programmes in Health, Youth Empowerment, Cohesion and Inclusivity, Education, waste management services and Investment Promotion under the medium-term expenditure framework (MTEF). This

process will be strengthened in the FY 2024/25 by encouraging aggressive private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.

145. The county will continue reorienting expenditure towards those priority social programmes. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic development. The expected share of development funds of the total expenditure will be 30%.

Table 11: County Government Fiscal Projections 2021/2022- 2023/24

Revenue Source	Actual 2021/22	Actual 2022/23	Budgeted 2023/24
Revenue/Grants			
Opening balance		703,974,578	
National Government – Equitable Share	6,961,965,735	7,567,354,061	7,861,523,820
DANIDA – Health care support services	41,990,166	-	12,878,250
World Bank KDSP Level II	201,635,625	-	-
Aggregated Industrial Park	-	-	250,000,000
Allocation for court fines	-	-	13,428,433
Kenya Marine Fisheries and Socio-Economic Development (KEMFSED)	-	-	
Agriculture Sector Development Support Program II	-	4,612,847	2,512,539
Fertilizer Subsidy Programme			6,495,711
Conditional Grant-Road Maintenance Fuel Levy	221,681,742	-	-
World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	-	92,063,703	250,000,000
Mineral Royalties		-	18,830
Finance Locally - Led Climate Action Program (FLOCA)	-		11,000,000
World Bank Development Project - WSDP	-	570,120,196	1,000,000,000
Total Loans and Grants	465,307,533	666,796,746	1,585,680,062
Total exchequer issues	7,427,273,268	8,234,150,807	9,447,203,882
Local revenue	3,619,632,553	3,998,628,848	5,252,796,118
Total Revenue	11,046,905,821	12,232,779,655	14,700,000,000
Expenditure			
Personnel Emoluments	5,211,798,278	6,518,630,269	4,895,893,533
Operations and Maintenance	3,192,291,589	4,367,122,945	4,378,610,956
Total Recurrent	8,404,089,867	10,885,753,214	9,274,504,489
Development	1,190,179,163	1,623,043,985	5,425,495,511
Total Expenditure	9,594,269,030	12,506,371,205	14,700,000,000

Source: County Treasury, 2024

Figure 12: County Government Fiscal Projections Actual 2021/2022- 2023/24 (In Millions of KSHs)

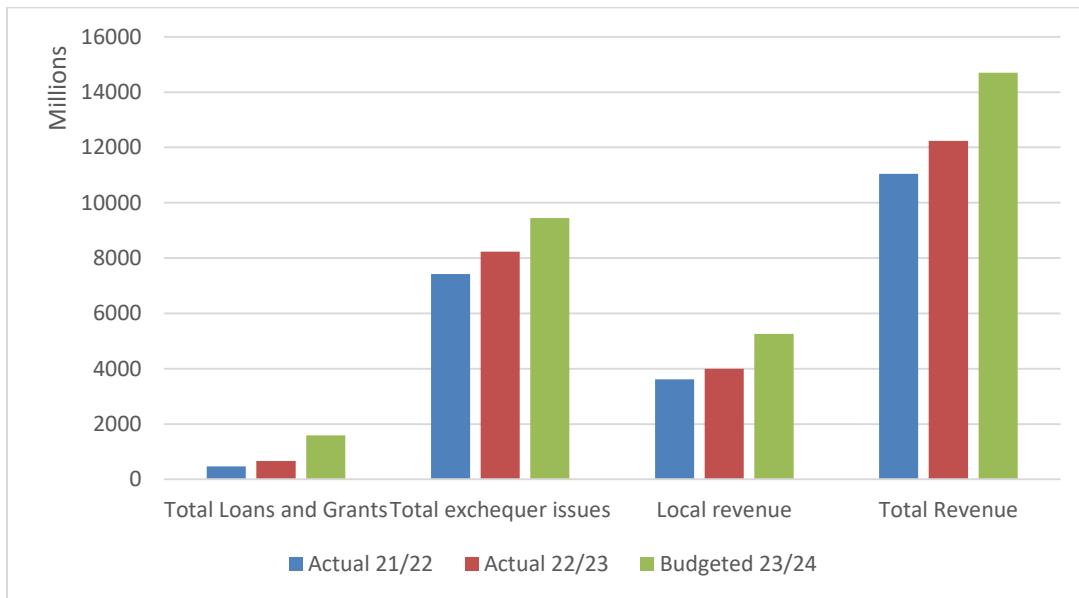
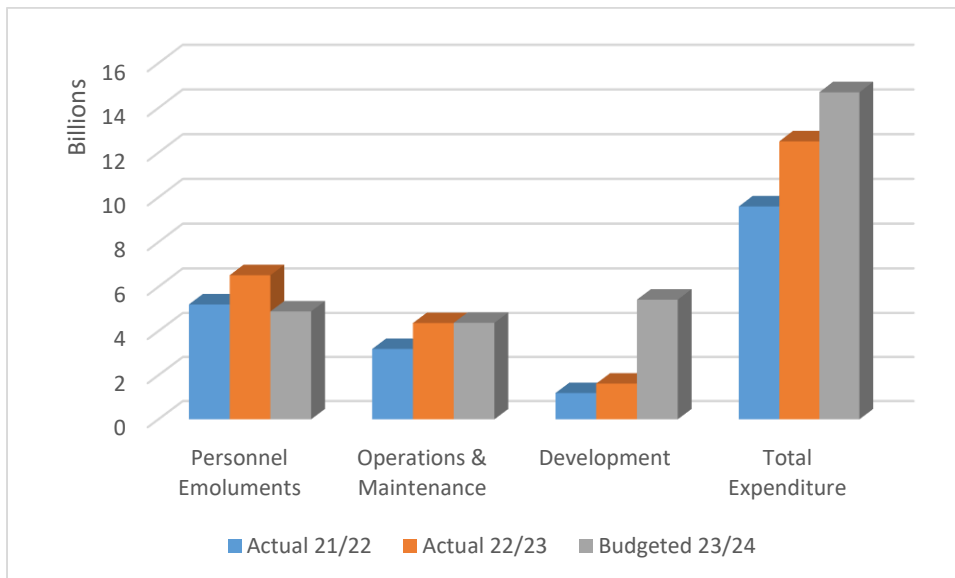


Figure 13: Revenue Expenditure Actual 2021/2022- 2023/24 (In Millions KSHs)



Source: County Treasury, 2024

3.1.2: Fiscal Responsibility Principles

146. The County Government recognizes that the fiscal stance it takes today will have implications into the future. The principle of sharing the burdens and benefits of resources between the present and future generation implies that we have to make prudent policy decisions today so that we can build a strong foundation for our future generations. The County Government will ensure strict adherence to Section 107 of the Public Finance Management (PFM) Act of 2012 which outlines the fiscal responsibility principles.
147. In compliance with Fiscal responsibility principles, the County Government will progressively provide for a minimum basic standard of economic and social rights to its citizens within available resources.
148. To ensure economic sustainability, increase in government spending will be matched with a corresponding increase in tax revenue yield through efficient collection, widening of revenue bases, and reasonable fees and charges. It is therefore imperative to reform and modernize the fees and charges to ensure stability of revenue effort, while at the same time continuing to restructure expenditure systems to ensure efficiency and create fiscal space required to fund the priority expenditures on sustainable basis.

3.1.3: Fiscal Structural Reforms

149. Underpinning the fiscal program are measures to increase the proportion of local revenue with the objective of fully financing the County's budget in the long term.
150. For effective and efficient management of financial resources, the County will continue to eliminate leakages and enhance revenue collection as well as rationalize expenditure. This will be achieved through continued measures to simplify licenses and fees levies, improve compliance and automation of revenue collection system in order to eliminate leakages and to widen revenue base.
151. On the expenditure side, the County Government will continue to enhance prudent financial management; to improve efficiency and reduce wastage in accordance to section 107 of the PFM Act of 2012.
152. The County Government will institute measures to contain the bloated wage bill so as to divert resources for development initiatives. These would include continued payroll cleansing and staff rationalization.
153. The County Government will also enhance capacity of the County Government staff so as to encourage proper and transparent use of resources and enhance service delivery.

3.2: Mombasa County 2024/2025 Budget Framework

154. Prioritization of resource allocation is based on the ADP 2024 which spells out programmes to achieve County priorities identified during the County-wide budget consultative meetings. The County Government will promote budget transparency, accountability and effective financial management of resources based on clearly set priorities to ensure that budgets are directly linked to plans.

3.2.1: Revenue Projections

155. The Mombasa County 2024/2025 financial year budget targets total revenue amounting to 15.3 billion; Total exchequer issues of Ksh 10.1 billion; including equitable share of Ksh 8 billion, Conditional grants Ksh 2.1 billion and county own source revenue of Ksh 5.2 billion. This performance will be underpinned by the on-going reforms in revenue administration. The revenue department will institute measures to expand the revenue base and curb revenue leakages.

3.2.2: Expenditure Forecasts

156. The County Government's expenditure for the FY 2024/25 is guided by the Annual Development Plan (2024/25) which outlines the proposed projects that will be implemented in the FY 2024/2025 being the second to be implemented in the realization of the CIDP 2023-2027. The total government expenditure is projected to be Ksh.15.3 Billion.

3.2.3: Recurrent Expenditure

157. In the 2024/25 financial year the total recurrent expenditure is estimated to be Ksh. 10.4 Billion compared to FY 2023/24 at Ksh. 9.3 Billion. The recurrent expenditure ceilings for County departments are determined by the funding allocation for goods and services in the previous year budget as the baseline.

3.2.4: Development Expenditure

158. The County Government endeavors to allocate adequate resources towards development outlays to spur and implement priority programs/projects as outlined in this strategy paper. The County development expenditure for financial year 2024/25 is projected at Ksh 4.9 Billion.

