



**THE COUNTY TREASURY
DEPARTMENT OF FINANCE, ECONOMIC PLANNING & ICT**

**COUNTY BUDGET REVIEW AND OUTLOOK PAPER
(2023 CBROP)**

SEPTEMBER 2023

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FOREWORD

This document has been prepared in line with the provisions of section 118 of the Public Finance Management Act, 2012, and its accompanying regulations. Its primary purpose is to present the factual fiscal performance of the Fiscal Year 2022/2023, as compared to the budget appropriations allocated for the same period. It also offers an insight of how the actual performance in the FY 2022/2023 has impacted our adherence to fiscal responsibility principles and the financial objectives set forth in the PFM Act. This paper further presents a comprehensive assessment of recent economic developments and updated forecasts, offering detailed insights into variations from the earlier projections outlined in the County Fiscal Strategy Paper (2022 CFSP).

The 2023 County Budget Review and Outlook Paper (CBROP) is being formulated against an improving economic outlook albeit a slow growth recovery among economic sectors and regions. It was prepared against a backdrop of continued global uncertainties, reflecting high but easing inflationary pressures, weak global growth outlook, heightened geopolitical tensions particularly the conflict in Ukraine, concerns about financial sector stability in advanced economies, and increased food insecurity due to climate-related shocks.

The year 2022 having been an election year with heightened political activities, especially in the first quarter of 2022/23 could have likely eroded investor confidence and affected projected growth. Several economic shocks resulting from the adverse impact of climate change, lingering effects of COVID-19, global supply chain disruption and the impact of Russia-Ukraine conflict have largely contributed to slowdown in economic activities, high inflation and weakening of the global currencies thus affecting the economic recovery in the country.

The fiscal performance in the FY 2022/23 was satisfactory. This was largely attributed to an improved operating business environment following the recovery from the adverse impact of the COVID-19 pandemic. Revenue performance recorded Kshs. 16.64 billion compared to Kshs. 15.14 billion in FY 2021/22. The growth in revenue collection was recorded in all revenue sources in the period under review. The good performance

was however dampened by increased prices on fuel and commodity prices which had a negative effect in the delivery of goods and services to our people. The increased fuel and commodity prices meant that provisions of goods and services earmarked in the budget estimates could only be provided at a higher cost. This notwithstanding, implementation of the FY 2023/24 budget picked up smoothly and we expect this to continue during the remainder of the financial year. The strong outcome in revenue collection in the FY 2022/23 offers a strong base for supporting the expenditure estimates in the FY 2023/24 and the Medium-Term Budget.

As we prepare for the FY 2024/25 and the Medium-Term Budget, emphasis will be on aggressive revenue mobilization including policy measures to whip in additional revenue and reign on expenditures to restrict its growth. Considering the tight resource envelope that is available for FY 2023/24 and the medium term, all departments are required to scrutinize their budget proposals and ensure that they are not only directed towards improving productivity, but are also aligned to achieving the objectives as outlined in the Bottom-Up Economic Transformation Agenda (BETA). I therefore, call upon all to adhere to the hard sector ceilings, and the strict deadlines provided in this document in order to facilitate the finalization and appropriation of the FY 2024/25 and the medium-term budget.

The ceilings provided in this CBROP are indicative for the purpose of developing sector reports and will be affirmed by the 2024 County Fiscal Strategy Paper (CFSP). Finally, I wish to reiterate the importance of public participation in FY 2024/25 and the medium-term budget preparation process by calling upon all sector Working Groups (SWGs) to ensure engagement and open public and stakeholders' participation during their sector consultations.

NANCY KIRUMBA
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, ECONOMIC PLANNING & ICT

ACKNOWLEDGEMENT

The 2023 County Budget Review and Outlook Paper (CBROP) has been prepared in accordance with the guidelines set forth by the Public Finance Management (PFM) Act 2012 and its accompanying Regulations. This paper presents the fiscal outcomes for the Fiscal Year 2022/23. It also outlines macroeconomic projections and establishes indicative sector budget ceilings for the Fiscal Year 2024/25 and the broader Medium-Term Budget framework. Moreover, the paper offers an overview of how the actual financial performance in FY 2022/23 influenced compliance with fiscal responsibility principles and financial objectives as stipulated in the PFM Act. It also sheds light on adjustments made to the projections initially outlined in the 2023 County Fiscal Strategy Paper (CFSP).

The preparation of the 2023 CBROP was a collaborative effort, with various County departments working together under the guidance of the County Executive Committee Member responsible for Finance, Economic Planning and ICT. We extend our gratitude to H.E The Governor Dr. Kimani Wamatangi for his leadership and unwavering support throughout the preparation process. We would like also to express our appreciation to all County Government Departments for their timely provision of valuable data and information concerning their budget execution during FY 2022/23.

Special recognition goes to the County Treasury core team from the Budget and Economic Planning directorates for their dedication and instrumental role in bringing this paper to completion. We also express our appreciation to staff in various County Treasury Directorates for their valuable inputs during the preparation process.

Lastly, we would like to express our gratitude to all our partners who, either directly or indirectly, supported the preparation of this paper. Your contributions have been invaluable in achieving the final product.

WILLIAM KIMANI
CHIEF OFFICER, FINANCE & ECONOMIC PLANNING

**Legal Basis for the Publication of the County Budget Review and
Outlook Paper**

The County Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Financial Management Act, 2012 which states:

(1) A County Treasury shall-

(a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and

(b) submit the paper to the County Executive Committee by the 30th of September of that year.

(2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—

(a) the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year.

(b) the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.

(c) information on—

(i) any changes in the forecasts compared with the County Fiscal Strategy Paper; or

(ii) how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and

(d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

(3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.

(4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—

Fiscal Responsibility Principles to be enforced by the County Treasury

In line with the Constitution, the Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles that the County Treasury need to enforce. The PFM law (Section 107) states that:

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2) and shall not exceed the limits stated in the regulations.

(2) In managing the County Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles

(a) The County Government's recurrent expenditure shall not exceed the County Government's total revenue.

(b) Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure.

(c) The County Government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.

(d) Over the medium term, the County Governments' borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.

(e) the county debt shall be maintained at a sustainable level as approved by County Assembly.

(f) the fiscal risks shall be managed prudently; and

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

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every County Government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the County Assembly.

(5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

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ABBREVIATIONS AND ACRONYMS

CADP	County Annual Development Plan
CARA	County Allocation of Revenue Act
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
OCOB	Office of Controller of Budget
COVID	Coronavirus Disease
FY	Financial Year
GDP	Gross Domestic Product
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Program
KUSP	Kenya Urban Support Program
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NG	National Government
OSR	Own Source of Revenue
PFMA	Public Financial Management Act
UDG	Urban Development Grant
USSD	Unstructured Supplementary Service Data

I. INTRODUCTION

Objective of the 2023 County Budget Review and Outlook Paper (CBROP)

1. The 2023 CBROP provides a review of the fiscal performance for the financial year 2022/23 including adherence to the objectives and principles outlined in the 2023 County Fiscal Strategy Paper (CFSP) and the PFM Act, 2012. It also provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan. The 2023 CBROP will form the basis of the 2024 CFSP that will detail programmes and projects for implementation over the medium term as outlined in the County Integrated Development Plan (CIDP 2023-2027) and the County Annual Development Plan (CADP 2024/25).
2. In adherence to the PFM Act of 2012, the budgetary process aims to improve the efficiency and effectiveness revenue mobilization and government spending to stimulate and sustain economic activities. This approach aims to ensure a high level of service delivery while maintaining manageable levels of pending bills, as articulated in this paper and the 2024 County Fiscal Strategy Paper.
3. Unmet Revenue Targets in revenue collection and increased expenditure pressures in FY 2022/23 had substantial implications for the financial objectives laid out in the 2022 CFSP and the fiscal projections of the 2022/2023 budget. Missed targets in own sources of revenue (OSR), delays in exchequer releases, and partial disbursement of certain conditional grants affected absorption of funds in the FY 2022/23 had repercussions on the financial objectives outlined in the 2022 CFSP.
4. Consequently, the 2023 CBROP presents a revised fiscal outlook, taking into account the revenue performance by the end of June 2023. Notably, heightened political activities, especially in the first quarter of the 2022/23 financial year, may have eroded investor confidence and impacted projected growth. Additionally, several economic shocks stemming from the Ukraine-Russia conflict have significantly contributed to the slowdown in economic activities, higher-than-expected inflation, and the depreciation of major global currencies, thereby affecting economic recovery in the country.

5. The baseline for projecting both revenue and expenditures for FY 2023/24 and the medium term has undergone changes based on the outcomes of FY 2022/23 and the initial two months of FY 2023/24. The annual budget process is geared towards enhancing the efficiency and effectiveness of revenue generation and County Government spending to ensure stimulate economic growth and development. To meet the resource needs of the FY 2023/24 budget and the medium term, the County Government will continue to implement prudent measures aimed at boosting revenue and rationalizing expenditures. In this context, the CBROP sets indicative sector ceilings which will be firmed up by the 2023 CFSP that will guide the budget preparation for FY 2024/25 and the medium term. The sector ceilings are guided by the overall resource envelope that is informed by the macroeconomic and fiscal outlook as presented in this document.
6. Further, this CBROP outlines a fiscal outlook supported by revenue administration measures to promote compliance and foster economic growth. In tandem with revenue reforms, the County Government has curtailed non-priority expenditures, freeing up resources for high-priority projects that have the most significant impact on the residents of Kiambu.
7. With this background in mind, this paper is structured as follows: Section I introduces the paper; Section II reviews the fiscal performance in FY 2022/2023 and its implications for the financial objectives laid out in the County Fiscal Strategy Paper; Section III provides a brief overview of recent economic developments and an updated macroeconomic outlook; Section IV examines the implementation of the FY 2022-2023 Budget; Section V details the resource allocation framework; Section VI encompasses the FY 2024/25 Budget framework, and Section VII offers the conclusion of the paper.

II. REVIEW OF FISCAL PERFORMANCE ON THE FY 2022/2023 BUDGET

Overview

8. The execution of the FY 2022/23 budget proceeded smoothly throughout the fiscal year. The total revenues were Kshs. 16.64 billion, slightly below the revised target of Kshs. 17.66 billion. This represented an overall revenue performance of 94.3 percent against the set target.
9. The actual expenditure for the fiscal year 2022/23 amounted to Kshs. 14.07 billion, compared to the budget estimate of Kshs. 17.66 billion, indicating an absorption rate of 79.7 percent. Under recurrent expenditure, the absorption rate was 95 percent of the total recurrent budget, while the development expenditure was 36 percent of the total development budget.
10. Total revenue exhibited growth, rising from Kshs. 15.14 billion in the 2021/22 financial year to Kshs. 16.64 billion in the 2022/23 financial year, indicating a 10 percent increase in revenue. Notably, Own Source Revenue (OSR) increased by 14.6 percent from Kshs. 3.14 billion in the 2021/22 fiscal year to Kshs. 3.60 billion in the 2022/23 financial year.
11. Due to the missed targets in both revenue and expenditures in the FY 2022/23 budget, the budget was under funded by Kshs. 1.01 billion translating to 5.7 percent.

