THE REPUBLIC OF KENYA

COUNTY GOVERNMENT OF THARAKA NITHI

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2025

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FOREWORD

The County Budget Review and Outlook Paper (CBROP) 2025 has been prepared in accordance with Section 118 of the Public Finance Management (PFM) Act, 2012. This legislation mandates that each county government produce an annual budget review and outlook paper, to be submitted to the County Executive Committee by September 30th for review and approval. The 2025 CBROP outlines the implementation of priority programmes, policies, and reforms that align with the National Government's Bottom-Up Economic Transformative Agenda (BETA) and are captured within the Third Generation County Integrated Development Plan (CIDP III 2023-2027).

This paper reviews the county's fiscal performance for the 2024/25 financial year in relation to the approved budget. It also analyzes the projections set out in the County Fiscal Strategy Paper (CFSP) 2024, assessing how actual financial outcomes for the previous year have impacted compliance with fiscal responsibility principles and county financial obligations. Where there are deviations from the county's financial objectives as outlined in the most recent fiscal strategy paper, this document provides explanations and recommends measures to address identified shortcomings. The updated economic and financial outlook herein establishes a broader fiscal framework for preparing the upcoming budget.

I am confident that this policy paper will serve as a valuable tool in fostering financial discipline and fiscal responsibility, as envisaged in Section 107 of the PFM Act, 2012, and will contribute significantly to realizing the ambitions and aspirations of the people of Tharaka Nithi County.

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ACKNOWLEDGEMENT

The preparation of the CBROP 2025 has been undertaken in accordance with the Public Finance Management (PFM) Act, 2012 and the PFM (County) Regulations, 2015. As one of the initial deliverables in the budget cycle for the 2025/2026–2027/2028 Medium Term Expenditure Framework (MTEF) period, this document presents a detailed account of the county's actual fiscal performance for the 2024/25 financial year in comparison to the budget appropriation for that period.

The successful completion of this document resulted from the dedicated and coordinated efforts of numerous individuals within the County Government. I wish to extend my sincere appreciation to the Governor, H.E. Muthomi Njuki, and the Deputy Governor, H.E. Muisraeli Nyaga, for their unwavering support and exemplary leadership throughout the preparation and finalization of the CBROP 2025. Special recognition goes to the County Executive Committee Member for Finance and Economic Planning Mr. Lawrence Rweria, for his invaluable support during the preparation process. I also acknowledge the contributions of other County Executive Committee members, County Chief Officers, and the sector working group members, all of whom played pivotal roles in the development of this document. I am grateful as well to the County Budget and Economic Forum (CBEF) members for their insightful consultations and important input throughout the drafting of the CBROP.

Lastly, I extend my gratitude to the Budget and Economic Planning team: Director Budget and Economic Planning, Mr. Lawrence Micheni; Assistant Director Economic Planning, Madam Josephine Mumbua; Principal Finance Officer, Rachel Kimani; Economists/Statisticians Pamela Gakii, Anthony Matumo and Nathan Mwiti; Finance Officers: Refflid Njeru, Teresia Mburia, Erick Kimathi; Monitoring and Evaluation Officer, Nancy Kananu; and the Public Participation Officer, Michael Kimathi. Their continued dedication to collecting, analyzing, and compiling the necessary information has been instrumental in the completion of this document.

MR. KINYUA KABINGA,
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ABBREVIATIONS AND ACRONYMS

ABDP	Aquaculture Business Development Programme
ADP	Annual Development Plan
ASALs	Arid and Semi-Arid Lands
ASDSP	Agriculture Sector Development Support Programme
BETA	Bottom-up Economic Transformative Agenda
BPS	Budget Policy Statement
CA	County Assembly
CAPR	County Annual Progress Report
CARA	County Allocation of Revenue Act
CBEF	County Budget and Economic Forum
CBK	Central Bank of Kenya
CBR	Central Bank Rates
CBROP	County Budget Review and Outlook Paper
CCTV	Closed Circuit Television
CEC	County Executive Committee
CFSP	County Fiscal Strategy Paper
CG	County Government
CGAAA	County Government Additional Allocation Act
CHP	Community Health Promoters
CIDP	County Integrated Development Plan
CO	Chief Officer
CORe	County Own Revenue
COVID	Corona Virus Disease
CRA	Commission on Revenue Allocation
DANIDA	Danish International Development Agencies
DMS	Debt Management Strategy
DoRA	Division of Revenue Act
ELRP	Emergency Locust Response Project
FIF	Facility Improvement Fund
FLLoCA	Financing Locally Led Climate Actions
FY	Financial Year
GDP	Gross Domestic Product
GFS	Government Finance Systems
IBEC	Intergovernmental Budget and Economic Council
ICT	Information, Communication Technology
KABDP	Kenya Agribusiness Development Programme
KCSAP	Kenya Climate Smart Agriculture Project
KDSP	Kenya Devolution Support Prorogramme
KES/KShs	Kenya Shillings
KISIP	Kenya Informal Settlement Improvement Project
KUSP	Kenya Urban Support Programme
K-WASH	Kenya-Water Sanitation and Hygiene