3.2.5: Fiscal Balance

159. The county government will adopt a balanced budget for FY 2024/25. Any forthcoming deficit the county government will take prudent measures to reduce appropriations or increase revenues with minimal effects on public service delivery.

160. In the short term the County will thrive to stick its expenditure and commitments based on the actual cash flow. In the medium term, balanced budget will be supported with relevant legislative frameworks by embracing Public Private Partnership (PPP) to enable the County Government implement critical programmes that will accelerate socio-economic development thus providing budget support.

3.2.6: Summary

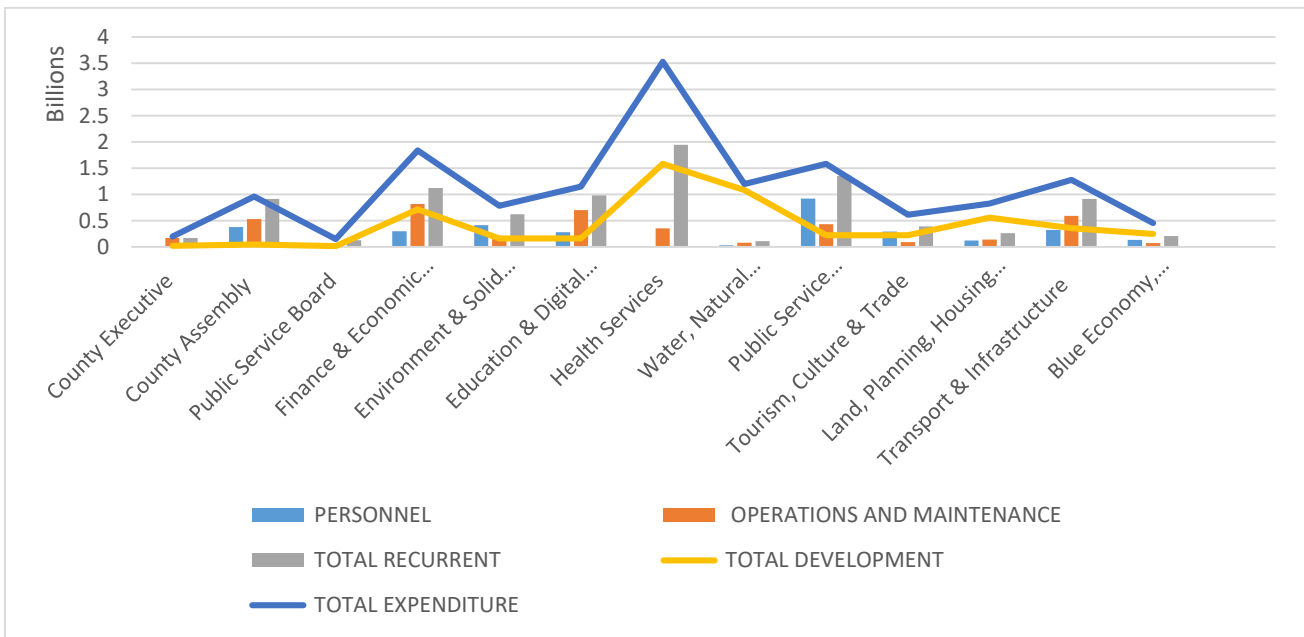
161. The County fiscal policy 2024, aims at increasing own source revenue as well as prudently managing expenditures. The created fiscal space will avail resources to scale up investments in the county's priority areas of Health, Youth and Women Empowerment, Cohesion and Inclusivity, Education, waste management services, infrastructure development, land management, affordable housing services and Investment Promotion as captured in the CFSP 2024.

Table 12: Approved Budget 2023/24

SUMMARY OF EXPENDITURE							
	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS & MAINTENANCE	TOTAL RECURRENT	TOTAL DEVELOPMENT	TOTAL EXPENDITURE	%
County Executive		-	174,000,000	174,000,000	25,000,000	199,000,000	1.4
County Assembly		381,844,958	532,255,042	914,100,000	50,000,000	964,100,000	6.6
Public Service Board		67,000,000	64,400,000	131,400,000	20,000,000	151,400,000	1.0
Finance & Economic Planning	14,700,000,000	302,112,212	819,387,788	1,121,500,000	716,000,000	1,837,500,000	12.5
Environment & Solid Waste Management		415,004,315	207,995,685	623,000,000	164,000,000	787,000,000	5.4
Education & Digital Transformation		279,158,574	704,841,426	984,000,000	166,000,000	1,150,000,000	7.8
Health Services		1,585,752,562	358,221,293	1,943,973,855	1,584,026,145	3,528,000,000	24.0
Water, Natural Resources & Climate Change Resilience		33,000,000	81,000,000	114,000,000	1,083,000,000	1,197,000,000	8.1
Public Service Administration, Youth, Gender, Social Services & Sports		919,677,247	437,322,753	1,357,000,000	225,000,000	1,582,000,000	10.8
Tourism, Culture & Trade		297,329,811	92,777,379	390,107,190	221,892,810	612,000,000	4.2
Land, Planning, Housing and Urban Renewal		124,767,840	141,655,604	266,423,444	559,576,556	826,000,000	5.6
Transport & Infrastructure		325,474,139	590,525,861	916,000,000	361,000,000	1,277,000,000	8.7
Blue Economy, Agriculture & Livestock		134,642,742	74,357,258	209,000,000	250,000,000	459,000,000	3.1
The County Attorney		30,129,134	99,870,866	130,000,000	-	130,000,000	0.9
TOTAL		4,895,893,533	4,378,610,956	9,274,504,489	5,425,495,511	14,700,000,000	100
SURPLUS / (DEFICIT)	0	33	30	63	37		
REVENUE SOURCES							
Local Revenue	5,144,237,676						
Exchequer Issues	9,555,762,324						
TOTAL REVENUE	14,700,000,000						

Source: County Treasury, 2024

Figure 14: Approved Budget 2023/2024 (In Billions of Shillings)



Source: County Treasury, 2024

CHAPTER FOUR

4.0: MEDIUM TERM EXPENDITURE FRAMEWORK 2024/25-2026/27

4.1: Resource Envelope

162. The Constitution of Kenya 2010 stipulates that County Governments should have reliable, stable and predictable own sources of revenue. Mombasa County has two main sources of funding. Revenue from local sources and the exchequer issues from the National Government as provided under Article 201 of the Constitution. The resource envelope available for allocation among the spending units is based on the medium-term fiscal framework outlined in Chapter Three.
163. The Mombasa County 2024/2025 financial year budget targets total revenue amounting to 15.3 billion; Total exchequer issues of Ksh 10.1 billion; including equitable share of Ksh 8 billion, Conditional grants Ksh 2.1 billion and county own source revenue of Ksh 5.2 billion. Locally mobilized revenue will finance about 34 percent of the budget in FY 2024/25.

4.1.1: Spending Priorities

164. The County Government's expenditure for the FY 2024/25 will be guided by the Annual Development Plan (2024/25) which outlines the proposed projects that will be implemented in the FY 2024/2025 in the realization of the CIDP 2023-2027. The total government expenditure is projected to be Ksh.15.3 billion.

4.1.2: The Fiscal Strategy FY 2024/25 & the Economic Objectives of the County Government

165. This outlines County Government's spending plans and the manner in which this expenditure will be funded in the FY 2024/2025. The fiscal strategy of the Government is guided by contemporary events which have impacted on the economy, the ADP 2024 and the realities of the FY 2023/2024 actual revenue collections and expenditures. In this view, the 2024/2025 fiscal strategy paper has been designed to continue addressing these specific challenges by focusing on the following objectives:
- To improve the efficiency and quality of CAPEX spending by promoting Public Private Partnership;
 - To place greater focus on critical and on-site infrastructure development as a means of promoting long-term economic growth;
 - Continued application of a fiscal stimulus in the medium term to stimulate the economy which has been greatly affected by various adverse issues including the

ongoing drought, taking into consideration the current revenue constraints and its impact on the fiscal deficit;

- a. Rationalizing the outlay on recurrent expenditure through the identification of cost-saving measures;
- b. Pegging commitments and expenditure on the actual cash flow;
- c. Coming up with sustainable personnel policy to address the bloated wage bill;
- d. Boosting revenue receipts, identifying and plugging revenue leakages through automation.

Table 13: Projected FY 2024/2025 Revenues and Expenditure

REVENUE/EXPENDITURE PROJECTIONS	2024/2025 (KSHS.)
National Government Equitable Share	7,970,082,262
Grants	
Water and Sanitation Development Project (WSDP)	1,000,000,000
Kenya Informal Settlement Improvement Project (KISIP II)	880,000,000
Kenya Devolution Support Programme 2 (KDSP II)	37,500,000
Primary Healthcare in Devolved System Program	10,871,250
Community Health Promoters Program	56,099,762
Roads Maintenance Fuel Levy	130,442,752
Mineral Royalties	17,042
Total Grants	2,114,930,806
Total Exchequer Issues	10,085,013,068
County Local Sources	5,214,986,932
Total Revenue	15,300,000,000
Expenditure	
Personnel	7,345,191,474
Operations Repair and Maintenance	3,054,295,526
Capital Expenditure	4,900,513,000
Total Expenditure	15,300,000,000
Surplus/ (Deficit)	0

Table 14: Projected FY 2021/2022 -2023/2024 Revenues and Expenditure

REVENUE/EXPENDITURE PROJECTIONS	ACTUAL 2022/2023 (KSHS.)	BUDGET 2023/2024(KSHS.)	PROJECTED 2024/2025 (KSHS.)
Revenues			
Opening balance 2022/2023	703,974,578	-	-
National Government Equitable Share	7,567,354,061	7,861,523,820	7,970,082,262
Conditional Grants	666,796,746	1,585,680,062	2,114,930,806
Total Exchequer Issues	8,938,125,385	9,447,203,882	10,085,013,068
County Local Sources	3,998,628,848	5,252,796,118	5,214,986,932
Total Revenue	12,936,754,233	14,700,000,000	15,300,000,000
Expenditures			
Personnel	6,518,630,269	4,895,893,533	7,345,191,474
Operations Repair and Maintenance	4,367,122,945	4,378,610,956	3,054,295,526
Capital Expenditure	1,623,043,985	5,425,495,511	4,900,513,000
Total Expenditure	12,506,371,205	14,700,000,000	15,300,000,000
Surplus/(Deficit)	430,383,028	0	0