Table 1: Fiscal Outturn for the FY 2022/23

Fiscal Outturn FY 2022/23 (Kshs.)					
	2021/2022	2022/2023			
	Actual	Actual	Target	Deviation (Target Vs Actual)	Absorption %
Total Revenue	15,141,264,997	16,649,680,378	17,662,040,029	(1,012,359,651)	94.3%
National Government Transfer	11,079,108,463	11,967,789,342	12,145,196,208	(177,406,866)	98.5%
Own Source Revenue	3,149,853,580	3,608,767,153	4,427,321,507	(818,554,354)	81.5%
Adjustment to Cash basis	870,686,826	1,041,432,882	1,041,432,882	-	100.0%
Other County Donors/partners	41,616,128	31,691,000	48,089,432	(16,398,432)	65.9%
Total Expenditure	14,901,227,519	14,072,983,717	17,662,040,029	(3,589,056,312)	79.7%
Recurrent	11,773,496,431	12,422,182,371	13,074,219,419	(652,037,048)	95.0%
Development	3,127,731,088	1,650,801,346	4,587,820,610	(2,937,019,264)	36.0%

Source: County Treasury

A. FY 2022/2023 Fiscal Performance

Revenue Performance

12. The total revenue for the year under review was Kshs. 16.64 billion, which constituted 94 percent of the annual target of Kshs. 17.66 billion. This marked a slight increase of 10 percent compared to the previous fiscal year, FY 2021/22, which amounted to Kshs. 15.14 billion.
13. The main source of revenue for the County Governments in the FY 2022/2023 was Equitable Share of Kshs. 11.71 billion accounting for 70.5 percent of the total County revenue. During the same period, additional allocations to the County Governments from the National Government's share of revenue as well as from proceeds of loans and grants was Kshs.250.26 million which accounted for 1.5 percent of the budgeted revenue while own source revenue was Kshs. 3.60 billion translating to 21.6 percent of the budgeted revenue. Other revenues of Kshs 1.073 billion accounted for 6.4 percent of the total revenues.

Table 2: Revenue Performance in Financial Year 2022/23

REVENUE PERFORMANCE FY 2022/2023 (KShs.)						
		FY 2021/22	FY 2022/2023			Actual to Target %
		Actual	Actual	Target	Deviation Kshs	
	Total Revenue from National Government	11,079,108,463	11,967,789,342	12,145,196,208	(177,406,866)	99%
A	EQUITABLE SHARE	10,780,123,663	11,717,525,720	11,717,525,720	-	100%
B	Conditional grant-loans and grants	298,984,800	250,263,622	427,670,488	(177,406,866)	59%
	IDA (World Bank) credit - Transforming Health Systems for Universal Care Project	8,735,717		-	-	0%
	IDA (World Bank) credit - Kenya Devolution Support Project (KDSP) - Level II	73,731,600		-	-	0%
	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)	-	8,312,711	8,312,712	(1)	100%
	DANIDA Grant - Universal Healthcare for Devolved System Program	10,368,041	30,420,709	40,869,334	(10,448,625)	74%
	Sweden- Agricultural Sector Development Support Programme (ASDSP II)	3,000,000	23,255,565	23,255,565	-	100%
	World Bank Credit - National Agricultural & Rural Inclusive Growth Project (NAGRIP)	203,149,442	69,625,000	222,775,969	(153,150,969)	31%
	World Bank credit: Kenya Informal Settlement Improvement Project (KISIP II)	-	40,456,908	40,456,908	-	100%
	IDA(World bank) FLoLoCA- County climate institutional support (CCIS) Grant	-	11,000,000	22,000,000	(11,000,000)	50%
	IDA(World bank) National agricultural Value Chain development Project (KCSAP)	-	67,192,729	70,000,000	(2,807,271)	96%
C	Own Source Revenue	3,149,853,580	3,608,767,153	4,427,321,507	(818,554,354)	82%
D	Other Revenue	912,302,954	1,073,123,882	1,089,522,314	(16,398,432)	98%
	Adjustment to cash Basis(including June 2022 exchequer Kshs. 937,402,057 and opening Fund Balances of Kshs. 104,030,825	870,686,826	1,041,432,882	1,041,432,882	-	100%
	MSF BELGIUM	37,066,728	31,691,000	34,438,832	(2,747,832)	92%
	Nutrition International	4,549,400	-	13,650,600	-	0%
	TOTAL	15,141,264,997	16,649,680,377	17,662,040,029	(1,012,359,652)	94%

Source: County Treasury

Equitable Share

14. As provided for under the County Allocation of Revenue Act, 2022 (CARA), Kiambu County Government was allocated Kshs 11.71 billion for FY 2022/23 which was disbursed to the County Revenue Fund by 30th June 2023. Further, Kshs.937.4 million which was a delayed disbursement of June 2022 exchequer was remitted to the County Revenue Fund during the Financial Year under review FY 2022/23.

Conditional Grants

15. The actual conditional grant received during the financial year was Kshs. 250.2 million, representing 59 percent of the annual target of Kshs. 427.6 million.

16. The table below summarizes the revenue from the conditional Grants for the period under review.

Table 3: Revenue from the Conditional Grant for the FY 2022/23

CONDITIONAL GRANTS PERFORMANCE FY 2022/2023 (KShs.)				
	FY 2021/22	FY 2022/23		
	Actual	Actual	Target	Deviation
Conditional grant-loans and grants	298,984,800	250,263,622	427,670,488	(177,406,866)
IDA (World Bank) credit - Transforming Health Systems for Universal Care Project	8,735,717		-	-
IDA (World Bank) credit - Kenya Devolution Support Project (KDSP) - Level II	73,731,600		-	-
IDA (World Bank) credit - Kenya Urban Support Project (KUSP)	-	8,312,711	8,312,712	(1)
DANIDA Grant - Universal Healthcare for Devolved System Program	10,368,041	30,420,709	40,869,334	(10,448,625)
Sweden- Agricultural Sector Development Support Programme (ASDSP II)	3,000,000	23,255,565	23,255,565	-
World Bank Credit - National Agricultural & Rural Inclusive Growth Project (NAGRIP)	203,149,442	69,625,000	222,775,969	(153,150,969)
World Bank credit: Kenya Informal Settlement Improvement Project (KISIP II)	-	40,456,908	40,456,908	-
IDA(World bank) FLLoCA- County climate institutional support (CCIS) Grant	-	11,000,000	22,000,000	(11,000,000)
IDA(World bank) National agricultural Value Chain development Project (KCSAP)	-	67,192,729	70,000,000	(2,807,271)

Source: County Treasury

County Own Source Revenue Performance

17. The County Government realized Kshs. 3.60 billion in Own Source Revenue (OSR) during the financial year, which was 82 percent of the annual target of Kshs. 4.42 billion. This signifies a notable increase of 15 percent compared to the Kshs. 3.14 billion generated during a similar period in FY 2021/22. The growth in OSR can be attributed to the county treasury's aggressive revenue enhancement strategies and the relatively stable political environment, despite the challenging macroeconomic conditions. These measures included the implementation of an integrated revenue management system to curb revenue leakages, the mapping of revenue streams, training of the revenue officers in order to capacity build the revenue staff, and the establishment of a robust and disciplined enforcement team.
18. Among the various revenue streams, certain categories stood out with impressive collections: **Health Services:** Generated Kshs. 1.18 Billion, surpassing 118 percent of the set target, **Physical Planning Unit:** Achieved Kshs. 673.5 Million, reaching

64.3 percent of the set target, **Land Rates Unit:** Contributed Kshs. 391.2 million, reaching 66.2 percent of the set target, **Business Permit Unit:** Earned Kshs. 351.9 million, exceeding 115.2 percent of the set target, **Vehicle Management Unit:** Brought in Kshs. 334.3 million, achieving 87.8 percent of the set target.

19. Notably, there was substantial growth across majority of the revenue streams as compared to the previous financial year, 2021/2022. This growth can be attributed to the revenue strategies indicated above improved enforcement and more effective administration of revenue streams. Further, coordination of revenue collection at the sub-county level by a dedicated team had a positive impact on revenue collection in their respective streams.

Table 4: Own Source Revenue FY 2022/2023

Performance of the Own Source Revenue						
OSR STREAMS	FY 2020/2021	FY 2021/2022	FY 2022-2023			
	ACTUAL	ACTUAL	ACTUAL	TARGET	VARIANCE	Actual to Target %
Agriculture Livestock & Fisheries Management Unit	2,435,532	3,128,053	44,754,778	69,628,204	24,873,426	64.3%
Physical Planning Management Unit	618,545,946	634,319,888	673,562,111	1,048,063,855	(374,501,744)	64.3%
Business Permit Management Unit	244,995,000	249,817,482	351,943,207	305,567,452	46,375,755	115.2%
Cess Management Unit	127,316,008	92,137,523	69,083,883	148,032,634	(78,948,751)	46.7%
Education Culture ICT & Social Services Unit	344,500	231,500	586,000	29,700	556,300	1973.1%
Health Services Management Unit	670,847,454	1,106,728,631	1,182,161,856	1,001,798,980	180,362,876	118.0%
Public health	-	-	166,788,049	200,000,000	(33,211,951)	83.4%
Housing Management Unit	27,201,382	18,501,521	22,431,374	27,478,865	(5,047,491)	81.6%
Land Rates Management Unit	292,531,794	353,175,454	391,204,532	590,589,714	(199,385,182)	66.2%
Market Management Unit	11,038,680	6,688,473	8,789,222	55,043,525	(46,254,303)	16.0%
Administration	8,682,656	14,226,075	4,346,407	-	4,346,407	0.0%
Roads Transport Public Works Management Unit	64,406,580	65,556,232	82,816,080	81,466,821	1,349,259	101.7%
Slaughterhouse Management Unit	42,376,068	32,551,886	-	-	-	0.0%
Trade Tourism Industry & Cooperatives Unit	4,541,662	4,733,717	6,317,626	5,500,000	817,626	114.9%
Vehicle Parking Management Unit	164,055,999	286,712,501	334,347,143	380,731,615	(293,052,285)	87.8%
Water Environment & Natural Resources Mgt Unit	82,913,868	69,096,418	87,679,330	79,708,962	53,820,875	110.0%
liquor management unit	30,640,719	212,248,226	133,529,837	433,681,180	(385,255,462)	30.8%
Miscellaneous Receipts	-	-	48,425,718	-	3,608,767,153	0.0%
Total for OSR	2,392,873,848	3,149,853,580	3,608,767,153	4,427,321,507	(1,103,154,645)	81.5%

Source: County Treasury

Other Revenues

20. The County Government had budgeted for Kshs 1.089 billion as revenue from other sources. This amount comprised of unspent balances from the previous financial year of Kshs. 1.04 billion, Kshs 13.65 million from Nutritional international and Kshs 34.43 million from MSF Belgium grant intended to support drug and substance rehabilitation programs at Karuri level 4 hospital.