M&E	Monitoring and Evaluation
MSMEs	Micro Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NAVCDP	National Agriculture Value Chain Development Project
OSR	Own Source Revenue
PFM	Public Finance Management
PWDs	Persons With Disabilities
SMEs	Small and Medium Enterprises
SSA	Sub-Saharan Africa
SWGs	Sector Working Groups
UHC	Universal Health Coverage
UK	United Kingdom
USA	United States of America
WB	World Bank

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LEGAL BASIS FOR PREPARATION OF CBROP

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

1) A County Treasury shall

a. Prepare a CBROP in respect of the County for each year; and

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

2) In preparing its CBROP, 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 (CFSP)

c. Information on:

(i) Any changes in the forecasts compared with the CFSP; or

(ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and

d. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.

3) The CEC shall consider the CBROP 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

a) Arrange for the Paper to be laid before the County Assembly; and

b) As soon as practicable after having done so, publish and publicise the Paper.

FISCAL RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudency and transparency in the management of public resources. Section 107 of the PFM Act, 2012 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 (30) per cent of the County government’s budget shall be allocated to the development expenditure.
c. The County Government’s expenditure on wages shall not exceed a percentage of the County Government’s total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly.
d. Over the medium term, the Government’s borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. However, 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.
e. The County debt shall be maintained at a sustainable level as approved by the 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, considering any tax reforms that may be made in the future.

SECTION I: INTRODUCTION

The County Budget Review and Outlook Paper (CBROP) is prepared in line with Chapter 11 of the Constitution of Kenya 2010, Sections 102 and 105 of the County Government Act 2012, and Section 118 of the Public Finance Management (PFM) Act 2012, with guidance from Chapter Five of the County Budget Operations Manual 2014. It links policy, planning, and budgeting by reviewing the previous year's financial and non-financial performance and assessing how this impacts compliance with fiscal responsibility principles and financial objectives set out in the preceding County Fiscal Strategy Paper (CFSP). The CBROP thus serves as a key accountability and planning tool for evaluating county fiscal performance and aligning future spending to development priorities.

The 2025 CBROP evaluates the fiscal performance for FY 2024/25, presents the macroeconomic and financial forecasts, and sets the Medium-Term Expenditure Framework (MTEF) for FY 2025/26–2027/28. It also presents indicative sector ceilings for FY 2026/27 and over the medium term.

Additionally, the CBROP provides details variations in projections and sector ceilings as outlined in the 2025 CFSP, offering justifications for the variances and proposing mitigation measures and timelines to address the fiscal risks. It highlights how financial performance in FY 2024/25 may have affected the attainment of fiscal objectives, outlines progress made in implementing the county's development agenda as guided by the 2025/26 Annual Development Plan (ADP) and the 2023–2027 County Integrated Development Plan (CIDP) and informs the preparation of the 2026 CFSP and the 2026/27 Annual Budget Estimates.

1.1 Objective of CBROP

The broad objective of CBROP is to provide a review of the previous year's fiscal performance and how this impacts the financial objectives and fiscal responsibility principles to be set out in CFSP 2026. The specific objectives are:

i. To review the fiscal performance for FY 2024/25 and assess how it impacts the county's financial objectives and adherence to fiscal responsibility principles.
ii. To provide detailed analysis of actual fiscal performance in FY 2024/25 compared with the approved budget appropriation.

iii. To evaluate the financial performance for FY 2024/25 and how it affected compliance with the fiscal responsibility principles, or the financial objectives as set out in the CFSP 2024.
iv. To establish and explain deviations between actual outcomes and the forecasts contained in the CFSP 2024.
v. To provide reasons for any deviations from the financial objectives in CFSP 2025, together with mitigation measures, measurable proposals, and clear timelines for addressing the deviations.
vi. To specify updated economic and financial forecasts, considering changes from earlier projections, and provide a basis for medium-term fiscal and expenditure planning.
vii. To guide policy formulation and resource allocation by identifying fiscal challenges, opportunities and priorities that should inform the CFSP 2026 and the FY 2026/27 County Budget.