Source: County Treasury, 2024

Table 15: FY 2024/2025 DEPARTMENTAL CEILINGS

CODE	DEPARTMENT	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS & MAINTENANCE	TOTAL RECURRENT	TOTAL DEVELOPMENT	TOTAL EXPENDITURE	%
3012	County Assembly		404,755,655	550,408,526	955,164,181	92,000,000	1,047,164,181	6.8
3013	Public Service Board		76,415,498	54,400,000	130,815,498	20,000,000	150,815,498	1.0
3014	Finance & Economic Planning		471,850,529	201,000,000	672,850,529	415,513,000	1,088,363,529	7.1
3017	Health	15,300,000,000	3,373,618,482	716,970,000	4,090,588,483	600,000,000	4,690,588,483	30.7
3022	Transport & Infrastructure		379,390,525	250,000,000	629,390,525	525,000,000	1,154,390,525	7.5
3027	Environment & Governance		916,935,878	237,517,000	1,154,452,878	214,000,000	1,368,452,878	8.9
3028	Education		374,867,297	450,000,000	824,867,297	166,000,000	990,867,297	6.5
3029	Water, Natural Resources, Public Works & Climate Change Resilience		142,145,887	100,000,000	242,145,887	1,088,000,000	1,330,145,887	8.7
3030	Public Service Administration, Youth, Gender, Sports & Social Services		305,207,197	104,000,000	409,207,197	225,000,000	634,207,197	4.1
3031	Tourism, Culture & Trade		388,409,661	80,000,000	468,409,661	300,000,000	768,409,661	5.0
3032	Lands, Urban Renewal and Housing		146,373,556	80,000,000	226,373,556	980,000,000	1,206,373,556	7.9
3033	Blue Economy, Cooperatives, Agriculture & Livestock		145,378,714	80,000,000	225,378,714	250,000,000	475,378,714	3.1
3034	The County Attorney		25,082,532	50,000,000	75,082,532	0	75,082,532	0.5
3035	County Executive		194,760,063	100,000,000	294,760,063	25,000,000	319,760,063	2.1
	TOTAL		7,345,191,474	3,054,295,526	10,399,487,000	4,900,513,000	15,300,000,000	100
	SURPLUS / (DEFICIT)		48	20	68	32		
	Revenue Analysis							
	National Government Equitable Share	7,970,082,262						
	Conditional Grants	2,114,930,806						
	Total Exchequer Issues	10,085,013,068						
	County Local Sources	5,214,986,932						
	Total Revenue	15,300,000,000						

Source: County Treasury, 2024

4.1.3: Baseline ceilings

166. The baseline estimates reflect the current spending levels in sector programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge and includes payment of statutory obligations such as interest payments, compensation of employees covering all county staff, staff medical scheme and gratuity.
167. Development expenditures are shared out on the basis of the County Annual Development Plan 2024, priorities as outlined in the CFSP as well as other strategic interventions geared towards sustainable economic growth. The following guidelines are used:
- **On-going projects:** emphasis is given to completion of on-going projects and in particular infrastructure projects and other projects with high impact on poverty reduction and equity, employment and wealth creation especially in the social sectors.
 - **Strategic policy interventions:** priority is also given to policy interventions covering the entire county, social equity and environmental conservation.

4.1.4: Finalization of spending plans

168. As indicated earlier, the finalization of the preparation of the detailed budgets continues to entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. The County Government will utilize resources to accommodate key county strategic priorities with sound business plans. Specifically, the following will receive priority:

Table 16: Priority Areas of Consideration for Additional Resources

Priority Areas of Consideration for Additional Resources	
1.	Intervention identified during the county stakeholder's consultation for 2024/25 MTEF.
2.	Strategic interventions with emphasis in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment as well as policy interventions covering the entire county to enhance social equity.
3.	Specific consideration to job creation for the youth based on sound initiatives identified within and outside the normal budget preparation as well as disability and gender mainstreaming.
4.	Completion of ongoing programs and projects.

Table 17: Summary of Medium Term Costs and Ceilings (Millions)

a. Actual Departmental 2022-2023 Recurrent expenditure

S/NO	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Expenditure Total	%age
3011	The Executive	360,000,000	215,246,289	124,230,114	57.7
3012	County Assembly	859,000,000	874,783,020	809,459,880	92.5
3013	Public Service Board	130,000,000	78,618,480	84,163,570	107.1
3014	Finance and Economic Planning	594,483,999	889,649,083	1,106,590,891	124.4
3015	Energy, Environment and Waste Management	615,000,000	527,908,467	598,161,689	113.3
3016	Education, Information Technology and Mv. 2035	627,516,000	384,576,033	449,490,369	116.9
3017	Health	3,255,000,000	3,156,212,932	5,264,762,535	166.8
3018	Water, Environment and Natural Resources	130,000,000	48,007,492	50,488,867	105.2
3019	Youth, Gender, Sports and Cultural Affairs	260,000,000	123,366,425	112,549,636	91.2
3020	Trade, Tourism and Investments	450,000,000	360,060,797	386,913,721	107.5
3021	County Planning, Land and Housing	270,000,000	149,766,503	262,244,601	175.1
3022	Transport, Infrastructure and Public Works	594,000,000	505,821,927	565,040,350	111.7
3023	Agriculture, Fisheries, Livestock and Co-Operatives	235,000,000	136,403,848	170,696,746	125.1
3026	Devolution and Public Service Administration	920,000,000	2,417,990,997	900,960,245	37.3
	TOTAL	9,300,000,000	9,868,412,293	10,885,753,214	110

b. Actual Departmental 2022-2023 Departmental Development Expenditure

S/NO	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Expenditure TOTAL	%age
3011	County Executive	25,000,000	16,984,500	10,581,820	62
3012	County Assembly	30,000,000	30,000,000	-	0
3013	Public Service Board	20,000,000	20,000,000	3,640,050	18
3014	Finance & Economic Planning	300,000,000	585,294,434	248,990,804	43
3015	Energy, Environment & Waste Management	430,000,000	326,055,395	71,612,357	22
3016	Education, Information Technology & MV 2035	300,000,000	300,000,000	53,561,135	18
3017	Health Services	149,000,000	190,255,089	12,547,397	7
3018	Water, Sanitation & Natural Resources	1,000,000,000	625,000,000	591,779,862	95
3019	Youth, Gender, Sports and Cultural Affairs	500,000,000	500,000,000	34,132,607	7
3020	Trade, Tourism & Investment	380,000,000	379,451,561	46,668,502	12
3021	Lands, Housing and Physical Planning	400,000,000	280,576,556	27,576,821	10

S/NO	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Expenditure TOTAL	%age
3022	Transport, Infrastructure and Public Works	526,000,000	535,420,450	494,929,532	92
3023	Agriculture, Fisheries, Livestock and Co-operatives	250,000,000	252,549,719	22,822,883	9
3026	Devolution & Public Service Administration	90,000,000	90,000,000	4,562,309	5
	TOTAL	4,400,000,000	4,131,587,704	1,623,043,985	39

c. Actual Departmental 2022-2023 Total Departmental Expenditure

	DEPARTMENTS	Approved Budget FY 2022/2023	Final Budget FY 2022/2023	Total Expenditure	%age
3011	County Executive	385,000,000	232,230,789	134,811,934	58.1
3012	County Assembly	889,000,000	904,783,020	809,459,880	89.5
3013	Public Service Board	150,000,000	98,618,480	87,803,620	89.0
3014	Finance & Economic Planning	894,484,000	1,474,943,517	1,355,581,695	91.9
3015	Energy, Environment & Waste Management	1,045,000,000	853,963,862	669,774,046	78.4
3016	Education, Information Technology & MV 2035	927,516,000	684,576,033	503,051,504	73.5
3017	Health Services	3,404,000,000	3,346,468,021	5,277,309,931	157.7
3018	Water, Sanitation & Natural Resources	1,130,000,000	673,007,492	642,268,728	95.4
3019	Youth, Gender, Sports and Cultural Affairs	760,000,000	623,366,425	146,682,243	23.5
3020	Trade, Tourism & Investment	830,000,000	739,512,358	430,794,137	58.3
3021	Lands, Housing and Physical Planning	670,000,000	430,343,059	289,821,422	67.3
3022	Transport, Infrastructure and Public Works	1,120,000,000	1,041,242,377	1,059,969,882	101.8
3023	Agriculture, Fisheries, Livestock and Co-operatives	485,000,000	388,953,567	193,519,629	49.8
3026	Devolution and Public Service Administration	1,010,000,000	2,507,990,997	905,522,554	36.1
	TOTAL	13,700,000,000	14,000,000,000	12,506,371,205	89.3

d. Budgeted Departmental 2023-2024 Recurrent Expenditure

S\NO	DEPARTMENTS	Budgeted 2023/2024
	RECURRENT	
3012	County Assembly	914,100,000
3013	Public Service Board	131,400,000
3014	Finance & Economic Planning	1,121,500,000
3017	Health	1,943,973,855
3022	Transport & Infrastructure	916,000,000
3027	Environment and Governance	623,000,000
3028	Education	984,000,000
3029	Water, Natural Resources, Public Works and Climate Change resilience	114,000,000
3030	Public Service Administration, Youth, Gender, Sports and Cultural Affairs	1,357,000,000
3031	Tourism , Culture & Trade	390,107,190
3032	Lands, Urban renewal and Housing	266,423,444
3033	Blue Economy, Cooperatives , Agriculture and Livestock	209,000,000
3035	County Executive	304,000,000
	TOTAL	9,274,504,489
S\NO	DEVELOPMENT	Budgeted 2023/2024
3012	County Assembly	50,000,000
3013	Public Service Board	20,000,000
3014	Finance & Economic Planning	716,000,000
3017	Health	1,584,026,145
3022	Transport & Infrastructure	361,000,000
3027	Environment and Governance	164,000,000
3028	Education	166,000,000
3029	Water, Natural Resources, Public Works and Climate Change resilience	1,083,000,000
3030	Public Service Administration , Youth , Gender , Sports and Social Services	225,000,000
3031	Tourism, Culture & Trade	221,892,810
3032	Lands, Urban renewal and Housing	559,576,556
3033	Blue Economy, Cooperatives , Agriculture and Livestock	250,000,000
3035	County Executive	25,000,000
	TOTAL	5,425,495,511