The actual receipts for this revenue category were Kshs. 1.073 billion as shown the table below.

Table 5: Performance of other revenues

OTHER REVENUE PERFORMANCE FY 2022/2023 (KShs.)					
	FY 2021/22	FY 2022/2023			Actual to Target %
	Actual	Actual	Target	Deviation Kshs	
Other Revenue	912,302,954	1,073,123,882	1,089,522,314	-16,398,432	98%
Adjustment to cash Basis(including June 2022 delayed exchequer Kshs. 937,402,057 and opening Fund Balances of Kshs. 104,030,825	870,686,826	1,041,432,882	1,041,432,882	-	100%
MSF BELGIUM	37,066,728	31,691,000	34,438,832	-2,747,832	92%
Nutrition International	4,549,400	-	13,650,600	-	0%

Source: County Treasury

COUNTY EXPENDITURE PERFORMANCE

Comprehensive Expenditure Review

21. In the fiscal year 2022/23, the County Government's approved first supplementary budget amounted to Kshs. 17.66 billion. This budget was divided into Kshs. 4.58 billion (26 percent) allocated to development programs and Kshs. 13.07 billion (74 percent) designated for recurrent programs.

22. During the period under review, Kshs. 12.88 billion was requisitioned and approved by the Office of the Controller of Budget (OCoB) for use. Kshs. 1.21 billion was requisitioned under development expenditure and Kshs. 11.66 billion was requisitioned under recurrent expenditure. An additional expenditure of Kshs. 1.182 billion under FIF was spent which constituted Kshs. 748.4 million and 433.7 million as recurrent and development expenditure respectively. The absorption rate for development programs of Kshs 12.42 billion stood at 26.5 percent of the annual recurrent budget, while development expenditure of Kshs. 1.65 accounted for 36 percent of the annual development expenditure budget.

Recurrent Expenditure

23. The County Government's recurrent expenditure was Kshs. 12.42 billion, equivalent to 95 percent of the revised recurrent budget of Kshs. 13.07 billion. This resulted in a deviation of Kshs. 652 million from the approved recurrent budget. The decline was primarily due to unrealized projected revenues, particularly shortfalls in OSR and unremitted conditional grant by the National Government .

24. Under recurrent expenditure, the Departments of health Services; Education, Culture & Social Services; Roads Transport & Public works achieved the highest absorption rates, recording 99.8 percent, 97.8 percent and 97.6 percent respectively.

Expenditure on Personnel Emoluments

25. The total expenditure on Personnel emolument was Kshs 8.3 billion which accounted for 59 percent of the total expenditure. Under County Executive, Personnel emoluments (PE) amounting to Kshs. 7.85 billion was paid while Kshs. 514.02 million was expended by the County Assembly for the period under review.

Development Expenditure

26. The total development expenditure for FY 2022/23 was Kshs. 1.65 billion, which was 36 percent of the revised development budgetary allocation of Kshs. 4.58 billion.

27. The departments of Agriculture, livestock & Fisheries recorded the highest absorption at 76.1 percent; Health Services recorded absorption of 73.4 percent while the departments of Trade Tourism, Industry & Co-operative Development; Youth and Sports recorded the lowest development absorption rates. The table below summarizes Budget Absorption per Department FY 2022/2023 during the reporting period.

Table 6: Budget Absorption per Department FY 2022/2023

Budget Absorption per Department FY 2022-2023 (Kshs)					
Vote	Department	Approved Budget (AB)	Actual Expenditure (AE)	Deviation (AB-AE)	Absorption (AE/AB)%
	Recurrent	Amount	Amount	Amount	%
4061	County Assembly	1,528,012,830	1,182,034,133	(345,978,697)	77.4%
4062	County Executive	341,580,991	300,452,107	(41,128,884)	88.0%
4063	County Public Service Board	78,096,211	68,962,395	(9,133,816)	88.3%
4064	Finance Economic Planning & ICT	2,101,996,028	2,010,207,015	(91,789,013)	95.6%
4065	Administration & Public Service	835,988,341	811,052,083	(24,936,258)	97.0%
4066	Agriculture, Crop Irrigation & Marketing	453,291,686	423,160,518	(30,131,168)	93.4%
4067	Water, Environment & Natural Resources	373,523,466	362,093,381	(11,430,085)	96.9%
4068	Health Services	5,371,557,842	5,361,319,828	(10,238,014)	99.8%
4069	Education, Culture, Youth, Sports & Social Services	1,071,202,219	1,047,161,771	(24,040,448)	97.8%
4070	Youth and Sports	126,576,514	117,918,888	(8,657,626)	93.2%
4071	Lands, Physical Planning & Housing	252,135,610	227,321,169	(24,814,441)	90.2%
4072	Trade, Tourism, Industry & Co-Operative	145,502,334	125,142,047	(20,360,287)	86.0%
4073	Roads, Transport & Public Works	394,755,347	385,357,036	(9,398,311)	97.6%
	TOTAL	13,074,219,419	12,422,182,371	(652,037,048)	95.0%
	Development				
4061	County Assembly	100,000,000	0	(100,000,000)	0.0%
4062	County Executive	-	-	-	-
4063	County Public Service Board	-	-	-	-
4064	Finance & Economic Planning	158,762,592	23,331,673	(135,430,919)	14.7%
4065	Administration & Public Service	31,000,000	8,107,832	(22,892,168)	26.2%
4066	Agriculture, Crop Irrigation & Marketing	855,527,906	650,743,590	(204,784,316)	76.1%
4067	Water, Environment & Natural Resources	310,580,000	73,658,672	(236,921,328)	23.7%
4068	Health Services	621,636,481	456,147,572	(165,488,909)	73.4%
4069	Education, Culture, Youth, Sports & Social Services	268,007,975	66,470,344	(201,537,631)	24.8%
4070	Youth and Sports	175,538,853	-	(175,538,853)	0.0%
4071	Lands, Physical Planning & Housing	241,293,664	53,229,847	(188,063,817)	22.1%
4072	Trade, Tourism, Industry & Co-Operative	386,098,578	16,504,561	(369,594,017)	4.3%
4073	Roads, Transport & Public Works	1,439,374,561	302,607,255	(1,136,767,306)	21.0%
	TOTAL	4,587,820,610	1,650,801,346	(2,937,019,264)	36.0%
	Total Budget Recurrent+Expenditure	17,662,040,029	14,072,983,717	(3,589,056,312)	79.68%

Source: County Treasury

County Established Funds

28. Section 116 of the PFM Act, 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Ksh.603.30 million to county established funds in FY 2022/23, constituting 3 per cent of the County's overall budget for the year. Actual expenditure during the financial year under review was Kshs. 294.16 million 2022/2023. The table below summarizes each established Fund's budget allocation and performance during the reporting period.

Table 7: Performance of County Established Funds

County Established Fund performance As at 30th June 2023 (Kshs.)				
Vote	Name of the Fund	Approved Budget Allocation	Actual Transfer	% Absorpti on
		Amount	Amount	%
4061	Kiambu County Assembly Car loan & Mortgage scheme fund	237,000,000	49,000,000	20.7%
4061	Kiambu County Assembly Staff Mortgage Scheme Fund	50,000,000	-	0.0%
4062	Kiambu County Executive Car Loan & Mortgage Scheme Fund	5,000,000	5,000,000	100.0%
4064	Kiambu County Emergency Fund	30,000,000	15,000,000	50.0%
4065	Kiambu County Alcoholic Drinks Control Fund	31,300,000	25,161,500	80.4%
4069	Kiambu County Education Bursary Fund	200,000,000	200,000,000	100.0%
4070	Kiambu County Jiinue Fund	50,000,000	-	0.0%
	Total	603,300,000	294,161,500	41%

Source: County Treasury

PENDING BILL

29. As of June 30, 2023, the County Government had an outstanding pending bill of Kshs. 5.83 billion. Notably, out of Kshs. 5.83 billion reported as the total pending bill, an amount of Kshs. 1.9 billion translating to 33 percent of the total pending bills constituting of un-transferred FIF emanating from prior financial years under the Department of Health Services.

30. In the fiscal year 2023/24, the County Government has allocated Kshs. 1.25 billion in the approved budget estimates to address pending bills, covering both recurrent and development expenditures. Specifically, Kshs. 293.6 million has been allocated from the recurrent budget for this purpose, with an additional Kshs. 956.8 million allocated from the development budget. This allocation represents an improvement compared to the previous fiscal year 2021/2022, where Kshs. 1.16 billion was allocated, with Kshs. 280 million assigned to the recurrent budget and Kshs. 880 million to the development budget.

31. On April 6, 2023, the County Government committed to pay Kshs. 25 million towards settling of pending bills through a letter to the Office of the Controller of Budget. It is important to note that during the year under review, the County accumulated pending bills amounting to only Kshs. 138.10 million.

32. Despite accumulating Kshs 138.10 million in pending bills, the County Government made payments of Kshs. 641.7 million in the year under review. The breakdown of the outstanding pending bills as at June 30, 2023, was as follows: Kshs. 3.85 billion owed to external suppliers, Kshs. 2.98 million in staff payables, and Kshs. 1.98 billion facility improvement funds not transferred by previous administrations.
33. In order to prudently manage fiscal risk, the County Government, under the new administration, has implemented stringent spending measures, contingent to the availability of funds and alignment with the approved budget estimates.
34. The County Government is committed to maintaining pending bills at a sustainable level, as an excessively large outstanding bill negatively impacts service delivery to the residents of Kiambu County, diverting a significant portion of development funds to bill settlements. This goal can be achieved by reducing county expenditures and exploring strategies to augment available resources, thereby preventing budgetary deficits.
35. Additionally, it is advisable that the National Government considers increasing the shareable revenues allocated to the counties especially Kiambu County considering the huge responsibility it holds more specifically provision of health and urban services owing to the huge population attributed by its close proximity to Nairobi City County.

Table below provides a summary of the pending bills owed by the county government as of June 30, 2023.