1.2 Significance of CBROP

The County Budget Review and Outlook Paper (CBROP) is a policy tool that reviews fiscal performance for FY 2024/25 against the approved budget, highlighting deviations and their impact on compliance with fiscal responsibility principles under Section 107 of the Public Finance Management Act, 2012. It also provides updated revenue and expenditure forecasts and sets preliminary sector ceilings to guide Sector Working Groups (SWGs) in preparing annual estimates.

The CBROP is prepared within the framework of the Third CIDP (2023–2027) and the Fourth Medium-Term Plan (2023–2027). It informs the Medium-Term Expenditure Framework (MTEF) process by guiding fiscal planning, resource allocation, and budget preparation, thereby forming a basis for the 2026 County Fiscal Strategy Paper (CFSP) and the FY 2026/27 County Budget in line with county development priorities.

1.3 Structure of the CBROP

The County Budget Review and Outlook Paper (CBROP) is broadly classified into two parts: a review section and an outlook section and organized into five chapters.

Chapter One introduces the CBROP by outlining its legal framework, significance, objectives, and overall structure. Chapter Two details the county's fiscal performance for FY 2024/25 and its implications on financial objectives set out in the Medium-Term Expenditure Framework (MTEF). This section is presented in three sub-sections: an overview, fiscal performance, and implications of fiscal performance. Chapter Three highlights recent economic developments the Medium-Term Fiscal Framework, and risks to the outlook—shifting focus from past performance to the present and the immediate future. Chapter Four sets out the county's resource allocation framework, establishing the overall resource envelope and defining expenditure limits or ceilings for each county department. Chapter Five concludes the paper by reaffirming that the outlined policies: -

(a) Reflect changed circumstances,

(b) Are consistent with fiscal responsibility principles under the PFM Act,

(c) Align with the county's strategic objectives as the basis for allocating public resources, and

(d) Are anchored in the County Integrated Development Plan (CIDP) as the blueprint for county development.

SECTION II: REVIEW OF COUNTY FISCAL PERFORMANCE IN FY 2024/25

2.1 Overview

During the year under review, the County realized a total revenue of KES 5.63 billion, representing 80 percent of the annual target of KES 7.01 billion. This performance reflected a 7 percent increase compared to the previous financial year. The total expenditure for the year amounted to KES 5.41 billion, with an unspent balance of KES 226.44 million. Out of the total expenditure, KES 3.74 billion was spent on recurrent activities, while KES 1.14 billion was utilized for development. The County Assembly recorded an expenditure of KES 523.35 million against an allocation of KES 539.07 million, translating to a performance rate of 97 percent.

2.2 Fiscal Performance for FY 2024/25

Table 1 summarizes the revenue performance by the County for FY 2023/24 to FY 2024/25

Table 1: Revenue Performance 2024/25

Particulars	2023/24 FY Actual	2024/25 FY Approved	2024/25 FY Actual	% performance
TOTAL REVENUES	**5,258,282,681**	**7,005,682,985**	**5,633,637,947**	**80%**
Unspent Bal from Previous FY	253,643,267	107,439,962	107,439,962	100%
Revenue (Total)	**5,004,639,414**	**6,898,243,023**	**5,526,197,985**	**80%**
Equitable Share Allocation	4,027,976,038	4,749,766,131	4,749,766,134	100%
Local Revenue	417,346,035	485,000,000	481,791,096	99%
Grants (Total)	559,317,341	1,663,476,892	294,640,755	18%
Total Expenditure	**5,258,282,681**	**7,005,682,985**	**5,633,637,947**	**80%**
Recurrent	3,383,476,175	4,091,285,978	3,743,839,649	92%
Development	1,250,260,479	2,375,329,551	1,140,001,835	48%
County Assembly	517,106,065	539,067,456	523,352,348	97%
Unspent Bal Current FY	107,439,962	0	226,444,115	