	TOTAL Expenditure	Budgeted 2023/2024
3012	County Assembly	964,100,000
3013	Public Service Board	151,400,000
3014	Finance & Economic Planning	1,837,500,000
3017	Health	3,528,000,000
3022	Transport & Infrastructure	1,277,000,000
3027	Environment and Governance	787,000,000
3028	Education	1,150,000,000
3029	Water, Natural Resources, Public Works and Climate Change resilience	1,197,000,000
3030	Public Service Administration, Youth, Gender , Sports and Social Services	1,582,000,000
3031	Tourism , Culture & Trade	612,000,000
3032	Lands, Urban renewal and Housing	826,000,000
3033	Blue Economy, Cooperatives, Agriculture and Livestock	459,000,000
3035	County Executive	329,000,000
	TOTAL	14,700,000,000

e. Summary of Projected Medium Term Costs and Ceilings 2024/2025- 2026/2027

S\NO	DEPARTMENTS	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	RECURRENT	C	D	E
3012	County Assembly	955,164,181	1,012,474,032	1,073,222,474
3013	Public Service Board	130,815,498	138,664,428	146,984,294
3014	Finance & Economic Planning	672,850,529	713,221,560	756,014,854
3017	Health	4,090,588,483	4,265,035,591	4,520,937,727
3022	Transport & Infrastructure	629,390,525	667,025,534	707,047,066
3027	Environment & Governance	1,154,452,878	1,183,952,031	1,254,989,153
3028	Education	824,867,297	874,359,335	926,820,895
3029	Water, Natural Resources, Public Works and Climate Change Resilience	242,145,887	256,674,640	272,075,118
3030	Public Service Administration, Youth, Gender, Sports and Social Services	409,207,197	433,759,629	459,785,206
3031	Tourism, Culture & Trade	468,409,661	496,514,241	526,305,095
3032	Lands, Urban Renewal and Housing	226,373,556	239,955,969	254,353,327
3033	Blue Economy, Cooperatives, Agriculture & Livestock	225,378,714	238,901,437	253,235,523
3034	The County Attorney	75,082,532	79,587,484	84,362,733
3035	County Executive	294,760,063	312,445,667	331,192,407
	TOTAL	10,399,487,000	10,912,571,577	11,567,325,871

		Projected 2024/2025 C	Projected 2025/2026 D	Projected 2026/2027 E
S\NO	DEVELOPMENT			
3012	County Assembly	92,000,000	97,520,000	103,371,200
3013	Public Service Board	20,000,000	21,200,000	22,472,000
3014	Finance & Economic Planning	415,513,000	583,000,000	617,980,000
3017	Health	600,000,000	636,000,000	674,160,000
3022	Transport & Infrastructure	525,000,000	556,628,423	590,026,129
3027	Environment & Governance	214,000,000	226,840,000	240,450,400
3028	Education	166,000,000	175,960,000	186,517,600
3029	Water, Natural Resources, Public Works & Climate Change Resilience	1,088,000,000	1,153,280,000	1,222,476,800
3030	Public Service Administration, Youth, Gender, Sports and Social Services	225,000,000	238,500,000	252,810,000
3031	Tourism, Culture & Trade	300,000,000	318,000,000	337,080,000
3032	Lands, Urban Renewal and Housing	980,000,000	371,000,000	393,260,000
3033	Blue Economy, Cooperatives, Agriculture & Livestock	250,000,000	265,000,000	280,900,000
3034	The County Attorney	0	-	-
3035	County Executive	25,000,000	26,500,000	28,090,000
	TOTAL	4,900,513,000	4,669,428,423	4,949,594,129
		Projected 2024/2025 C	Projected 2025/2026 D	Projected 2026/2027 E
S\NO	TOTAL			
3012	County Assembly	1,047,164,181	1,109,994,032	1,176,593,674
3013	Public Service Board	150,815,498	159,864,428	169,456,294
3014	Finance & Economic Planning	1,088,363,529	1,296,221,560	1,373,994,854
3017	Health	4,690,588,483	4,901,035,591	5,195,097,727
3022	Transport & Infrastructure	1,154,390,525	1,223,653,957	1,297,073,194
3027	Environment & Governance	1,368,452,878	1,410,792,031	1,495,439,553
3028	Education	990,867,297	1,050,319,335	1,113,338,495
3029	Water, Natural Resources, Public Works & Climate Change Resilience	1,330,145,887	1,409,954,640	1,494,551,918
3030	Public Service Administration, Youth, Gender, Sports and Social Services	634,207,197	672,259,629	712,595,206
3031	Tourism, Culture & Trade	768,409,661	814,514,241	863,385,095
3032	Lands, Urban Renewal and Housing	1,206,373,556	610,955,969	647,613,327
3033	Blue Economy, Cooperatives, Agriculture & Livestock	475,378,714	503,901,437	534,135,523
3034	The County Attorney	75,082,532	79,587,484	84,362,733
3035	County Executive	319,760,063	338,945,667	359,282,407
	TOTAL	15,300,000,000	15,582,000,000	16,516,920,000

Source: County Treasury, 2024

4.2: Details of Departmental Priorities

169. The medium-term expenditure framework for 2024/2025-2026/2027 ensures continuity in resource allocation is based on prioritized programmes aligned to the ADP 2024 and strategic policy initiatives of the county government to accelerate growth, employment creation and poverty reduction. The recent achievements and key priority targets for each sector are based on the various Departmental reports.

4.2.1: County Assembly

170. The functions of the County Assembly include enacting county laws and oversees all the affairs of the county including receiving and approving the development plans and policies of the county. It also oversees the development and management of the county infrastructure and institutions; and is responsible for approval of the county budgets and expenditures. Due to the crucial role of this sub-sector, it has been allocated Ksh 1,047,164,181 in FY 2024/2025. The County Assembly budget consists of 6.8% of the total county budget.

4.2.2: Public Service Board

171. The County Public Service Board is established under an Act of Parliament as provided for under Article 235(1) of the Constitution of Kenya, 2010. The Article provides for a County Public Service Board in each county with control over the County Public Service. It also ensures that the county has adequate and competent personnel. The department has been allocated Ksh. 150,815,498 in the FY 2024/2025. The budget consists of 1.0% of the total county budget.

4.2.3: Department of Finance & Economic Planning

172. The Department is tasked with developing and managing the macroeconomic policies of the County, providing oversight of all the legislated County funds, providing leadership and policy direction on Finance, Investment, Economic Planning and Digital Transformation.
173. The key role of the Department is to ensure optimal collection, distribution and utilization of the scarce resources, provide leadership and policy direction in the governance of the County, coordination and supervision of County Financial and Economic affairs, promote sound public financial and economic management for socio-economic development, promote macroeconomic stability, planning and budgetary process, serve as the custodian of county assets , monitoring and evaluation of departmental development performance as well as digital transformation in the County through oversight of the ICT audit function and monitoring of the County Digitization Framework.
174. The digital transformation policy that will be developed will be a key component towards the realization of the County's priority and improved service delivery.

175. The department targets to maintain a database of all county assets, continue tracking all development projects and programmes; risk management strategies, prepare quarterly briefs or reports on development; enhance revenue collection; pending bills management, source for development partners and ensure that funds in the county are prudently utilized to achieve the county objectives and the realization of the vision 2030, implementation of the medium term plan III, the Mombasa Vision 2035 and the BETA.
176. Due to the crucial role of the department, it has been allocated Ksh 1,088,363,529 in the FY 2024/2025. The budget consists of 7.1% of the total county budget. The Department has allocated funds for servicing pending bills accrued from all the other county departments.

4.2.4: Department of Health

177. The department is committed to improving access to quality health services in the county through promotion and provision of integrated and high-quality curative, preventive and rehabilitative services that are equitable, responsive, accessible and universal health care for all.
178. In the medium term, the department will continue investing in service delivery, health workforce, health infrastructure, health products and technologies, health information, health financing and leadership governance. The resources allocated will be used to implement projects aimed at achieving accessibility, affordability of health services, and reduction of health inequalities and optimal utilization of health services.
179. Due to the crucial role of the department, it has been allocated Ksh 4,690,588,483 in FY 2024/2025. The budget consists of 30.7% of the total county budget.

4.2.5: Department of Transport & Infrastructure

180. The Department of Transport and Infrastructure will continue to focus on road infrastructure improvement through maintaining the already existing road networks and also opening up new access roads so as to restore confidence of residents and making the cost of doing business favorable. Transport infrastructure development will also help revamp the tourism sector and foster social integration in the County.
181. The County is embarking on expanding on the following priority programmes: Construction of missing links on major roads in order to make transport affordable and faster for economic efficiency; construction of access roads; and maintenance of street lights which is geared towards promoting a vibrant 24-hour economy; and to coordinate and oversee the implementation of quality assurance, compliance and use of technology in the management of transport and infrastructure.
182. Due to the enabling role of the department, it has been allocated Ksh 1,154,390,525 in FY 2024/25. The budget consists of 7.5% of the total county budget.