Table 8: Summary of pending bills as at 30th June 2023

PENDING BILLS REPORT AS AT 30th June 2023				
Vote	Department	Recurrent	Development	Totals
4062	County Executive	154,950,118	0	154,950,118
4063	County Public Service Board	16,850,855	0	16,850,855
4064	Finance Economic Planning & ICT	842,624,243	8,401,866	851,026,109
4065	Administration & Public Service	17,101,110	64,826,760	81,927,869
4066	Agriculture, Crop Irrigation & Marketing	28,808,667	70,458,684	99,267,350
4067	Water, Environment & Natural Resources	48,569,010	110,868,594	159,437,603
4068	Health Services	2,123,830,216	109,852,631	2,233,682,847
4069	Education, Culture, Youth, Sports & Social Services	39,712,919	46,885,398	86,598,317
4070	Youth and Sports	40,356,757	16,694,311	57,051,068
4071	Lands, Physical Planning & Housing	34,934,477	17,373,314	52,307,791
4072	Trade, Tourism, Industry & Co-Operative	15,146,659	108,299,144	123,445,803
4073	Roads, Transport & Public Works	85,993,581	1,833,152,995	1,919,146,576
	GRAND TOTAL PENDING BILLS	3,448,878,610	2,386,813,696	5,835,692,306

Source: County Treasury

Fiscal Performance for the Financial Year 2022/23 with Regard to Fiscal Responsibilities Principles and the Financial Objectives

36. In accordance with the Constitution, the Public Finance Management (PFM) Act of 2012, the PFM Regulations of 2015, and as part of its commitment to responsible and transparent management of public funds, the County Government has largely adhered to the fiscal responsibility principles, as follows:

Allocation on Compensation of Employees

37. Regulation 25(1) (b) of the PFM (County Governments) Regulations, 2015, provides that a County Government's spending on wages and benefits for its public officers should not surpass thirty-five percent (35%) of the County Government's total revenue. During the financial year under review, the County Government's total

expenditure on employee wages and benefits amounted to Kshs. 8.3 billion, which translates to 49.8 percent of the annual realized revenue of Kshs. 16.64 billion.

38. Since the inception of devolution, counties have faced significant challenges in adhering to this wage bill ceiling requirement, primarily due to external factors. These factors include nationwide Collective Bargaining Agreements (CBAs) that counties are obligated to implement without additional financial provisions, such as the CBAs for nurses and doctors, which have strained the County Government's financial resources. Additionally, counties inherited large workforces from devolved units, particularly in the health sector and defunct local authorities. Furthermore, inadequate resource allocations from the national government to counties and periodic salary reviews by the Salaries and Remuneration Commission (SRC) have contributed to the ongoing rise in the wage bill.
39. Going forward, the County Government is committed to reducing the proportion of expenditure on wages to free up more resources for development activities in compliance with legal requirements. Strategies to achieve this goal include streamlining the public service, negotiations with the National Government through the Council of Governors and the Intergovernmental Budget and Economic Forum (IBEC) to secure additional resources for counties, and putting in more efforts to enhance Own Source Revenue (OSR) mobilization.

Allocation on Development Expenditures

40. Section 107(b) of the PFM Act 2012 provides County Governments to allocate a minimum of 30% of their annual budget towards development expenditure over the medium term. During the financial year 2022/2023, the budget allocation for development expenditure was Kshs. 4.58 billion, constituting 26 percent of the revised total county budget. In the printed budget estimates for the Financial Year 2022/23, the County had adhered to the legal requirement of allocating at least 30 percent of the total budget towards the development expenditure. However, the supplementary 1 budget estimates which factored in the unspent balances from the previous financial year reduced the allocation of development expenditure to 26 percent as a result of allocating the unspent balances from previous year which

majorly constituted non-discretionary recurrent expenditure. In the current financial year, the County Government has adhered to this fiscal responsibility by allocating 33.7 percent of the total budget towards development expenditure.

41. To meet mandated development expenditure levels, the County Government intends to reduce recurrent expenditure and enhance revenue collection, thus creating more fiscal room for investments in development projects. It is important to note that missing revenue targets can hinder the absorption of development expenditure, as most recurrent expenses are non-discretionary and cannot be delayed.

42. Additionally, the low absorption of capital expenditure can be attributed to several factors including; delayed release of funds from the National Treasury, underperformance in Own Source Revenue (OSR) collection, failure to receive some conditional grants for development projects and lengthy procurement processes. Furthermore, the County faced challenges related to pending bills, which made it difficult to attract reliable vendors and suppliers for timely delivery of goods and services, leading to project implementation delays.

Recurrent Expenditure to Total County Revenue

43. On the principle of total recurrent expenditure not exceeding total revenue, the County Government's actual recurrent expenditure of Kshs. 11.71 billion did not exceed the County Government's total revenue of Kshs. 16.64 billion hence the County has complied with the fiscal responsibility principle.

Borrowing of Funds

44. The County Government did not borrow any funds during the financial year.

Degree of predictability on tax rates and tax bases

45. On the principle of maintaining a reasonable degree of predictability with respect to the level of land rates and revenue bases, the County Government continues to carry out revenue reforms and amendments by revising its fees and charges through the proposed 2023 Finance bill.

46. The fiscal performance was generally satisfactory in both recurrent and development in the revised budget estimates.

Fiscal Performance for the FY 2022/2023 in Relation to Financial Objectives

47. The fiscal performance in FY 2022/23 aligns closely with the financial objectives outlined in the PFM Act of 2012. During the year under review, the performance of all revenue sources fell short of the target, resulting in a budgetary deficit of Kshs. 1.03 billion. To address this shortfall, a robust strategy for revenue mobilization will be necessary for FY 2023/24 and the medium term.
48. The overall Own Source Revenue (OSR) projections has further been adjusted upwards to meet the targets specified in the 2023 CFSP. Adjustments to revenue targets from the National Government have also been aligned with the County Allocation of Revenue Act (CARA) 2023 and the County Government Additional Allocation Bill, 2023.
49. On OSR, a study on Comprehensive Own Source Revenue and Tax Gap conducted by the CRA with support from the World Bank in June 2022 indicated that the county has the potential to collect Kshs. 13.9 billion. In the FY 2022/23, the County raised Kshs. 3.6 billion as Own Source Revenue, which represented 81.5 percent of the annual OSR target. This marked an improvement of Kshs. 458.9 million compared to the Kshs. 3.14 billion raised in the similar period of FY 2021/22. The OSR collection for FY 2022/23 was the highest among the previous financial years for the same period, indicating that the County can significantly increase its own-source revenue by over 100% with intensified efforts. In 2023 CFSP, the county has projected to collect Kshs. 7.98 billion as Own Source Revenue (OSR).
50. Given the upward revenue projections in the 2023 CFSP, the overall resource envelope has undergone significant changes compared to the 2023 Budget Policy Statement (BPS) position. Consequently, the baseline expenditure ceilings for County departments have also been adjusted in line with the 2023 CFSP. These adjustments reflect shifts in priorities across departments, including one-off expenditures.

51. The under-spending observed in both the recurrent and development budgets for FY 2022/23 can be attributed to various factors including; delayed fund disbursements from the National Treasury, underperformance in OSR collection, non-receipt of certain conditional grants for development projects, lengthy procurement processes, and challenges related to pending bills which made it challenging to attract reliable vendors and suppliers for timely delivery of goods and services, resulting in project implementation delays. It is important to note that 70 percent of the exchequer receipts were received at the County Revenue Fund in the last quarter of the financial year. This greatly affected absorption of funds. Concurrently, Ifmis operations were closed by the 15th of June 2023 posing a challenge of processing payments.
52. The County Government intends to implement appropriate measures to enhance resource absorption and will embark on an aggressive campaign to mobilize OSR during the financial year to ensure full funding of the budget.

III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Global Economic Performance

53. This County Budget Review and Outlook paper is prepared against an improving economic outlook albeit a slow growth recovery among economic sectors and regions and the Ukraine- Russian conflict. These economic shocks have largely contributed to the slow growth of the economic activities, high inflation and weakening of the global currencies.
54. The World real GDP growth decelerated to 3.5 percent in 2022 from 6.3 percent in 2021. This was as a result of high global inflation, energy and value chain disruptions, and impact of monetary policy tightening in most world economies that weighed on economic activity. The growth is projected to slow down to 3.0 percent in 2023 and 2024 due to the impact of ongoing monetary policy tightening to address inflationary pressures. Global inflationary pressures have responded to policy tightening but inflation exceeds central bank targets in most countries. The conflict in Ukraine, volatility in the global oil prices and extreme weather related shocks have intensified thus constraining the global economic outlook.
55. The slowdown in growth was experienced in both the Advanced Economies and Emerging Markets and Developing Economies. The growth of Advanced Economies slowed down to 2.7 percent in 2022 from 5.4 percent in 2021 while the growth of Emerging Markets and Developing Economies declined to 4.0 percent in 2022 from 6.8 percent in 2021. The growth of Advanced Economies is further projected to slow down in 2023 and 2024 while the growth of Emerging Markets and Developing Economies stabilizes during the same period. The slowdown in growth was attributed to aggressive monetary policy tightening in advanced economies that have increased concerns about escalating financial markets uncertainty, particularly persistent high interest rates and vulnerability of the banking sector. Sub-Saharan Africa's economy grew by 3.9 per cent in 2022 compared to a growth of 4.7 per cent in 2021 on account of a decline in household consumption and private investment resulting from rising global inflation and tightened monetary policies. The region

economic growth is projected to slow down to 3.5 percent in 2023 before picking up to 4.1 percent in 2024.

Domestic Economic Performance

56. The performance of the Kenyan economy majorly depends on the economic activities being carried out in the Country. The economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021. However, the economy demonstrated resilience in the face of severe multiple 32 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.
57. The real GDP growth was at 5.3 percent in the first quarter of 2023 mainly due to recovery in the agricultural activities. Agriculture, being the largest sector of the economy that employs the largest proportion of the population, expanded by 5.8% in the first quarter, after four consecutive quarters of decline, amid favorable weather conditions and the impact of fertilizer and seed subsidies provided to the farmers by the Government, that led to enhanced production, especially food crops. The performance was evident in the significant increase in export of vegetables and fruits recorded during the quarter in review. The services sector activities also remained strong in the first quarter of 2023 growing by 6.0 percent largely characterized by significant growths in accommodation and food Service; information and communication technology; transportation and storage; financial and insurance; and wholesale and retail trade sub-sectors.
58. Available economic indicators in the first three quarters of 2023 remain strong with the continued recovery in the agricultural sector and sustained performance of the services sector. Considering the above, economic growth is projected at 5.5 percent in 2023 and 5.7 percent in 2024 supported by Bottom-Up Economic Transformation Agenda (BETA) aspirations namely broad-based private sector growth and sustained government investment in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials). Additionally, public sector investments in

infrastructure and implementation of prudent fiscal and monetary policies will continue to support economic activities.