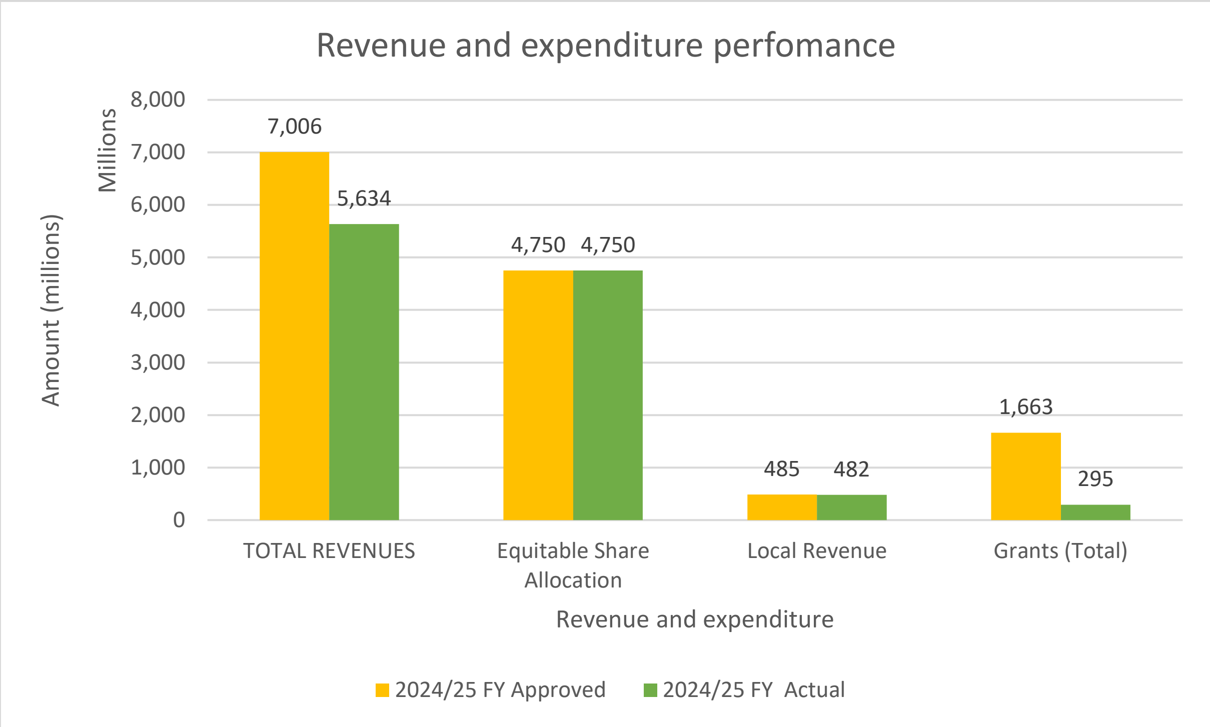


Figure 1: Fiscal Performance for FY 2024/25

In the year under review, the County realized total revenue of KES 5.63 billion. This comprised an equitable share of KES 4.75 billion, County Own Source Revenue of KES 481.79 million, conditional grants totaling KES 294.64 million (including KES 9.98 million for ABDP, KES 37.95 million for CHPs, and KES 6.69 million for ELRP), and balances brought forward amounting to KES 107.44 million. At the close of the 2024/25 financial year, an unspent balance of KES 226.44 million was recorded. During the same financial year, the County achieved an overall budget absorption rate of 80 percent, with development expenditure absorption at 48 percent and recurrent expenditure absorption at 92 percent.

2.2.1 County Own Source Revenue Performance

During the year under review, the County Own Revenue (CORe) collection amounted to KES 481.79 million, up from KES 417.35 million realized in FY 2023/24, representing a growth of 15 percent. This performance translated to 99 percent achievement of the annual CORe target of KES 485 million as approved in the FY 2024/25 annual budget estimates. The top five revenue streams were: hospital fees and charges (KES 243.51 million), single business permits (KES 91.39 million), cess fees (KES 60.48 million), liquor licenses (KES 20.73 million), and parking fees (KES 20.54 million).

The growth in own-source revenue collection was attributed to enhanced administration, strengthened supervision, and deliberate efforts to expand the tax base. Specifically, the roll-out of SHA to counties, which emphasizes digitization for accountability has contributed to improved revenue in Tharaka Nithi. To minimize revenue leakages, the county has continued to uphold existing strategies, that include automation of all revenue collection systems *(going cashless)*, improving surveillance at cess points, and increasing enforcement personnel. Additionally, improved stakeholder engagement played a crucial role in fostering trust and cooperation, particularly through regular consultations with traders, business owners, and transport operators. Market committee engagements provided a platform to address concerns, enhance transparency, and sensitize stakeholders on their obligations, thereby promoting voluntary compliance.

As detailed in table 2 below, the revenues collected show consistent growth across all quarters, despite a drop in revenue collection in FY 2021/22. This trend reflects the effectiveness of the strategies employed in revenue collection and the community's response to the county's initiatives.