4.2.6: Department of Environment & Governance

183. The Department's priorities and strategies are: Enforcement of waste management policies, regulations and guidelines, Environmental conservation and protection, Develop effective and efficient waste collection system, Environmental governance compliance and enforcement, Renewable energy generation, management of existing and construction of additional County public toilets , oversee the enforcement and compliance function of the County Inspectorate Unit and Control of air and noise pollution as well as mitigating against ravages of rapid urbanization.
184. The Serikali Mitaani entails being in charge of public service management, sub county administration and devolution services. The key objectives include: coordination, supervision and management of County functions; inter-departmental relations at the Sub County and Ward levels; public participation; Improve established channels of communication between citizens and the County Government.
185. The Department has developed strategies geared towards proper disposal of solid and liquid waste that will ensure that liquid waste is not disposed into the ocean untreated and minimize incidences where people burn solid wastes as a way of disposal.
186. Due to the key role of the department, it has been allocated Ksh 1,368,452,878 in FY 2024/2025. The budget consists of 8.9% of the total county budget.

4.2.7: Department of Education

187. In the financial year 2024/25 and over the medium term the department intends to carry out the following programmes; To provide quality and accessible basic education through renovation and equipping of ECD centers, continued recruitment of ECD teachers and care givers, strengthening the capacity of the city Polytechnics and vocational institutions.
188. The department will continue carrying out the following programmes: completion of the ongoing ECD Centers, School Feeding Program, vocational and technical training, establishment and equipping of the Maktaba Centers and Operationalizing of the Elimu Fund to source funds for Education.
189. Due to the crucial role of the department, it has been allocated Ksh 990,867,297 in FY 2024/2025. The budget consists of 6.5% of the total county budget.

4.2.8: Department of Water, Natural Resources, Public Works & Climate Change Resilience

190. The Department have the following priority programmes: Management and conservation of natural resources; resource recovery; developing and deploying new and renewable energy to supplement the energy requirements of the County, Provision of technical assistance and improvement of staff capacity to implement devolved functions; Promoting the integration of

climate change adaptation and mitigation measures in county's projects/activities; Increase water supply; Reduced non-revenue water to acceptable global levels; Rehabilitate/Expand the existing dilapidated water systems; and Improve management of water services; Provide all County Public Works bills of quantities; Coordinate and oversee the implementation of quality assurance, compliance and use of technology in the management of public works.

191. In the financial year 2024/2025 and over the medium term, Water services through increased Water Supply, Rehabilitation /Expansion of the existing water network and ensuring compliance with the policies, standards, regulations and laws. The Department will continue ensuring natural resources are protected; their use promoted and conserved hence proper management of natural resources for economic growth.
192. Due to the crucial role of the department, it has been allocated Ksh 1,330,145,887 in FY 2024/2025. The budget consists of 8.7% of the total county budget.

4.2.9: Department of Public Service Administration, Youth, Gender, Social Services & Sports

193. The department's mission is to formulate, mainstream and implement responsive programmes through coordinated strategies for sustainable and balanced socio-economic development of the County and empowerment of vulnerable in the county, marginalized groups and ensuring gender mainstreaming.
194. The Public Service Administration entails being in charge of public service management, so as to achieve efficient public service management to improve service delivery and; Improve established channels of communication between the County force and the County Government.
195. In the 2024/25, The department will continue: To empower the youth with livelihood skills; Youth and women Empowerment, Economic Empowerment, to promote sports and arts industry in the county; To advocate and embrace national cohesion and de-ethnicization of our society, to support women and persons living with disability with start-up kits and provision and maintenance of public entertainment and recreational facilities.
196. The County continues to improve and develop new Sports facilities amongst others a state-of-the-art Stadium, levelling of football pitches at the ward level and also empowerment of Women, Youth and Persons living with disabilities through training, nurturing of talents and provision of business funds through a revolving fund.
197. Due to the crucial role of the department, it has been allocated Ksh 634,207,197 in FY 2024/2025. The budget consists of 4.1% of the total county budget.

4.2.10: Department of Tourism, Culture & Trade

198. The Department significantly contributes towards generation of income and employment through tourism and trade development thus promoting self-employment, to harness the full potential of our cultural heritage; improving trading environment and attracting more investors and tourists in the County.
199. The development of the industrialization policy will ensure that the locally produced goods and services access ready markets regionally as well as nationally. The focus will be on value addition, promotion of cooperative ventures, micro and small businesses and the promotion of local goods and services.
200. The tourism unit is committed towards developing a working strategy on the promotion, branding and marketing of Mombasa as an ideal experiential destination for both tourism and investment destination of choice.
201. The department has been allocated Ksh 768,409,661 in the FY 2024/2025. The budget consists of 5.0% of the total county budget.

4.2.11: Department of Lands, Urban Renewal & Housing

202. The department is in charge of management of land use and ownership, Policies on land consolidation, Physical Planning, provision of adequate, clean, affordable and quality housing.
203. In the financial year 2024/2025 and over the medium term, the objectives of the department are; to continue ensuring proper management of land use and ownership, optimal use of land for development, promoting the provision of adequate and affordable housing. The proposed priority programmes to be undertaken to achieve these objectives include; Promoting sustainable use of land and its resources through land use planning and provision of secure land tenure and management.
204. The Department will also promote development of adequate, affordable quality housing through provision of affordable and quality housing units, refurbishment of county residential houses and maintenance of offices and promotion of appropriate building technology.
205. Due to the vital role the department plays, in the FY 2024/2025 budget, it has been allocated Ksh.1, 206,373,556. This constitutes 7.9% of the total budget.

4.2.12: Department of Blue Economy, Cooperatives, Agriculture & Livestock

206. The overall objective of the Department is continued improvement of livelihoods of the people of Mombasa County through promotion of competitive and sustainable agriculture, livestock, and fisheries enterprises for development and value addition.
207. In the financial year 2024/2025 and over the medium term, the department will continue undertaking the following; provision of efficient and effective agricultural, livestock and fisheries services in Mombasa County; improving food security and; promoting affordable

agricultural land use and efficiency in farm operations through crop management; the veterinary services will continue preventing and controlling spread of disease from within and other counties; coordinate establishment of cooperative ventures and blue economy training centres; safeguarding human health; providing animal health and extension and welfare services; Improved livelihood for the households in income generation activities through value addition.

208. The Department's priorities are: Increased crop production and productivity through dissemination of better farming practices and protection of farming area; increased market access for livestock products through marketing initiatives and establishment of processing and value addition facility and Enhancing sustainable Fisheries Supply.
209. The Department will also enhance productivity of livestock and livestock produce through effective extension services and ensure sustainable use of fisheries resources for better livelihoods for fisher folk and food security of the county.
210. The department has been allocated Ksh 475,378,714 in FY 2024/2025. The budget consists of 3.1% of the total county budget.

4.2.13: The County Attorney

211. The Office of the County Attorney is established under an Act of Parliament which provides the functions and powers of the County Attorney, discharge of duties and the exercise of power for connected purposes. The following are the functions of the County Attorney;
 - Is the principal legal adviser to the county government;
 - Shall attend the meetings of the county executive committee as an ex officio member of the executive committee;
 - Shall, on the instructions of the county government, represent the county executive in court or in any other legal proceedings to which the county executive is a party, other than criminal proceedings;
 - Shall advise departments in the county executive on legislative and other legal matters;
 - Shall negotiate, draft, vet and interpret documents and agreements for and on behalf of the county executive and its agencies;
 - Shall be responsible for the revision of county laws;
 - May liaise with the Office of the Attorney-General when need arises; and
 - Shall perform any other function as may be necessary for the effective discharge of the duties and the exercise of the powers of the County Attorney.
212. The office of the County Attorney has been allocated Ksh 75,082,532 in FY 2024/2025. This consists of 0.5 % of the total county budget.

4.2.14: County Executive

213. Under Article 179 (3) (b), of the Constitution, provides for the number of Executive Committee members in the County Government. Each respective County Executive Committee Member provides policy direction in their respective departments. The Executive Committee Member is therefore responsible for: Implementing county legislation; Implementing within the county, national legislation to the extent that the legislation so requires; Managing and coordinating the functions of the county administration and its departments; and performing any other functions conferred to it by the Constitution or national legislation; Preparing legislation for consideration by the County Assembly; Providing regular reports to the County Assembly for deliberation and decision-making; and Preparing County budgets and plans. The operations under this sub-sector consists of the Governor, Deputy Governor's office, the County Secretary, the Chief of Staff, Advisory services, communication unit, cabinet affairs and the policy and planning services.
214. This sub-sector requires considerable funding to oversee the implementation of the Kenyan Constitution, Vision 2030, and the County's Vision 2035, CIDP 2023-27, the CFSP through provision of leadership and policies in governing of the county. It has the task of supervising the County Government department.
215. The department has been allocated Ksh. 319,760,063 in the FY 2024/2025. The budget consists of 2.1% of the total county budget.