59. Food inflation remained the dominant driver of overall inflation in August 2023 since Kenya relies on food imports that are likely to be affected by the global inflation and weakening of global currencies. The economy recorded the overall year-on-year inflation rate of 6.7 percent in August 2023 from 8.5 percent recorded in August 2022 which largely reflects the easing of food prices and impact of monetary policy tightening. The rate was within the government target range of 5 +/-2.5 percent. During the period under review, all sectors in the economy continued to record general increases in prices. Fuel inflation remained high as a result of high energy prices and increased from 8.6 percent in August 2022 to 14.2 percent in August 2023. The increase reflects gradual withdrawal of the fuel subsidy from September 2022 and the upward adjustment of electricity tariff from April 2023. In addition, the upward adjustment of VAT on petroleum products in July 2023 from 8.0 percent to 16.0 percent 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).
60. In June 2023, the overall balance of payments recorded a surplus of USD 1,113.5 million (1.1 percent of GDP) from a surplus of USD 1,555.5 million (1.4 percent of GDP) in June 2022. The current account balance narrowed by 20.6 percent to US\$ 4,629.4 million (4.4 percent of GDP) in June 2023 from US\$5,833.9 million (5.1 percent of GDP) in June 2022, reflecting lower imports, strong performance of export of goods and services as well as increased remittances. Improvement in trade and the continued recovery in tourism continues to boost export revenues in 2023.
61. The global economic uncertainty regarding the ongoing Russian-Ukraine conflict and the increase in interest rates in advanced economies in response to inflationary pressures exerted pressure on the Kenyan foreign exchange market thus affecting the exchange rate. The Kenya shilling to the US dollar exchanged at Ksh 143.9 in August 2023 compared to Ksh 119.5 in August 2022. Over the same period, the Kenyan Shilling depreciated against other major international currencies. The Euro

exchanged at Ksh 157.4 in September 2023 compared to Ksh. 121.0 in August 2022 while the Sterling Pound exchanged at Ksh 182.8 in September 2023 compared to Ksh 143.5 in August 2022. The stability of Kenyan shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports receipts.

62. The interbank rate increased to 12.5 percent in August 2023 compared to 5.4 percent in August 2022 due to the tightening of the monetary policy stance to anchor inflation expectations was still transmitting in the economy due to the elevated risks to the inflation outlook as a result of increased global commodity prices, energy and supply chain disruptions. Commercial banks average lending and deposit rates increased in the year to June 2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 13.3 percent in June 2023 from 12.3 percent in June 2022 while the average deposit rate increased to 7.8 percent from 6.6 percent over the same period.
63. The 91-day Treasury Bills rate increased to 13.4 percent in August 2023 compared to 8.6 percent over the same period. Equally, the 182-day Treasury Bills rate increased to 13.4 percent in August 2023 from 9.5 percent in August 2022 while the 364-day rate also increased to 13.6 percent from 9.9 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.
64. The activity in the capital markets slowed down in August 2023 compared to August 2022 due to the outflow of investors as advanced economies tightened their monetary policy amid inflationary pressures. The NSE 20 Share Index declined to 1,540 points in August 2023 compared to 1,751 points in August 2022 while Market capitalization declined to KSh 1,545 billion from KSh 2,142 billion over the same period.

Implication of Macroeconomic Indicators on County Performance

65. Macroeconomic outlook and performance of both global and domestic economy has a great influence on the performance of the County. The uncertainties in the global economic outlook could result in high commodity prices leading to inflationary pressures and slowdown of both global and domestic economic recovery. High

international commodity prices also pose a risk to global and domestic inflation outcomes which could lead to tightening of financial conditions. Significant risks to financial flows and pressures on the exchange rate due to continued strengthening of US dollar against other global currencies arising from monetary policy tightening, further has implications to economic growth and inflation. Equally, the high inflation and weakening of the Kenyan shilling against other global currencies has a spillover effect on the County's performance as it erodes the purchasing power of investors and suppliers. This further affects implementation of the priority programmes and projects in the county resulting in slowed economic growth. The County should therefore formulate and implement sound and prudent policies to achieve its development agenda.

66. Agriculture remains the predominant economic activity in the County that employ the largest proportion of population. Agricultural production and productivity is adversely affected by unpredictable weather conditions caused by impacts of climate change. The County has also experienced low agricultural productivity due to high cost of farm inputs thus affecting the realization of food security. Consequently, the County should have plans to subsidize farm inputs, promote value addition and develop sound infrastructure while setting development strategies and priorities aimed at employment creation and improved livelihood.
67. The low and stable interest rates are motivating factors for people to spend and invest in the country. Similarly, easing of global financing conditions and lower international fuel and food prices will strengthen Kenya's external balances. This will be reinforced by faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation.
68. Going forward, the County will enhance stable macroeconomic conditions that will build investors' confidence to borrow and invest thus resulting in increased investments and savings; creation of job opportunities and self-sustainability for the citizens. This is achieved through optimal coordination of monetary and fiscal policies thereby promoting economic growth as well as implementation of strategic

priorities in the County. The County development agenda will be guided by the five pillars namely Governance; People; Resources; Competitiveness and Harmony as enumerated by the Governors manifesto. Priority will be given to sectors implementing the nine value chains and the Bottom-Up Economic Transformation Agenda (BETA).

IV. IMPLEMENTATION OF THE FY 2023/24 BUDGET

69. The implementation of the FY 2023/24 Budget has started off positively, with early indicators in the two months suggesting that the year-end revenue target is likely to be met. This performance, combined with the strong revenue collection outcome in FY 2022/23, demonstrates that the revenue projections for FY 2023/24 are realistic and provide a solid foundation for supporting the expenditure estimates in FY 2023/24 and the Medium-Term Budget. This confidence in revenue projections and expenditure estimates has led to the retention of the figures as approved by the County Assembly in June 2023, aligning with the 2023 County Fiscal Strategy Paper.
70. The County's approved budget for FY 2023/24 stands at Kshs. 21.57 billion, comprising Kshs. 14.29 billion (66.3 percent) allocated for recurrent expenses and Kshs. 7.27 billion (33.7 percent) earmarked for development projects. To fund this budget, the County anticipates receiving Kshs. 12.22 billion (56.68 percent) as an equitable share of nationally raised revenue, Kshs. 1.32 billion (6.16 percent) in conditional grants from development partners, Kshs. 35.5 million (0.16 percent) from other County Donors/partners, and raise Kshs. 7.98 billion (37.0 percent) from its own revenue sources.
71. The initial stages of revenue collection for FY 2023/24 have been sluggish, primarily due to the impact of elevated fuel and food prices on the cost of living and the overall economy. Nonetheless, we hold a positive outlook and anticipate an improvement in revenue performance as the financial year advances. Total Revenue available to the County as at 31st August, 2023 was Kshs. 4.21 billion which comprised Own Source of revenue of Kshs. 0.59 billion, exchequer issue from National Government of Kshs. 1.039 billion and unspent Balances brought forward from FY 2022/2023 of Kshs. 2.579 billion.
72. As of August 31, 2023, the total expenditure amounted to Kshs. 1.98 billion, a significant increase compared to the Kshs. 821 million spent during the same period in the previous fiscal year. This expenditure is broken down into Kshs. 1.9 billion for recurrent expenses and Kshs. 86.4 million for development projects. any delays in fund disbursement or revenue flows adversely affects development expenditures.

73. The County is committed to further improving public finance management systems across all levels. This effort aims to enhance efficiency, elevate service delivery standards, prevent financial leakages, and boost overall productivity

Adjustments to the FY 2023/2024 Budget

74. The unmet revenue collection in the FY 2022/2023 and delay of release of equitable share as provided in the approved disbursement schedule had implications on the financial objectives outlined in the 2023 CFSP and the 2023/2024 Budget. In particular, the baseline for projecting revenue and expenditures for the FY 2023/2024 and the medium term has changed given the outcome of FY 2022/2023 and the first two months of FY 2023/2024.

75. In light of the above, a supplementary budget estimate has been necessitated to appropriate unspent balances from the previous financial year 2022-2023, align revenues from the National Government with CARA, 2023, the County Government Additional Allocation Act, 2023 and adjust OSR target to reflect realistic targets.

76. The County Treasury has proposed measures in the Finance Bill, 2023 to help expand the revenue base and curb possible revenue leakages. To achieve OSR target, the County will implement revenue enhancement strategies which include; -

- a. Incentivize ratepayers by providing information on 'easy-to-pay-options' such as mobile money and bank transfers to enable them to pay at the comfort of their homes and offices.
- b. Put in place policies, regulations and induct all integrated system (Enterprise Resource Planning -ERP system) to curb loopholes and improve revenue collection efficiency leading to enhanced revenue collection during the FY 2023/24.
- c. Entrench in law measures that require twinning of tax compliance with certain County Government services.
- d. Improvement in service delivery where the County Government will demonstrate linkage between revenue collected and public services delivered to the lowest level of administration.

- e. Develop a legislation on the Revenue Management that will contain enforcement clauses empowering the County to charge and collect fines and penalties,
- f. Committing all accounting officers to be in charge of coordinating revenue streams under their departments by ensuring they meet the set targets,
- g. Implementation of valuation roll to improve revenue collected in the land rates revenue stream
- h. Implementation of a Physical planning system for approval of plans that will be linked with the existing Revenue Collections systems. This will assist in sealing loopholes and avoid loss of revenue
- i. Continuous ring-fencing of hospital collections and NHIF rebates as per the Kiambu County Health Services Act. Health services Facility Improvement Fund and NHIF rebates collection has been on an upward trend in the last few years. With the ongoing reforms and improvement of the health facilities the department is expected to collect Kshs. 2.4 billion in the FY 2023/2024.

77. These reforms are expected to make collection more convenient and increase Own Source Revenue which will help in financing current and future Budgets.

RISKS TO THE 2023/2024 BUDGET IMPLEMENTATION

78. As we assess the potential challenges in executing the fiscal plan for the FY 2023/2024, it becomes evident that several inherent risks need consideration, taking into account the fiscal performance in the preceding FY 2022/2023 and the updated macroeconomic conditions. These risks include:

79. **Unpredictable weather conditions** due to the impact of climate change which could adversely affect agricultural production and result to domestic inflationary pressures and food insecurity.

80. **External Uncertainties:** uncertainties in the global economic outlook stemming from the current geopolitical tension could result in higher commodity prices and slowdown the global economic recovery which could impact on the domestic economy. For our County's budget implementation, this poses a risk because a

substantial portion of our revenue derives from the national government, which could potentially experience revenue reductions.