Table 2: Own Source Revenue Performance FY 2019/20 – 2024/25 per Quarter

FY	Q1 ACTUAL	Q2 ACTUAL	Q3 ACTUAL	Q4 ACTUAL	TOTAL ACTUAL
2019/20	53,399,871.00	49,225,474.00	88,230,144.00	80,748,922.00	271,604,411.00
2020/21	52,439,055.00	50,787,919.00	58,274,313.00	93,088,218.00	254,589,505.00
2021/22	46,308,025.00	41,233,295.00	79,419,200.00	67,331,410.00	234,291,930.00
2022/23	38,102,408.00	40,404,694.00	89,107,564.00	119,122,985.00	286,737,651.00
2023/24	92,139,088.00	63,721,702.00	117,575,225.00	143,910,117.00	417,346,132.00
2024/25	78,651,551.00	103,632,793.00	133,095,734.00	166,411,018.00	481,791,096.00

Table 3: Top Ten Revenue Streams FY 2024/25

SNO	SOURCE OF INCOME	CODE	Sum of Proposed Budget Estimates FY 2024-2025	Sum of Revised Budget Estimates 2024-2025	Actual Revenue (KShs.)	Variance (KShs.)
				A	B	C=B-A
1	Hospital Fees and Charges		165,000,000	200,000,000	243,508,369	43,508,369
2	Single Business Permit, and advertisement	R003	75,000,000	81,000,000	91,386,989	10,386,989
3	Cess	R004	80,000,000	80,000,000	60,476,567	(19,523,433)
4	Liquor License	R022	20,000,000	20,000,000	20,734,402	734,402
5	Parking Fees	R006	20,000,000	20,000,000	20,536,079	536,079

6	Market Fees, Entrance fee	R005	25,000,000	25,000,000	15,757,460	(9,242,540)
7	Plan approval fees	R008	7,000,000	7,000,000	7,459,455	459,455
8	Veterinary Services	R012	9,000,000	9,000,000	6,977,024	(2,022,976)
9	Plot Rents / Land Rates / Stand Premium	R002	6,000,000	6,000,000	6,138,822	138,822
10	Rent / Lease County Houses and Stalls	R007	4,500,000	4,500,000	5,016,706	516,706

To refine local revenue collection strategies and approaches, the County engaged in knowledge exchange with counterpart counties including Kwale, Kisumu, and Laikipia on adoption of best practices in mobilization, enforcement, and automation. Further, a multisectoral approach was adopted, bringing together all county departments to streamline processes, align enforcement, and create synergies in revenue collection. This holistic strategy not only strengthened accountability but also enhanced efficiency and sustainability in resource mobilization.

To achieve the County revenue potential of KES 750 million, it is necessary to strengthen collections across revenue streams through:

1. Strengthening the instruments of revenue collections, including review/ development of policies, laws, and regulations, including the Revenue Mobilization Strategy, Rating Act, Markets and Trade Licensing Act, Cess Act, Tax Waiver Administration Act, and Building Approvals legislation among others.
2. Mapping of all revenue streams.
3. Updating of the valuation roll
4. Full rollout of SHA in level II and III facilities
5. Adoption tariffs and pricing policy

2.2.2 Conditional Loans and Grants

In the FY 2024/25, the County received KES 402.08 million in conditional loans and grants, which includes unspent balances of KES 107.44 million, against a targeted amount of KES 1.77 billion, representing an achievement of 23 percent. The loans and grants comprised funding from DANIDA, NAVCDP, KISIP (II), FLLoCA, KUSP (II) - UIG, ELRP, ABDP, the Road Maintenance Levy, and the CHP national grant. However, delays in the disbursement of conditional grants such as KUSP II- UDG, K-WASH, KDSP II, KADBP, supplement for construction of headquarters, salary arrears for workers, and County Aggregation and Industrial Park (CAIP) significantly affected the implementation of priority projects and programmes.

Table 4 below analyzes Conditional Grants released in FY 2024/25.