ANNEXES

Annex 1: TOTAL EXCHEQUER ISSUES 2022-2023

Revenue Item	Annual Budgeted	Total Receipt	Percentage
Equitable share	7,567,354,061	7,567,354,061	100
GRANTS			
Agriculture Sector Support Program II	8,847,410	4,612,847	52.1
DANIDA	14,874,100	-	0
Finance Locally - Led Climate Action Program (FLOCA)	125,000,000	-	0
World Bank - Kenya Informal Settlement Improvement Project (KISIP)	219,423,444	92,063,703	42.0
Water & Sanitation Development Program – World Bank Fund	950,000,000	570,120,196	60.0
Total Grants	1,318,144,954	666,796,746	50.6
Total Exchequer Issues	8,885,499,015	8,234,150,807	92.7

Annex 2: TOTAL LOCAL REVENUE COLLECTED FY 22-23

REVENUE	ANNUAL BUDGETED 2022-2023 (KSHS)	GRAND TOTALS 2022-2023 (KSHS)	% COLLECTION
COUNTY EXECUTIVE			
Land Rates Current Year	0	726,952,780	0
Land Rates Penalties	10,706,639	0	0
Land Rates Other Years	951,242,723	53,456,267	6
Administration Cost	1,376,131	0	0
Other Property Income	963,325,492	818,647,301	85
Document Search Fee	203,472	0	0
Sales of County's Minutes / Bylaws	914	0	0
Valuation & Survey Fees	42,492,786	0	0
Ground Rent current Year	0	514,715	0
Plot Transfer Fee	2,147,884	54,400	3
Consent to Sub Lease	541,557	0	0
Technical Division	52,593	10,000	19
Beacon Search pointing Fee	105,842	37,500	35
Survey Fee	2,808,845	150,000	5
Subdivision & Consolidation Fees	22,083,901	245,000	1
Change of User	6,703,317	80,000	1
Temporary Occupation License (TOL)	0	102,000	0
Impounding charges	75,436	0	0
Dog Licenses	39,287	0	0
Storage Fee	348,561	0	0
Training/Learning Center Fee	0	20,000	0
Debts Clearance Certificate Fee	13,705	0	0
Refund of Over Payment	446,517	88,050	20
Consent to Charge Fee/Property Certification Fee	0	1,000	0
Other Property Charges	5,867,749	131,500	2
Imprest	0	45,825	0
Sand, Gravel, and Ballast Extraction Fees	829,018,029	392,220,772	47
Incidental Charges	34,719	144,000	415
Tender Documents Sale	1,472,802	0	0
Hotel Levy	38,868,296	39,748,560	102
Stadium Hire	5,211,009	0	0
Social Hall Hire	8,754,495	2,329,200	27
Hire of County Grounds	356,327	154,000	43
Sewer Connection Charge	4,568	-	0
County Vehicles Hire	339,840	-	0
Fire Inspection Fees	15,713,114	1,500	0
Hearse Service Fees	0	2,000	0
Fire-Fighting Services	98,563,589	8,326,667	8
Hoarding & Scaffolding Charges	0	21,000	0
Land Scape Scheme	32,834,639	-	0
Buildings Plan Preparation Fee	1,568,233	2,625,932	167

REVENUE	ANNUAL BUDGETED 2022-2023 (KSHS)	GRAND TOTALS 2022-2023 (KSHS)	% COLLECTION
Buildings Plan Approval Fee	125,064,218	183,226,538	147
Demolition of Structures	773,413	584,000	76
Receipts from Administrative Fees and Charges	1,242,509,659	630,893,659	51
Business Permits, Current Year	590,950,017	569,042,147	96
Business Permits, Other Years (Including Penalties)	1,520,123	0	0
Business Subletting / Transfer Fee	0	305,000	0
Business Permits / Cess	592,470,140	569,347,147	96
Plot Transfer Fee	17,360	47,600	274
Document Search Fee	3,829	15,000	392
Allottees Documents	33,764	3,000	9
Instalment Fee (HDD Scheme)	140,525	0	0
Annual Ground Rent (HDD Scheme)	2,933,126	3,459,676	118
Plots Charges (HDD Scheme)	16,206,075	2,502,213	15
Survey Fee	23,933	0	0
Plot Rents	19,358,612	6,027,489	31
03020205 Mackinnon Market			
Market Stalls Rent	3,021,961	-	0
Market Stalls Rent	1,586,352	-	0
03020405 Mombasa Wholesale market			
Market Entrance / Gate Fee	422,431,080	6,382,897	2
Market Stalls Rent (Rental store w/s mkt)	11,330,593	18,337,331	162
Off loading	3,136,615	77,535	2
Hawking Fee	22,977,126	13,652,895	59
03020505 Magongo Market			
Market Shops Rent	1,091,870	-	0
03020605 Likoni Open Air Market			
Market Stalls Rent	280,962	-	0
03020705 Port Tudor, Kongowea & Likoni Market			
Market Stalls Rent	178,001	-	0
03020805 Sega Market			
Market Stalls Rent	1,773,115	-	0
03020905 Chaani Open Air Market			
Market Stalls Rent	1,367,491	-	0
03021005 Mikindani Market			
Market Stalls Rent	361,140	-	0
03021105 Mwembe Tayari Market			
Market Stalls Rent	1,562,806	-	0
03021205 Kisauni Retail Stall Market			
Market Stalls Rent	3,938,704	-	0
Collection from Market Establishments	475,037,816	38,450,658	8

REVENUE	ANNUAL BUDGETED 2022-2023 (KSHS)	GRAND TOTALS 2022-2023 (KSHS)	% COLLECTION
			0
Drainage Certificate Charges	88,115	10,000	11
Road Cutting Application Fees	92,102	146,700	159
Other Vehicles Enclosed Park Fees (Cars, lorries, etc)	1,544	5,200	337
Street Parking Fee	363,192,468	289,885,002	80
Towing Fee.	151,477	-	0
KAPS Parking Fees	0	13,748,200	0
TLB Matatu Levy	232,492,409	171,413,234	74
Right of Way / WayLeave Fee (KPLN, Telkom, etc)	103,889,789	88,994,846	86
Vehicle Parking Fees	699,907,904	564,203,182	81
			0
Housing Estates Monthly Rent	29,208,993	20,548,837	70
Housing	29,208,993	20,548,837	70
			0
Sign Boards & Advertisement Fee	120,664,188	138,714,030	115
County Vehicle Hire	159,500	60,373	38
Horticulture Consultation Fee	39,200	245,300	626
Livestock Certificates	521,922	64,170	12
Livestock Permits	4,100	1,000	24
Slaughter Licenses	10,000	8,000	80
Vaccination (Dogs, Horses, Camels)	3,000	-	0
Dog Licenses	82,000	97,000	118
Cooperative Audit Charges	255,900	20,420	8
Cemeteries Charges	424,700	2,561,000	603
Garbage Dumping Fee	2,198,000	3,028,600	138
Refuse Collection Fee	109,000	-	0
Environment and Conservancy Administration	124,471,510	144,799,893	116
			0
Inspection Schools for Registration	9,559,000	1,865,000	20
Other Education Related Fees	9,559,000	1,865,000	20
COUNTY HEALTH			
Sundry Income	78,694,012	-	0
07021305 Kongowea Health Centre			
Premises Inspection Fees	547,476,866	1,236,507,832	226
07021905 Public Health Offices			
Poultry & Meat Inspection	2,300,000	482,974	21
Other Health and Sanitation Revenues	628,470,878	1,236,990,806	197
Court Fines	25,508,795	3,316,630	13
Cash Bail	4,672,187	1,776,500	38
Fines Penalties and Forfeitures	30,180,981	5,093,130	17
COUNTY OWN REVENUE	4,814,500,985	3,998,628,848	83

Annex 3: EXPENDITURE PER PROGRAM 2022/2023

Departmental Programmes	Expenditure	Original Budget FY 2022/2023	Final Budget FY 2022/2023	Actual Expenditure	% Budget Utilization
3011: THE EXECUTIVE					
Governor's Affairs & Advisory Services	RECURRENT	160,000,000	92,888,531	78,964,365	85%
	DEVELOPMENT	0	1,984,500	0	0%
Deputy Governor's Affairs & External Relations	RECURRENT	54,000,000	35,502,588	21,055,001	59%
	DEVELOPMENT	36,000,000	15,000,000	3,959,767	26%
Cabinet Affairs, Policy Research and Legal Services	RECURRENT	78,500,000	62,490,410	23,453,442	38%
	DEVELOPMENT	2,000,000	0	0	0%
MV 2035 & E-Government	RECURRENT	18,000,000	9,255,260	2,229,840	24%
	DEVELOPMENT	0	0	0	
Strategic Delivery Unit	RECURRENT	24,500,000	15,109,500	5,149,519	34%
	DEVELOPMENT	12,000,000	0	0	
Total		385,000,000	232,230,789	134,811,934	58.1%
3013: COUNTY PUBLIC SERVICE BOARD					
Administration Unit	RECURRENT	122,491,500	78,618,480	84,163,570	107%
	DEVELOPMENT	27,508,500	20,000,000	3,640,050	18%
Total		150,000,000	98,618,480	87,803,620	89.0%
3014: FINANCE AND ECONOMIC PLANNING					
Administration Unit	RECURRENT	305,076,755	845,455,584	1,061,656,947	126%
	DEVELOPMENT	520,246,592	574,334,432	246,966,528	43%
Accounting Unit	RECURRENT	24,150,000	20,172,958	27,361,361	136%
	DEVELOPMENT	6,000,000	990,000	1,049,379	106%
Planning and Monitoring Unit	RECURRENT	27,010,654	24,020,542	17,572,583	73%
	DEVELOPMENT	12,000,000	9,970,002	974,897	10%
Total		894,484,000	1,474,943,517	1,355,581,695	91.9%
3015: ENERGY, ENVIRONMENT & WASTE MANAGEMENT					
Administration, Planning and Support Services	RECURRENT	478,734,748	455,706,790	552,439,698	121%
	DEVELOPMENT	90,500,000	69,055,395	47,955,478	69%
Energy	RECURRENT	5,239,000	4,476,966	4,090,106	91%
	DEVELOPMENT	70,000,000	70,000,000	20,289,569	29%
Environmental Management and Protection	RECURRENT	61,460,000	38,523,327	27,783,687	72%
	DEVELOPMENT	65,500,000	60,000,000	3,367,310	6%
Solid Waste Management	RECURRENT	38,327,252	25,003,986	13,848,199	55%
	DEVELOPMENT	55,000,000	55,000,000	0	0%
Climate Change	RECURRENT	130,239,000	4,197,398	0	0%
	DEVELOPMENT	50,000,000	72,000,000	0	0%