81. **Unmet Own Source Revenue Targets:** Falling short of our targets for Own Source Revenue (OSR) collection is another fiscal risk we anticipate. Addressing this risk necessitates progressive mitigation measures to align with our county's development objectives. Our efforts to enhance OSR collection include implementing a new integrated revenue management system to curb leaks, providing revenue officers with supervisory skills relevant to revenue collection, and bolstering the capacity of officers involved in revenue monitoring, among other initiatives.
82. **National Government Fund Transfers:** The unpredictability and timeliness of fund transfers from the National Government pose a challenge to our budget's proper execution. The County Government through the Council of Governors and the Intergovernmental Budget and Economic Council will continuously engage the National Treasury to release funds as per the approved disbursement schedule.
83. **Pending Bills Challenge:** The issue of unpaid debts and pending bills remains a substantial fiscal hurdle for our County Government. The impact of these outstanding bills on our ability to deliver efficient services cannot be overstated. To address this challenge, The County Government has accorded top priority to settling all eligible bills within our departmental budgets. Additionally, The County Government has taken measures to mitigate the problem of pending bills which include strict adherence to approved budget spending limits and the establishment of realistic revenue targets.
84. **Wage Bill Overrun:** The County Government continue to grapple with a wage bill that surpasses the recommended threshold of 35 percent, constituting an ongoing risk to our budget framework. The review of salaries by the Salaries and Remuneration Commission (SRC), staff promotions, and the growing demand for technical and critical staff have necessitated the hiring of additional personnel, which is a key contributor to the burgeoning wage bill.

V. RESOURCE ALLOCATION FRAMEWORK

85. The Medium-Term Fiscal Framework (MTEF) for FY 2024/2025 places a strong emphasis on enhancing efficiency and effectiveness in expenditure, as well as improving revenue collection.
86. The County Government will continue to pursue a fiscal consolidation policy which aims at reducing the overall fiscal deficit and pending bill accumulation. The consolidation policy will be supported by enhanced revenue mobilization and rationalization of recurrent expenditure, while enhancing financing for priority capital projects.
87. This strategic approach aims to facilitate economic recovery and the realization of the County's transformative development goals. The County Government will continue to prioritize initiatives that protect livelihoods, generate employment opportunities, revive businesses, and stimulate economic activities. This includes providing essential services, promoting equity, reducing costs by eliminating duplication and inefficiencies, and implementing measures for environmental protection and addressing climate change.
88. To align with these objectives, the indicative budget ceilings will be influenced by the following criteria, guiding the prioritization and final allocation of resources:
- Programs that enhance value chains and align with BETA priorities.
 - Policies made by the County Executive Committee.
 - Alignment of the program with the priorities of the County Integrated Development Plan (CIDP) for 2023-2027.
 - Completion of ongoing projects, addressing stalled projects, and settling verified pending bills.
 - The extent to which a program contributes to job creation and poverty reduction.
 - The program's alignment with the core mandate of the Department.
 - Programs that support efforts to mitigate and adapt to climate change.

- Considerations of cost-effectiveness, efficiency, and sustainability of the program.
- Requirements for advancing and implementing constitutional provisions.

89. These criteria will play a pivotal role in shaping budgetary decisions and resource allocation to effectively achieve the County's developmental goals and fiscal objectives for the specified period.

VI. FY 2024/2025 BUDGET FRAMEWORK

90. The Medium-Term Budget (FY 2024/25- 2026/27) is built upon the County government's dedicated efforts to stimulate and sustain economic activities while positioning the county on a sustainable and inclusive path towards economic growth. This objective will be realized through the diligent implementation of programs detailed in the County Integrated Development Plan (2023-2027).
91. Furthermore, FY 2024/25 and the Medium-Term Budget will strongly prioritize Bottom-up Economic Transformation Agenda (BETA). This agenda is designed to bring about economic revitalization and foster inclusive growth, focusing on increasing investments in at least five key sectors projected to have a significant impact on both the economy and household well-being. These sectors encompass Agricultural Transformation; Micro, Small, and Medium Enterprises (MSMEs); Housing and Settlement; Healthcare; and the development of a Digital Superhighway and Creative Industry.
92. Additionally, the medium-term budget is being formulated in alignment with the Governor's manifesto, which is structured around five core pillars: Governance, people, resources, competitiveness and harmony. These five pillars will also serve as guiding principles for the development plans and the Medium-Term Expenditure Framework (MTEF) budget for the period from 2024/25 to 2026/27, as the administration works toward implementing its ambitious agenda.
93. The budget process involves preparation of key policy documents for approval by the County Executive Committee and County Assembly. In this regard, the following policy documents will require to be prepared and approved within the timeframes outlined in the Public Finance Management Act, 2012 and Regulations, 2015:
- Annual Development Plan (ADP)
 - County Budget Review and Outlook Paper (CBROP)
 - Sector Budget Proposals/Reports;
 - County Fiscal Strategy Paper (CFSP)
 - Programme Based Budget and supporting documents

- The Appropriations Bill
- The Finance Bill

94. To facilitate finalization and approval of the above policy documents and Bills within the stipulated timelines, Accounting Officers are required to strictly undertake the outlined activities in the Budget Calendar within the set timeframes (*Annex IV*).

Revenue Projections

95. The FY 2024/25 resource envelope is projected at Kshs. 22.4 billion constituting: Kshs. 13.4 billion total grants from National Treasury and Development Partners, Kshs. 8.97 billion as Own Source Revenue and Kshs. 26.4 million from other County Donors specifically, MSF Belgium (*Annex I*). The County will continue to undertake reforms in revenue administration policies and enhancement measures to enhance performance on the county's own-source revenue. These figures are indicative and will be firmed up in the 2024 CFSP.

Expenditure Projections

96. The overall projected budgetary expenditure for FY 2024/2025 is Kshs. 22.4 billion. This is projected to increase to Kshs. 23.46 billion in the FY 2025/2026 and further to Kshs. 24.58 billion in the FY 2026/27. (*Annex II*)

97. The recurrent expenditure is expected to increase from Kshs. 15.52 billion in the FY 2024/25 to Kshs. 16.35 billion in the FY 2025/2026 and Kshs. 17.13 billion in FY 2026/2027. Similarly, the development expenditure is also expected to increase from Kshs. 6.87 billion in the FY 2024/25 to Kshs. 7.1 billion in the FY 2025/2026 and Kshs. 7.45 billion in FY 2026/2027. More resources will be directed towards development to support key priority areas as the County realigns itself to meet the fiscal responsibility requirements.

VII. CONCLUSION AND NEXT STEPS

98. The strong revenue performance in Fiscal Year 2022/23 provides a solid foundation for supporting the expenditure estimates in Fiscal Year 2023/24 and the Medium-Term Budget. The budget for Fiscal Year 2024/25 and the medium term will place emphasis on increasing revenue collection and reducing non-core expenditures. This

approach aims to mitigate the fiscal deficit and ensure responsible resource management.

99. This approach will further be strengthened by the implementation of strategic priorities and interventions outlined in the County Integrated Development Plan (2023-2027). Resources will be allocated with a focus on road infrastructure, agriculture, health services, trade, education, water, and housing over the medium term. This allocation takes into account the challenging resource constraints, exacerbated by significant revenue shortfalls resulting from emerging domestic and external risks.
100. On the domestic front, possible adverse weather conditions could reverse the projected economic recovery. On the external front, the ongoing conflict in Eastern Europe and in the middle east has created uncertainties that will affect the global economic outlook through disruption of supply chains, rising global oil prices and increased inflationary pressures. Mobilization of Own Source of Revenue through enhancement of revenue collection backed by an effective enforcement strategy will be implemented to finance the identified key priority areas.
101. The indicative departmental ceilings annexed here will serve as a reference for County Departments as they prepare their sector reports and budget estimates for the Fiscal Year 2024/2025. These ceilings will be further solidified during the 2024 County Fiscal Strategy Paper (CFSP) process. It is imperative that the departments ensure that their budgets for FY 2024/25 and the medium-term period not only aim to enhance productivity but also align with the achievement of their objectives. Consequently, departments are expected to formulate policies, programs, and projects for implementation throughout the medium-term period. The 2023 County Budget Review and Outlook Paper (CBROP) will serve as input for the 2024 CFSP, summarizing the various projects and initiatives slated for implementation during the Medium Term (FY 2024/2025 – 2026/2027).

Annex 1: Revenue Projections for the FY 2024/25-2026/27 MTEF Period

Revenue Projections for the FY 2024/25-2026/27 MTEF Period (Kshs)						
		FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027
		Actual	Approved Estimates	CBROP Ceilings	Projections	
	Total Revenue from National Government	11,967,789,342	13,555,715,841	13,405,715,841	14,018,615,918	14,660,107,751
A	EQUITABLE SHARE	11,717,525,720	12,227,552,449	12,227,552,449	12,838,930,071	13,480,876,575
B	Conditional grant from NG share of Revenue	-	-	-	-	-
i	COUNTY GOVERNMENT ADDITIONAL ALLOCATIONS FY 2023-2024	250,263,622	1,328,163,392	1,178,163,392	1,179,685,847	1,179,231,176
	CONDITIONAL ALLOCATION FROM NATIONAL GOVERNMENT - FIRST SCHEDULE	0	534,388,478	384,388,478	384,388,478	384,388,478
	Medical Leasing	-	124,723,404	124,723,404	124,723,404	124,723,404
	Industrial Park & Aggregation Centers Grant	-	250,000,000	100,000,000	100,000,000	100,000,000
	Provision of fertilizer subsidy programme	-	159,665,074	159,665,074	159,665,074	159,665,074
ii	UNCONDITIONAL ALLOCATIONS TO COUNTY GOVERNMENT - SECOND SCHEDULE	0	15,224,547	15,224,547	16,747,002	16,292,331
	Court Fines	-	5,084,684	5,084,684	5,593,152	6,152,468
	Mineral Royalties	-	10,139,863	10,139,863	11,153,849	10,139,863
iii	CONDITIONAL ALLOCATION FINANCED FROM PROCEEDS OF LOANS or GRANTS FROM DEVELOPMENT PARTNERS- THIRD SCHEDULE	250,263,622	629,458,167	629,458,167	629,458,167	629,458,167
	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)	8,312,711	-	-	-	-
	DANIDA Grant - Universal Healthcare for Devolved System Program	30,420,709	17,209,500	17,209,500	17,209,500	17,209,500
	Sweden- Agricultural Sector Development Support Programme (ASDSP II)	23,255,565	2,583,952	2,583,952	2,583,952	2,583,952
	World Bank Credit - National Agricultural & Rural Inclusive Growth Project (NAGRIP)	69,625,000	150,000,000	150,000,000	150,000,000	150,000,000
	World Bank credit: Kenya Informal Settlement Improvement Project (KISIP II)	40,456,908	50,000,000	50,000,000	50,000,000	50,000,000
	IDA(World bank) FLLoCA- County climate institutional support (CCIS) Grant	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
	IDA(World bank) FLLoCA- County climate Resilience Investment Grant	-	125,000,000	125,000,000	125,000,000	125,000,000
	IDA(World bank) National Agricultural Value Chain Development Project (NAVCDP)	67,192,729	250,000,000	250,000,000	250,000,000	250,000,000
	Aquaculture business development project ABDP	-	23,664,715	23,664,715	23,664,715	23,664,715
iv	NATIONAL GOVERNMENT EXPENDITURES ON DEVOLVED FUNCTIONS TO BE CONVERTED TO ADDITIONAL ALLOCATION GRANTS TO C.Gs- FOURTH SCHEDULE		149,092,200	149,092,200	149,092,200	149,092,200
	Livestock value chain support project	-	149,092,200	149,092,200	149,092,200	149,092,200
C	Other County Revenue	1,073,123,882	35,500,000	26,400,000	26,400,000	26,400,000