Table 4: Summary Release of Conditional Loans and Grants

	FY 2023/24			FY 2024/25		
Source of Revenue	**2023/24 Revised Approved Estimates**	**2023/24 Actual (KShs)**	**% Achieved**	**2024/25 Revised Approved Estimates**	**2024/25 Actual (KShs)**	**% Achieved**
Supplement for construction of county headquarters	103,160,000.00	0	0%	47,981,059		0%
Conditional Grant- Leasing of Medical Equipment	124,723,404.30	0	0%	-	-	#DIV/0!
IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	90,000,000.00	0	0%	-	-	#DIV/0!
IDA (World Bank) Credit (National Agricultural Value Chain Development Project (NAVCDP)	250,000,000.00	195,112,952.00	78%	151,515,152	77,251,060	51%
DANIDA Grant	14,856,750.00	7,161,000.00	48%	6,045,000	6,045,000	100%
Sweden - Agricultural Sector Development Support Program (ASDSP)	1,785,670.00	2,285,670.00	128%	-	-	#DIV/0!
Kenya Informal Settlement improvement Project KISIP II	92,630,231.00	92,630,231.00	100%	168,945,347	167,000,000	99%
World Bank Emergency Locust Responses Project (ELRP)	105,805,161.00	104,620,428.00	99%	104,600,000	6,689,317	6%
Provision for provision of Fertilizer Subsidy	71,299,830.00	0	0%	-	-	#DIV/0!
Aquaculture Business Development Programme (ABDP)	12,810,384.00	19,379,784.00	151%	12,810,384	9,978,406	78%
Aggregated Industrial Parks Programme	100,000,000.00	0	0%	250,000,000	-	0%
Financing Locally Led Climate Action Programme (FLLoCA) Program	205,050,000.00	115,989,776.00	57%	298,703,582	8,913,384	3%
Livestock Value Chain Support Project	28,647,360.00	0	0%			#DIV/0!
De-risking and Value Chain Enhancement	63,341,980.00	0	0%			#DIV/0!

Community Health Promoters - National Grant	22,137,500.00	22,137,500.00	100%	37,950,000	37,950,000	100%
Kenya water Sanitation and Hygiene program (K-WASH PforR)	150,000,000.00	0	0%	353,808,808	-	0%
Kenya Urban Support Project (KUSP) UIG	0.00	0	0%	35,000,000	32,309,300	92%
Other Conditional Grants/Basic Salary Arrears for CG Health Workers	24,597,481		0%	24,597,481		0%
KDSP II	0.00	0	0%	37,500,000	-	0%
Kenya Urban Support Programme - UDG	0	0	0%	66,362,245		0%
Road Maintenance Levy	0	0	0%	161,810,687	55,944,250	35%
Kenya Agribusiness Development Programme (KABDP)	0	0	0%	10,918,919		0%
Total Amount	1,460,845,751.30	559,317,341.00	38%	**1,768,548,664**	**402,080,717**	23%

2.2.3 County Expenditure Performance

The total expenditure during FY 2024/25 comprised KES 4.27 billion for recurrent and KES 1.14 billion for development expenditure. The County Assembly recorded total expenditure of KES 523.35 million against an allocation of KES 539.07 million, translating to a 97 percent absorption rate. By the close of the financial year, an unspent balance of KES 226.44 million was recorded. Table 5 provides a breakdown of expenditure by type, while Table 6 shows expenditure by the County Executive and County Assembly.

The county executive development expenditure was KES 1.14 billion against an allocation of KES 2.39 billion, representing 48 percent performance. These resources were directed towards programmes and projects aimed that fostering sustainable growth and maximizing impact, including urban development, construction of early childhood education infrastructure, rehabilitation of vocational training centers, development of stadia, establishing roads and bridges, provision of domestic and irrigation water supply, upgrading and operationalization of health facilities, promotion of agriculture, climate change mitigation, and adaptation.

The county executive recurrent expenditure was KES 3.74 billion, against an allocation of KES 4.09 billion, reflecting a 92 percent performance. The funds were strategically distributed to cover essential operational needs, including payment of staff emoluments, procurement of health commodities, routine maintenance and operational expenses.

The high absorption of recurrent expenditure (92 percent) compared to the relatively low performance of development expenditure (48 percent) highlights a structural imbalance in resource utilization. While recurrent spending is critical for sustaining operations, the under-utilization of development funds poses a risk to long-term growth and service delivery. Going forward, there is need to strengthen planning, procurement, and project implementation capacity to ensure that development resources are fully absorbed and translated into tangible outcomes for citizens. To ensure development expenditure meets the mandatory 30% threshold, the County Treasury is implementing the following measures:

- Allocating 30% of all exchequer releases exclusively for development expenditure.
- Ensuring approved departmental procurement plans are strictly aligned with annual work plans.
- Lobbying the Council of Governors and national institutions to ensure the timely approval of key PFM legislation.

- Lobbying the Council of Governors and national institutions to ensure the timely disbursement of conditional grants and exchequer releases.

Overall, the County Government will continue to implement practical strategies that enhance efficiency and effectiveness in public spending during ongoing fiscal reforms, strengthen fiscal discipline, comply with the Public Finance Management (PFM) Act, 2012, and intensify revenue mobilization efforts to adequately finance priority services and meet county fiscal obligations.

Table 5: Expenditure by type

Description	2023/24 FY Actual	2024/25 FY Approved	2024/25 FY Actual	% performance
Total Expenditure	**5,269,282,681**	**7,005,682,985**	**5,633,637,947**	**80%**
Recurrent	3,900,304,912	4,614,641,109	4,267,191,997	**92%**
Development	1,261,537,807	2,391,041,876	1,140,001,835	**48%**
unspent balances	107,439,962		226,444,115	

Table 6: County Executive and County Assembly Expenditure.