Departmental Programmes	Expenditure	Original Budget FY 2022/2023	Final Budget FY 2022/2023	Actual Expenditure	% Budget Utilization
Total		1,045,000,000	853,963,862	669,774,046	78.4%
3016: EDUCATION, INFORMATION TECHNOLOGY & MV 2035					
General Administration, Planning and Support Services	RECURRENT	337,558,574	285,759,386	360,948,824	126%
	DEVELOPMENT	12,067,426	0	1,765,883	0%
Education headquarters	RECURRENT	11,200,000	6,881,600	5,175,354	75%
	DEVELOPMENT	93,000,000	93,000,000	10,201,448	11%
Childcare	RECURRENT	8,500,000	5,000,000	3,054,400	61%
	DEVELOPMENT	109,000,000	109,000,000	14,651,370	13%
Elimu Fund	RECURRENT	211,890,000	76,694,375	74,169,894	97%
	DEVELOPMENT	0	0	0	0%
Information Technology	RECURRENT	30,000,000	10,240,672	6,141,897	60%
	DEVELOPMENT	114,300,000	98,000,000	26,942,434	27%
Total		927,516,000	684,576,033	503,051,504	73.5%
3017: HEALTH SERVICES					
Administration Unit	RECURRENT	2,907,650,587	2,996,724,514	5,163,963,296	172%
	DEVELOPMENT	126,690,628	149,363,337	12,000,000	8%
Curative/Clinical Health Services	RECURRENT	182,273,099	57,204,086	36,242,437	63%
	DEVELOPMENT	49,516,083	32,201,744	547,397	2%
Preventive and Promotive Services Unit	RECURRENT	77,459,683	32,876,348	3,051,052	9%
	DEVELOPMENT	8,613,000	5,853,000	0	0%
Special Programs	RECURRENT	48,179,420	69,407,985	61,505,750	89%
	DEVELOPMENT	3,617,500	2,837,008	0	0%
Total		3,404,000,000	3,346,468,021	5,277,309,931	158%
3018: WATER, SANITATION & NATURAL RESOURCES					
Administration unit	RECURRENT	92,670,000	43,038,492	45,241,418	105%
	DEVELOPMENT	970,900,000	575,000,000	590,025,456	103%
Sanitation/Sewerage Services Headquarters	RECURRENT	1,750,000	25,000	98,276	393%
	DEVELOPMENT	27,000,000	27,000,000	1,754,406	6%
Water Supply Headquarters	RECURRENT	7,450,000	4,944,000	5,042,276	102%
	DEVELOPMENT	13,000,000	13,000,000	0	0%
Natural Resources	RECURRENT	7,230,000	0	106,897	0%
	DEVELOPMENT	10,000,000	10,000,000	0	0%
Total		1,130,000,000	673,007,492	642,268,728	95.4%
3019: YOUTH, GENDER, SPORTS AND CULTURAL AFFAIRS					
Administration Unit	RECURRENT	105,891,660	76,477,740	94,386,123	123%
	DEVELOPMENT	2,500,000	0	2,211,500	0%
Youth Empowerment	RECURRENT	40,880,003	6,432,310	3,199,107	50%
	DEVELOPMENT	11,500,000	10,000,000	0	
Gender Affairs and Disability Mainstreaming	RECURRENT	37,000,000	10,663,475	7,166,019	67%

Departmental Programmes	Expenditure	Original Budget FY 2022/2023	Final Budget FY 2022/2023	Actual Expenditure	% Budget Utilization
	DEVELOPMENT	40,000,000	40,000,000	710,219	2%
Sports development	RECURRENT	34,100,000	14,047,900	6,019,593	43%
	DEVELOPMENT	440,000,000	440,000,000	31,210,888	7%
Cultural Affairs	RECURRENT	30,500,000	12,965,800	1,778,793	14%
	DEVELOPMENT	0	0	0	0%
Public Recreation and Entertainment	RECURRENT	7,628,337	2,779,200	0	0%
	DEVELOPMENT	10,000,000	10,000,000	0	0%
Total		760,000,000	623,366,425	146,682,243	23.5%
3020: TRADE, TOURISM & INVESTMENT					
Administration Unit	RECURRENT	335,745,978	309,120,281	371,808,349	120%
	DEVELOPMENT	0	0	3,289,422	0%
Trade Development	RECURRENT	33,787,810	13,784,870	6,079,334	44%
	DEVELOPMENT	130,000,000	130,000,000	4,992,451	4%
Development of Tourism	RECURRENT	35,259,133	16,884,711	2,936,483	17%
	DEVELOPMENT	199,943,064	199,943,064	10,297,967	5%
Investment Promotion and Products Headquarters	RECURRENT	33,105,082	13,598,655	0	0%
	DEVELOPMENT	40,000,000	39,764,864	0	
Ease of Doing Business- Headquarters	RECURRENT	12,101,997	6,672,280	3,301,470	49%
	DEVELOPMENT	10,056,936	9,743,633	28,088,662	288%
Total		830,000,000	739,512,358	430,794,137	58.3%
3021: LANDS, HOUSING AND PHYSICAL PLANNING					
Administration Unit	RECURRENT	197,083,825	134,511,885	253,195,013	188%
	DEVELOPMENT	19,576,556	16,576,556	5,818,819	4%
Land Management Unit	RECURRENT	21,566,175	5,382,300	4,055,322	75%
	DEVELOPMENT	2,000,000	2,000,000	0	0%
Physical planning	RECURRENT	4,650,000	1,530,000	0	0%
	DEVELOPMENT	83,000,000	81,000,000	21,317,507	26%
Housing Development Unit	RECURRENT	14,350,000	2,281,800	1,093,153	48%
	DEVELOPMENT	31,000,000	31,000,000	440,495	1%
Urban Renewal	RECURRENT	27,350,000	6,060,518	3,901,113	64%
	DEVELOPMENT	269,423,444	150,000,000	0	0%
Total		670,000,000	430,343,059	289,821,422	67.3%
3022: TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS					
Administration Unit	RECURRENT	430,992,272	447,745,604	532,632,328	119%
	DEVELOPMENT	0	0	0	0%
Road and Transport Unit	RECURRENT	24,202,430	10,157,319	5,948,016	59%
	DEVELOPMENT	450,700,000	460,012,233	450,025,664	98%
Works Unit	RECURRENT	6,950,000	7,979,935	6,897	0%
	DEVELOPMENT	12,800,000	0	3,151,837	0%

Departmental Programmes	Expenditure	Original Budget FY 2022/2023	Final Budget FY 2022/2023	Actual Expenditure	% Budget Utilization
Transport Planning, Management and Safety	RECURRENT	31,780,298	956,200	4,678,614	489%
	DEVELOPMENT	7,000,000	5,408,217	491,379	9%
Mechanical Services	RECURRENT	60,575,000	32,166,285	24,870,087	77%
	DEVELOPMENT	8,800,000	6,000,000	1,401,793	23%
Safety, Risk Management and Rescue Services	RECURRENT	21,200,000	6,816,584	1,697,616	25%
	DEVELOPMENT	65,000,000	64,000,000	35,065,650	55%
Total		1,120,000,000	1,041,242,377	1,059,969,882	101.8%
3023: AGRICULTURE, FISHERIES, LIVESTOCK AND CO-OPERATIVES					
Administration Unit-Headquarters	RECURRENT	157,140,832	114,516,263	163,082,471	142%
	DEVELOPMENT	0	12,373,819	0	0%
Crop Management Unit	RECURRENT	25,076,858	7,586,220	4,829,646	64%
	DEVELOPMENT	85,000,000	84,995,900	6,381,283	8%
Livestock Unit	RECURRENT	14,706,256	4,401,528	2,232,799	51%
	DEVELOPMENT	57,000,000	57,000,000	0	0%
Fisheries Unit-Headquarters	RECURRENT	15,774,916	5,266,100	18,914	0%
	DEVELOPMENT	57,000,000	51,180,000	10,641,600	21%
Veterinary Services	RECURRENT	16,189,045	2,492,022	44,666	2%
	DEVELOPMENT	35,000,000	35,000,000	5,800,000	17%
Cooperatives	RECURRENT	10,112,093	2,141,715	488,249	23%
	DEVELOPMENT	12,000,000	12,000,000	0	0%
Total		485,000,000	388,953,567	193,519,629	49.8%
3026: DEVOLUTION & PUBLIC SERVICE ADMINISTRATION					
Administration	RECURRENT	751,881,613	2,326,258,864	842,027,472	36%
	DEVELOPMENT	13,000,000	10,000,000	1,240,013	12%
Devolution and public service administration	RECURRENT	20,136,398	57,770,050	1,475,600	3%
	DEVELOPMENT	500,000	0	284,483	0%
County Administration and Decentralized Services	RECURRENT	33,972,796	9,821,471	6,210,275	63%
	DEVELOPMENT	49,500,000	46,000,000	303,448	1%
Public Service Reforms and Delivery	RECURRENT	72,909,194	8,591,398	45,349,181	528%
	DEVELOPMENT	0	0	0	0%
Compliance and Enforcement	RECURRENT	31,100,000	15,549,214	5,897,718	38%
	DEVELOPMENT	37,000,000	34,000,000	2,734,366	8%
Total		1,010,000,000	2,507,990,997	905,522,554	36.1%
3010-MOMBASA COUNTY EXECUTIVE		12,811,000,000	13,095,216,980	11,696,911,326	89.3%
3012 COUNTY ASSEMBLY		889,000,000	904,783,020	809,459,880	89.5%
MOMBASA COUNTY CONSOLIDATED		13,700,000,000	14,000,000,000	12,506,371,206	89.3%