Revenue Projections for the FY 2024/25-2026/27 MTEF Period (Kshs)						
		FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027
		Actual	Approved Estimates	CBROP Ceilings	Projections	
	Adjustment to cash Basis	1,041,432,882	-	-	-	-
	MSF BELGIUM	31,691,000	26,400,000	26,400,000	26,400,000	26,400,000
	Nutrition International	-	9,100,000	-	-	-
D	Own Source Revenue	3,608,767,153	7,980,140,717	8,972,154,789	9,869,370,268	10,362,838,781
	Agriculture Livestock & Fisheries Management Unit	44,754,778.00	-	4,000,000	4,400,000	4,620,000
	Physical Planning Management Unit	673,562,111.00	1,895,645,457	2,085,210,003	2,293,731,003	2,408,417,553
	Business Permit Management Unit	351,943,207.00	450,650,500	495,715,550	545,287,105	572,551,460
	Cess Management Unit	69,083,883.00	156,921,249	172,613,374	189,874,711	199,368,447
	Education Culture ICT & Social Services Unit	586,000.00	650,000	715,000	786,500	825,825
	Housing Management Unit	22,431,374.20	35,450,000	38,995,000	42,894,500	45,039,225
	Land Rates Management Unit	391,204,531.65	1,686,633,742	1,855,297,116	2,040,826,828	2,142,868,169
	Market Management Unit	8,789,222.00	15,525,226	17,077,749	18,785,523	19,724,800
	Administration	4,346,407	-	-	-	-
	Roads Transport Public Works Management Unit	82,816,080.00	180,310,302	198,341,332	218,175,465	229,084,239
	Slaughterhouse Management Unit	0.00	83,395,975	91,735,573	100,909,130	105,954,586
	Trade Tourism Industry & Cooperatives Unit	6,317,626.00	20,020,454	22,022,499	24,224,749	25,435,987
	Vehicle Parking Management Unit	334,347,143.00	602,132,055	662,345,261	728,579,787	765,008,776
	Water Environment & Natural Resources Mgt Unit	87,679,330.00	102,805,757	113,086,333	124,394,966	130,614,714
	liquor management unit	133,529,837.15	350,000,000	385,000,000	423,500,000	444,675,000
	Miscellaneous Receipts	48,425,717.96	-	-	-	-
	Health Services Management Unit	1,348,949,905	2,400,000,000	2,830,000,000	3,113,000,000	3,268,650,000
	Hospital Collections(FIF)	1,182,161,856	1,300,000,000	1,430,000,000	1,573,000,000	1,651,650,000
	NHIF Rebates	0	1,000,000,000	1,100,000,000	1,210,000,000	1,270,500,000
	Public Health	166,788,049	100,000,000	300,000,000	330,000,000	346,500,000
	TOTAL	16,649,680,378	21,571,356,558	22,404,270,630	23,914,386,186	25,049,346,532

Annex II: Medium Term Expenditure Framework 2024/2025-2026/2027

Department Ceilings for the FY 2023/24-2025/26 MTEF Period (Kshs)						
Vote No.	Department	REVISED ESTIMATES	APPROVED BUDGET	CBROP CEILING	PROJECTIONS	
	Recurrent	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
4061	County Assembly	1,528,012,830	1,442,783,227	1,525,347,776	1,525,347,776	1,525,347,776
4062	County Executive	341,580,991	386,702,495	449,052,495	493,957,745	543,353,519
4063	County Public Service Board	78,096,211	85,250,971	98,090,971	107,900,068	118,690,075
4064	Finance, Economic Planning & ICT	2,101,996,028	1,475,393,005	1,575,091,007	1,732,600,108	1,819,230,113
4075	Administration & Public Service	835,988,341	841,796,444	972,614,396	1,069,875,836	1,123,369,627
4077	Agriculture, Livestock & Cooperative Development	453,291,686	501,777,238	525,777,238	578,354,962	607,272,710
4067	Water, Environment, Energy & Natural Resources	373,523,466	435,293,793	513,343,793	564,678,172	592,912,081
4068	Health Services	5,371,557,842	6,724,903,760	7,070,348,760	7,203,741,824	7,563,928,915
4078	Education, Gender & Social Services	1,071,202,219	1,181,693,881	1,420,816,523	1,562,898,176	1,641,043,084
4079	Youth Affairs, Sports & Communication	126,576,514	145,406,534	167,482,827	175,856,968	184,649,817
4080	Lands, Housing, Physical Planning-MAUD	252,135,610	439,602,109	395,902,109	459,544,584	482,521,813
4081	Trade, , Tourism, Industry & Investment	145,502,334	128,408,607	174,808,607	183,549,037	192,726,489
4073	Roads, Transport & Public Works	394,755,347	510,828,021	636,628,021	700,290,823	735,305,364
	Total Recurrent	13,074,219,419	14,299,840,085	15,525,304,523	16,358,596,078	17,130,351,384
	Development					
4061	County Assembly	100,000,000	127,000,000	-	-	-
4064	Finance, Economic Planning & ICT	158,762,592	257,966,018	294,966,018	309,714,319	329,098,257
4075	Administration & Public Service	31,000,000	107,860,000	207,860,000	218,253,000	229,165,650
4077	Agriculture, Livestock & Cooperative Development	855,527,906	1,340,252,978	1,188,631,186	1,248,062,745	1,310,465,883
4067	Water, Environment, Energy & Natural Resources	310,580,000	455,580,000	615,580,000	502,609,000	520,489,450
4068	Health Services	621,636,481	1,086,359,885	974,995,874	1,023,745,667	1,074,932,951
4078	Education, Gender & Social Services	268,007,975	354,688,453	385,457,298	404,730,163	424,966,671
4079	Youth Affairs, Sports & Communication	175,538,853	186,071,184	215,071,184	225,824,743	237,115,980
4080	Lands, Housing, Physical Planning-MAUD	241,293,664	428,824,811	318,824,811	378,766,052	389,204,354
4081	Trade, , Tourism, Industry & Investment	386,098,578	868,264,492	618,931,084	649,877,638	682,371,520
4073	Roads, Transport & Public Works	1,439,374,561	2,058,648,652	2,058,648,652	2,145,408,924	2,252,679,370
	Total Development	4,587,820,610	7,271,516,473	6,878,966,106	7,106,992,251	7,450,490,086
	Totals	17,662,040,029	21,571,356,558	22,404,270,630	23,465,588,329	24,580,841,470

Annex III: Medium Term Expenditure Framework by Programme 2024/2025-2026/2027

Department Ceilings by Programmes for the FY 2024/25-2026/27 MTEF Period (Kshs)												
Vote No.	Programme Code	Sector/Department Name & Programmes	APPROVED		Proposed Supplementary 1		CBROP CEILING		PROJECTIONS			
			FY 2023/2024		FY 2023/2024		FY 2024/2025		FY 2025/2026		FY 2026/2027	
			Recurrent	Development			Recurrent	Development	Recurrent	Development	Recurrent	Development
4061		County Assembly	1,442,783,227	127,000,000	1,525,873,912	127,000,000	1,525,347,776.0	-	1,525,347,776	-	1,525,347,776	-
	0706004060	General Administration, Planning and Support Services	399,051,227	127,000,000	470,410,014	127,000,000	481,615,776	-	481,615,776	-	481,615,776	-
	0701004060	Legislation, oversight of county Government	904,732,000	-	904,732,000		904,732,000	-	904,732,000	-	904,732,000	-
	0707004060	Representation Services	139,000,000	-	150,731,898		139,000,000	-	139,000,000	-	139,000,000	-
4062		County Executive	386,702,495	-	449,052,495	-	449,052,495.0	-	493,957,745	-	543,353,519	-
	0706004060	General Administration, Planning and Support Services	349,615,989	-	399,515,989		399,515,989	-	439,467,588	-	483,414,347	-
	0711004060	Government Advisory Services	37,086,506	-	49,536,506	-	49,536,506	-	54,490,157	-	59,939,172	-
4063		County Public Service Board	85,250,971	-	98,090,971	-	98,090,971.0	-	107,900,068	-	118,690,075	-
	0715004060	Human Resource Management and Development Services	85,250,971	-	98,090,971		98,090,971	-	107,900,068	-	118,690,075	-
4064		Finance, Economic Planning & ICT	1,475,393,005	257,966,018	1,585,091,007	374,966,018	1,575,091,007.0	294,966,018	1,732,600,108	309,714,319	1,819,230,113	329,098,257
	0706004060	General Administration, Planning and Support Services	955,025,458	-	1,016,723,460	17,000,000	1,016,723,460	17,000,000	1,118,395,806	17,850,000	1,174,315,596	18,742,500
	0712004060	Public Finance Management Services	505,367,547	-	553,367,547	20,000,000	543,367,547	20,000,000	597,704,302	21,000,000	627,589,517	22,050,000
	0713004060	ICT Services	15,000,000	257,966,018	15,000,000	337,966,018	15,000,000	257,966,018	16,500,000	270,864,319	17,325,000	288,305,757
4075		Administration & Public Service	841,796,444	107,860,000	982,614,396	207,860,000	972,614,396	207,860,000	1,069,875,836	218,253,000	1,123,369,627	229,165,650