Description	2023/24 FY Actual	2024/25 FY Approved	2024/25 FY Actual	% performance
Total	**5,269,282,681**	**7,005,682,985**	**5,633,637,947**	**80%**
County Executive	**4,644,736,654**	**6,466,615,529**	**4,883,841,484**	**76%**
Recurrent	3,394,476,175	4,091,285,978	3,743,839,649	92%
Development	1,250,260,479	2,375,329,551	1,140,001,835	48%
County Assembly	**517,106,065**	**539,067,456**	**523,352,348**	**97%**
Recurrent	505,828,737	523,355,131	523,352,348	100%
Development	11,277,328	15,712,325	-	0%
Unspent in FY	**107,439,962**	**-**	**226,444,115**	

Expenditure by Economic Classification

The County's expenditure performance by economic classification is categorized into compensation to employees, use of goods and services, grants and other transfers, social benefits, and development expenditures, in line with the GFS coding system. Table 7 below provides a detailed breakdown of the county's expenditure performance by economic classification.

Table 7: County Expenditure Performance by Economic Classification

Description	Actual Expenditure and Revenue FY 2023/24	Revised Estimates FY 2024/25	Actual Expenditure and Revenue FY 2024/25
A. Total Budget [1+2]	**5,150,842,719**	**7,005,682,985**	**5,407,193,832**
1.0 Total Expenditure	**4,431,210,056**	**5,458,595,982**	**4,494,329,228**
1.1 Compensation to Employees	2,354,655,972	2,814,098,850	2,710,773,363
1.2 Use of Goods and Services	920,451,767	1,033,074,153	893,760,152
1.3 Grants and Other Transfers	1,065,676,480	1,566,803,079	856,052,885
1.4 Social benefits	20,425,837	35,000,000	26,742,828
1.5 Other payments	70,000,000	9,619,900	7,000,000
2.0 Other Development	**719,632,663**	**1,547,087,003**	**912,864,604**
2.1 Other Development	719,632,663	1,547,087,003	912,864,604
Financed by:			
B. Total Revenue	**5,258,282,681**	**7,005,682,985**	**5,633,637,947**
3.1 Equitable Share	4,027,976,038	4,749,766,131	4,749,766,134
3.2 County Own Revenue [CORe]	417,346,035	485,000,000	481,791,096
3.3 Conditional Grants	559,317,341	1,663,476,892	294,640,755
3.4 Balance b/f	253,643,267	107,439,962	107,439,962
C. Net Financing [B-A]	**107,439,962**	**-**	**226,444,115**

The County’s total expenditure was KES 5.41 billion for both recurrent and development expenditure. The total recurrent expenditure comprised of KES 2.71 billion spent on payments of wages and salaries, KES 893.76 million spent on goods and services, KES 856.05 million spent on grants and transfers (including transfers to County Assembly of KES 523.35 million), KES 26.74 million spent on social benefits and KES 7 million on other payments. Figure 2 below illustrates the recurrent expenditures for FY 2023/24 and FY 2024/25, inclusive of the County Assembly allocation. Other development expenditure for FY 2024/25 amounted to KES 912.86 million against a revised target of KES 1.55 billion representing 16.88 percent of the total annual expenditure.