Annex 4: REPORT FROM THE PUBLIC PARTICIPATION FEEDBACK

DEPARTMENT	PROPOSED SOLUTION
CHANGAMWE SUB COUNTY	
Health Services	<ul style="list-style-type: none"> • Portrietz and CGTRH – Chaani to be equipped with X-Ray and Scanning Machines. • Increase Number of Staff in Chaani CGTRH to work for 24hrs. • Utilize Portreitzi hospital Ground by expanding the Health Facility. • Establishment of a cancer center in Changamwe for early screening services. • Renovate Chaani Hospital. • Construction of Health Facility in Kipevu. • County government to hold free medical camps monthly or quarterly to improve on service delivery on health matters.
Public Service Administration and YGS & Social Service	<ul style="list-style-type: none"> • Allocation of funds for youth and women groups. • PWD's should be considered and supported when equipping facilities • The establishment of a rescue center instead of mentorship programme. • Refurbishment of Bomu stadium to improve on sports. • Youth empowerment and capacity building programs to be provided. • Establishment of ICT hubs to improve on skills and create employment for the youth
Water, Public Works, Natural Resource and Climate Change Resilience	<ul style="list-style-type: none"> • Improve the availability of quality water in the houses. • Refurbishment of the drainage systems in Santana.
Trade , Tourism and Culture	<ul style="list-style-type: none"> • Establishment of an international beach court for hosting international beach sports.
Environment and Solid Waste Management	<ul style="list-style-type: none"> • Regular cleaning and garbage collection by the County and more strategic garbage drop off point. • Establishing of recycling center. • Renovation of storm water drainage to curb flooding during rainy season
Education	<ul style="list-style-type: none"> • Increment of Bursaries

DEPARTMENT	PROPOSED SOLUTION
	<ul style="list-style-type: none"> • Construction of Secondary School in Kipevu • Construction of Special Needs School
Lands, Urban Renewal and Housing	<ul style="list-style-type: none"> • Repossessing grabbed land
Transport and Infrastructure	<ul style="list-style-type: none"> • Installation of Streetlights
JOMVU SUB COUNTY	
DEPARTMENT	PROPOSED SOLUTION
Lands, Urban Renewal and Housing	<ul style="list-style-type: none"> • Settlement Schemes L/R 1134 Miritini Station 1128 to 1132 Dhome to be revived. • Mwamlai Vikobani to be schemed • Fast-track the adjudication of land title. • Availability of affordable houses.
Water, Public Works, Natural Resource and Climate Change Resilience	<ul style="list-style-type: none"> • Placing of new pipes in Mwamlai and Vikobani. • Increase the water supply in the region. • Improve and maintain sewage and drainage systems. • Construction of Public Toilets.
Transport and Infrastructure	<ul style="list-style-type: none"> • Cabro roads on Vikobani Mwisho, Mwamlai, Kiroroma, Makomdeni and Maganda. • Installation of Streetlights • Construction of footbridges
Education	<ul style="list-style-type: none"> • Construction of ECDE Centers in Maganda primary school Mwamlai primary school. • Construction of Special Schools
Health services	<ul style="list-style-type: none"> • Equipping Public Hospitals in Vikobani • Expansion of Miritini CDF Maternity Wing • Upgrading of Mikindani hospital • Upgrading hospital with Physiotherapy facility.
Public Service Administration and YGS & Social Service	<ul style="list-style-type: none"> • Construct Sub County/Ward Administration Offices. • Construction of Social Hall in Miritini. • Construction of a Fire Station. • Upgrading of Playgrounds in Miritini Primary.

DEPARTMENT	PROPOSED SOLUTION
	<ul style="list-style-type: none"> Youth empowerment and capacity building programs to be provided. Allocation of funds for PWDs Sports.
Environment and Solid Waste Management	<ul style="list-style-type: none"> Address Soil Erosion Issue Focus on introducing the modern equipment's for garbage collection.
KISAUNI SUB COUNTY	
DEPARTMENT	PROPOSED SOLUTION
Education	<ul style="list-style-type: none"> Increment of Bursaries Allocate more funds for ECDE Centers. Establishment of ECDE. Construct more college Institutions.
Health Services	<ul style="list-style-type: none"> Improve health care services. Enhance the effectiveness of NHIF, improve patient outcomes, and promote overall health. Propose more funding for improvements of Health Facilities. Establishment of Dispensaries. Upgrading of Marimani Dispensary
Public Service Administration and YGS & Social Service	<ul style="list-style-type: none"> Construction of Social Hall in Kisauni Sub County PWD's should be considered and supported when equipping facilities Youth development through sports leagues and revised participation fees. Completion of the fire station Youth empowerment and capacity building programs to be provided.
Finance and Economic Planning	<ul style="list-style-type: none"> Increase the local revenue. Review the County Budget in Prioritizing Projects. The Finance Bill to be available in Swahili for better understanding.
Transport and Infrastructure	<ul style="list-style-type: none"> Investments in roads, transport, and infrastructure to address issues such as poor drainage facilities and road conditions

DEPARTMENT	PROPOSED SOLUTION
NYALI SUB COUNTY	
Health Services	<ul style="list-style-type: none"> • Construction of a perimeter wall in Bamburi Dispensary Kadzandani. • Construction of a Level 4 Facility. • Increase the health budget • Relocation of Mat Clinic to Kisauni Dispensary. • Health department budget to cover for ambulance. • Reconstruct and upgrade the Maweni dispensary to a Level 4 facility. • Increase quantity of drugs (Medicines.)
Education	<ul style="list-style-type: none"> • Allocation of Bursaries. • Allocate more funds for ECDE Centers. • Timely salary remuneration for ECDE Teachers
Public Service Administration and YGS & Social Service	<ul style="list-style-type: none"> • Upgrading Frere Town Social Hall. • A digital innovation and youth center • Segregating funds allocated for Persons with Disabilities (PWDs) from other social services to prevent misappropriation. • PWD's should be considered and supported when equipping facilities
Governance and Serikali Mitaani	<ul style="list-style-type: none"> • Deployment of Inspectorates to enhance security in Health Facilities.
Environment and Solid Waste Management	<ul style="list-style-type: none"> • Improve and upgrade existing drainage systems.
LIKONI SUB COUNTY	
DEPARTMENT	PROPOSED SOLUTION
Water, Public Works, Natural Resource and Climate Change Resilience	<ul style="list-style-type: none"> • The County Government should allocate more resources to the water department. • Improve and maintain drainage systems. The drainage systems from Consolata to Bofu needs proper maintenance.
Public Service Administration and YGS & Social Service	<ul style="list-style-type: none"> • Social hall to be improved such as Mwahima stadium to modern standards. • Village elders should be paid such as Kwale County, it boosts morale.

DEPARTMENT	PROPOSED SOLUTION
	<ul style="list-style-type: none"> • Increase youth allocation fund. • Youth policy should be implemented in the County Government. • Public Participation should be centered on Performance, Priority, projection, and sector savings. • Construction of Sub County Offices • Revive the Mombasa ni Yangu project. • Allocation of funds for Persons with Disabilities • More youth centers to be constructed in Likoni
Finance and Economic Planning	<ul style="list-style-type: none"> • The Department of Finance should establish a Department of Resource Mobilization
Agriculture	<ul style="list-style-type: none"> • A slaughterhouse to be allocated at Dongo Kundu. • Kazi Mtaani fund of 500M should factor on tools and equipments.
Trade, Tourism and Culture	<ul style="list-style-type: none"> • Construction of a Marketplace at the Ferry • There is a need for cultural week in the County so as to preserve our culture.
Transport and Infrastructure	<ul style="list-style-type: none"> • Installation of streetlights at the ferry market • Revive the Mtongwe Ferry or the Mweza Creek for crossing.
Lands, Urban Renewal and Housing	<ul style="list-style-type: none"> • Create an ardhi fund for the Caltex Ground for the community. • Arrangements to be made for people to get their Title deeds
Health Services	<ul style="list-style-type: none"> • Construction of Public Hospitals in Bofu Ward • Likoni Clinic to operate for 24hrs
Education	<ul style="list-style-type: none"> • Allocation of more bursary funds. • Set aside bursaries for TVET's programmes. • Construct ECD schools in the Wards. • Schools to be free of charge. • More schools to be constructed in Mtongwe Ward
Blue Economy	<ul style="list-style-type: none"> • Provide Cold Storage to the BMU's and fishermen. • Youth should be considered getting opportunities in the Special Economic Zone

DEPARTMENT	PROPOSED SOLUTION
Environment and Solid Waste Management	<ul style="list-style-type: none"> To introduce E-Waste, with the garbage collected, the electronic waste has silver chips, which is a good economic empowerment for the County
MVITA SUB COUNTY	
DEPARTMENT	PROPOSED SOLUTION
Education	<ul style="list-style-type: none"> Establish a vocational training institute Review of funds allocated in the department.
Transport and Infrastructure	<ul style="list-style-type: none"> Review of funds allocated in the department. Installation of streetlights around Kidogo Basi
Finance and Economic Planning	<ul style="list-style-type: none"> Review the finance bill.
Environment and Solid Waste Management	<ul style="list-style-type: none"> Unclogging of drainage systems in Kidogo Basi Construction of New Drainage systems in Kidogo Basi
Water, Public Works, Natural Resource and Climate Change Resilience	<ul style="list-style-type: none"> Construction of public toilets.

Annex 5: FEEDBACK FROM NYALI RESIDENTS

The following are the residents views on which priority projects should be included for funding in the 2024/25 budget. Please find below list of projects in Mkomani ward, Nyali Sub County:

- Cabro paving of Lantana Drive
- Resurfacing of tarmac on Sheikh Taib Road (Sea View Road) serving Mombasa Academy
- Repair and replacement of street lighting on Fidel Odinga Road, Links Road, Beach Road, Moyne Drive, Greenwood Drive, Ludwig von Kraph (Cement) Road and adjacent roads within Mkomani Ward.
- Painting/marketing of all speed bumps with reflective thermoplastic paint

Annex 6: PUBLIC PARTICIPATION CONCERNS AND RECOMMENDATIONS FROM THE COAST CIVIL SOCIETY NETWORK FOR HUMAN RIGHTS (CCSHNR)



CSOs Network.pdf