Department Ceilings by Programmes for the FY 2024/25-2026/27 MTEF Period (Kshs)												
Vote No.	Programme Code	Sector/Department Name & Programmes	APPROVED		Proposed Supplementary 1		CBROP CEILING		PROJECTIONS			
			FY 2023/2024		FY 2023/2024		FY 2024/2025		FY 2025/2026		FY 2026/2027	
			Recurrent	Development			Recurrent	Development	Recurrent	Development	Recurrent	Development
	0706004060	General Administration, Planning and Support Services	786,064,944	57,860,000	926,882,896	157,860,000	916,882,896	157,860,000	1,008,571,186	165,753,000	1,058,999,745	174,040,650
	0714004060	Alcoholic Drinks Control and Rehabilitation	32,000,000	50,000,000	32,000,000	50,000,000	32,000,000	50,000,000	35,200,000	52,500,000	36,960,000	55,125,000
	0715004060	Human Resource Management and Development Services	23,731,500	-	23,731,500	-	23,731,500	-	26,104,650	-	27,409,883	-
4077		Agriculture, Livestock & Cooperative Development	501,777,238	1,340,252,978	525,777,238	1,553,907,155	525,777,238	1,188,631,186	578,354,962	1,248,062,745	607,272,710	1,310,465,883
	0113004060	Administration, Planning and Support Services	419,262,457	-	426,762,457		426,762,457	-	469,438,703	-	492,910,638	-
	0106004060	Crop Development, Irrigation and Marketing services	9,500,000	974,496,063	8,800,000	956,150,240	8,800,000	802,874,271	9,680,000	843,017,985	10,164,000	885,168,884
	0107004060	Livestock and Fisheries Development and Management	40,014,781	335,756,915	40,314,781	547,756,915	40,314,781	335,756,915	44,346,259	352,544,761	46,563,572	370,171,999
	0108004060	Co-operative Development and Management	33,000,000	30,000,000	49,900,000	50,000,000	49,900,000	50,000,000	54,890,000	52,500,000	57,634,500	55,125,000
4067		Water, Environment Energy & Natural Resources	435,293,793	455,580,000	572,518,760	615,580,000	513,343,793	615,580,000	564,678,172	502,609,000	592,912,081	520,489,450
	1002004060	Administration, Planning and support services	411,675,926	-	499,725,926		489,725,926	-	538,698,519	-	565,633,445	-
	0109004060	Water Resources Management And Sanitation services	0	191,000,000		221,000,000	-	221,000,000	-	232,050,000	-	243,652,500

Department Ceilings by Programmes for the FY 2024/25-2026/27 MTEF Period (Kshs)												
Vote No.	Programme Code	Sector/Department Name & Programmes	APPROVED		Proposed Supplementary 1		CBROP CEILING		PROJECTIONS			
			FY 2023/2024		FY 2023/2024		FY 2024/2025		FY 2025/2026		FY 2026/2027	
			Recurrent	Development			Recurrent	Development	Recurrent	Development	Recurrent	Development
	0110004060	Natural Resources ,Forest Conservation and Management	0	25,000,000		25,000,000	-	25,000,000	-	26,250,000	-	27,562,500
	0111004060	Environmental Management and compliance	0	94,580,000	24,192,000	94,580,000	-	94,580,000	-	99,309,000	-	104,274,450
	011204060	Climate Change Mitigation and Adaptation	23,617,867	145,000,000	48,600,834	275,000,000	23,617,867	275,000,000	25,979,654	145,000,000	27,278,636	145,000,000
4068		Health Services	6,724,903,760	1,086,359,885	7,104,427,420	1,251,679,400	7,070,348,760	974,995,874	7,203,741,824	1,023,745,667	7,563,928,915	1,074,932,951
	0402004060	Administration, Planning and Support Services	4,788,380,635	-	4,822,459,295		4,788,380,635	-	5,267,218,699	-	5,530,579,633	-
	0401004060	Curative and Preventive health care services	837,900,000	200,000,000	983,345,000		983,345,000	-	837,900,000	-	879,795,000	-
	0404004060	Curative and rehabilitative Health Services	978,623,125	886,359,885	1,178,623,125	1,251,679,400	1,178,623,125	974,995,874	978,623,125	1,023,745,667	1,027,554,281	1,074,932,951
	0405004060	County Pharmaceutical Services	120,000,000	-	120,000,000		120,000,000	-	120,000,000	-	126,000,000	-
4078		Education, Gender, Culture & Social Services	1,181,693,881	354,688,453	1,532,748,958	506,683,701	1,420,816,523	385,457,298	1,562,898,176	404,730,163	1,641,043,084	424,966,671
	0502004060	General Administration, Planning and Support Services	802,193,881	-	995,248,958		985,248,958	-	1,083,773,854	-	1,137,962,546	-
	0503004060	Pre-Primary education, Vocational Education and Training	369,000,000	307,688,453	497,000,000	459,683,701	395,067,566	338,457,298	434,574,322	355,380,163	456,303,038	373,149,171
	0504004060	Culture, Gender and Social Services Development	10,500,000	47,000,000	40,500,000	47,000,000	40,500,000	47,000,000	44,550,000	49,350,000	46,777,500	51,817,500

Department Ceilings by Programmes for the FY 2024/25-2026/27 MTEF Period (Kshs)												
Vote No.	Programme Code	Sector/Department Name & Programmes	APPROVED		Proposed Supplementary 1		CBROP CEILING		PROJECTIONS			
			FY 2023/2024		FY 2023/2024		FY 2024/2025		FY 2025/2026		FY 2026/2027	
			Recurrent	Development			Recurrent	Development	Recurrent	Development	Recurrent	Development
4079		Youth Affairs, Sports & Communication	145,406,534	186,071,184	167,482,827	215,071,184	167,482,827	215,071,184	175,856,968	225,824,743	184,649,817	237,115,980
	0903004060	General Administration, Planning and Support Services	88,476,534	-	91,052,827		91,052,827	-	95,605,468	-	100,385,742	-
	0904004060	Youth Empowerment	11,000,000	50,000,000	3,500,000	50,000,000	3,500,000	50,000,000	3,675,000	52,500,000	3,858,750	55,125,000
	0905004060	Sports	38,000,000	136,071,184	53,500,000	165,071,184	53,500,000	165,071,184	56,175,000	173,324,743	58,983,750	181,990,980
	0906004060	Communication	7,930,000	-	19,430,000		19,430,000	-	20,401,500	-	21,421,575	-
4080		Lands, Housing Physical Planning Municipal Administration & Urban Development	439,602,109	428,824,811	445,902,109	378,824,811	395,902,109	318,824,811	459,544,584	378,766,052	482,521,813	389,204,354
	0104004060	General Administration & support services	202,649,501	-	209,849,501		209,849,501	-	220,341,976	-	231,359,075	-
	0116004060	Land Use Management, Valuation & Rating and Physical Planning	45,000,000	163,543,092	95,000,000	103,543,092	45,000,000	103,543,092	47,250,000	108,720,247	49,612,500	114,156,259
	0114004060	Housing and Community Development	0	95,281,719	-	155,281,719	-	95,281,719	-	100,045,805	-	105,048,095
	0115004060	Urban Areas Development and Administration	191,952,608	170,000,000	141,052,608	120,000,000	141,052,608	120,000,000	191,952,608	170,000,000	201,550,238	170,000,000
4081		Trade, Industrialization Tourism & Investment	128,408,607	868,264,492	174,808,607	1,097,694,492	174,808,607	618,931,084	183,549,037	649,877,638	192,726,489	682,371,520
	0306004060	Administration, Planning and Support Services	103,453,607	-	118,553,607		118,553,607	-	124,481,287	-	130,705,352	-

Department Ceilings by Programmes for the FY 2024/25-2026/27 MTEF Period (Kshs)												
Vote No.	Programme Code	Sector/Department Name & Programmes	APPROVED		Proposed Supplementary 1		CBROP CEILING		PROJECTIONS			
			FY 2023/2024		FY 2023/2024		FY 2024/2025		FY 2025/2026		FY 2026/2027	
			Recurrent	Development			Recurrent	Development	Recurrent	Development	Recurrent	Development
	0302004060	Trade Development and Promotion	24,955,000	286,665,916	56,255,000	494,095,916	56,255,000	315,332,508	59,067,750	331,099,133	62,021,138	347,654,090
	0303004060	Industrial and Entrepreneurship Development	0	560,000,000	-	582,000,000	-	282,000,000	-	296,100,000	-	310,905,000
	0304004060	Tourism Development and Promotion	0	16,500,000	-	16,500,000	-	16,500,000	-	17,325,000	-	18,191,250
	0305004060	Investment Development and Promotion	0	5,098,576	-	5,098,576	-	5,098,576	-	5,353,505	-	5,621,180
4073		Roads, Transport Public Works & Utilities	510,828,021	2,058,648,652	646,628,021	2,101,648,652	636,628,021	2,058,648,652	700,290,823	2,145,408,924	735,305,364	2,252,679,370
	0202004060	Administration, Planning and Support Services	510,828,021	-	646,628,021		636,628,021	-	700,290,823	-	735,305,364	-
	0203004060	Infrastructure Development and Maintenance	0	2,033,648,652		2,076,648,652	-	2,033,648,652	-	2,119,158,924	-	2,225,116,870
	0204004060	Energy, Disaster Management, Fire, Safety and Rescue	0	25,000,000		25,000,000	-	25,000,000	-	26,250,000	-	27,562,500
		Totals	14,299,840,085	7,271,516,473	15,811,016,721	8,430,915,413	15,525,304,523	6,878,966,106	16,358,596,078	7,106,992,251	17,130,351,384	7,450,490,086

Annex IV: Kiambu County Budget Calendar FY 2023-2024

Activity	Responsibility	Timeframe/Deadline
Develop and issue MTEF Guidelines	CECM-Finance, Economic Planning & ICT	30 th August, 2023
Submission of County Annual Development Plan	CECM-Finance, Economic Planning & ICT	1 st September, 2023
Undertaking of Departmental Expenditure Reviews	All Departments	10 th September, 2023
Development of County Budget Review and Outlook Paper (CBROP)	County Treasury	15 th September, 2023
Approval of County Budget Review and Outlook Paper the County Executive Committee	CECM-Finance, Economic Planning & ICT	29 th September, 2023
Submission of County Budget Review and Outlook Paper (CBROP) to the County Assembly	County Treasury	20 th October, 2023
Start of Sector Consultations	All Departments	1 st November, 2023
Submission of final sector reports to Treasury	All CECMs for their respective Departments	10 th December, 2023
Draft 2024 County Fiscal Strategy Paper (CFSP)	County Treasury	31 st January, 2024
Public participation on 2024 CFSP, FY 2024/25 and MTEF budget estimates	CECM-Finance, Economic Planning & ICT	11 th - 16 th February, 2024
Presentation of County Fiscal Strategy Paper to County Budget and Economic Forum (CBEF)	CECM-Finance & Economic Planning in consultation with the Governor	16 th February, 2024
Submission of 2024 County Fiscal Strategy Paper (CFSP) to County Executive Committee for approval	County Treasury	20 th February, 2024
Submission of 2024 County Fiscal Strategy Paper (CFSP) to County Assembly	County Treasury	28 th February, 2024
Issue of circular for finalization of 2024/25-2026/27 MTEF estimates and PBB	County Treasury	15 th March, 2024
Submission of MTEF Budget proposals to County Treasury	All Departments	5 th April, 2024
Deadline for Consolidation of Final MTEF budget	County Treasury	12 th April, 2024
Submission of Budget Estimates to County Executive for approval	County Treasury	15 th April, 2024
Presentation of MTEF Budget to County Assembly	CECM-Finance, Economic Planning & ICT	30 th April, 2024