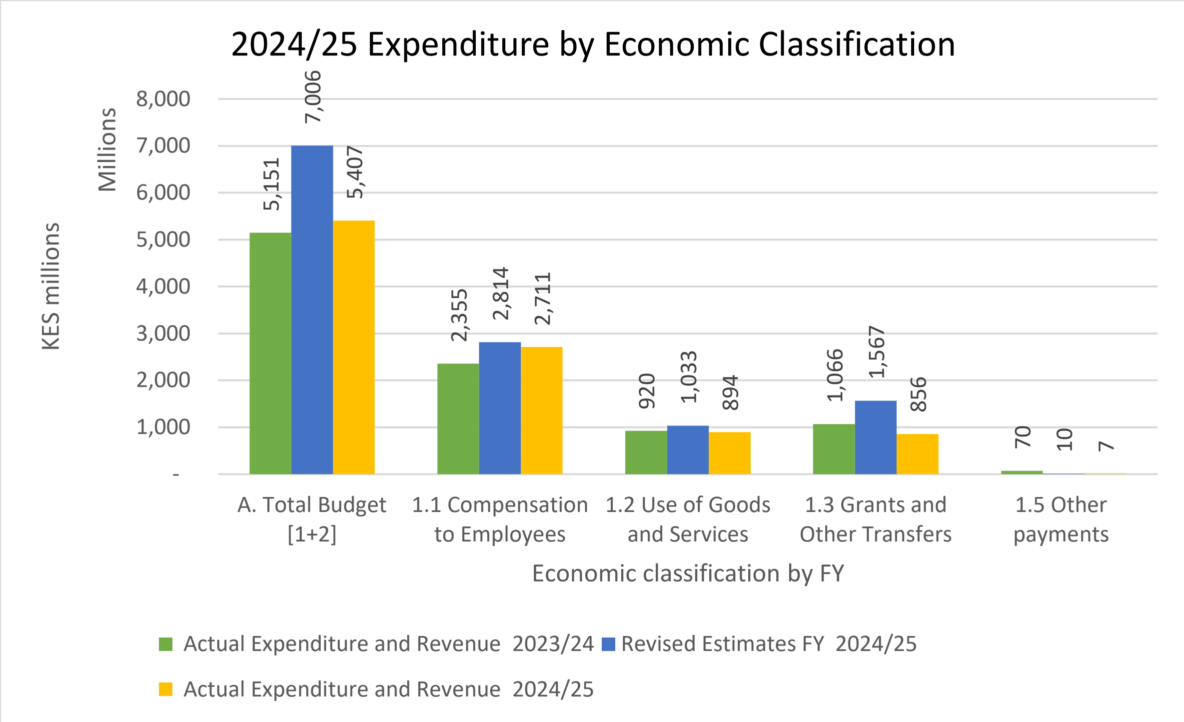


Figure 2: Comparison of recurrent expenditure for FYs 2023/24 and 2024/25

Common Causes of Expenditure Under-performance

1. Legal and regulatory hurdles.
2. Late disbursement of funds from the National Treasury disrupt cash flow and stall implementation of planned projects
3. Under performance of OSR, conditional grants and loans.
4. Procurement inefficiencies and lengthy processes delay project commencement.

Table 8: Absorption Rates by Sectors 2024/25 FY

SECTOR	C-FSP 2024			BUDGET ALLOCATION 2024/25			Cumulative Expenditure 2024/25			Absorption	Deviation (%)
	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total	(%)	CFSP - BUDGET
Public Administration	1,095,385,300	35,000,000	1,130,385,300	1,192,502,453	30,712,325	1,223,214,778	1,060,518,519	6,479,495	1,066,998,014	87.23%	8.21%
Infrastructure	218,385,400	680,856,034	899,241,434	279,368,000	753,926,406	1,033,294,406	258,751,705	602,317,795	861,069,500	83.33%	14.91%
Health Services	1,952,366,882	70,000,000	2,022,366,882	2,340,086,041	136,702,703	2,476,788,744	2,225,896,888	107,273,687	2,333,170,575	94.20%	22.47%
Education And Social Services	301,312,223	100,000,000	401,312,223	393,022,272	76,071,740	469,094,012	320,052,654	52,706,327	372,758,981	79.46%	16.89%
General Economic	171,166,080	300,000,000	471,166,080	130,836,738	155,191,698	286,028,436	128,869,950	2,744,711	131,614,661	46.01%	-39.29%
Agriculture	278,091,268	495,960,190	774,051,458	199,634,174	518,306,704	717,940,878	198,523,455	277,424,730	475,948,185	66.29%	-7.25%
Environment And Natural Resources	94,871,950	296,000,000	390,871,950	79,191,431	720,130,300	799,321,731	74,578,826	91,055,090	165,633,916	20.72%	104.50%
GRAND TOTAL	**4,111,579,103**	**1,977,816,224**	**6,089,395,327**	**4,614,641,109**	**2,391,041,876**	**7,005,682,985**	**4,267,191,997**	**1,140,001,835**	**5,407,193,832**	77.18%	15.05%

Table 9:Absorption rates by Department 2024/25 FY

DEPARTMENT	C-FSP 2024			BUDGET ALLOCATION 2024/25			Cumulative Expenditure 2024/25			Absorption	Deviation (%)
	REC	DEV	TOTAL	REC	DEV	TOTAL	REC	DEV	TOTAL	(%)	CFSP - BUDGET
Governor's Office	144,275,700	-	144,275,700	116,031,675	-	116,031,675	104,714,749	-	104,714,749	90.25%	-19.58%
Finance and Economic Planning	181,229,900	-	181,229,900	317,193,862	5,000,000	322,193,862	245,394,970	-	245,394,970	76.16%	77.78%
County Public Service Board	34,133,400	-	34,133,400	22,244,952	-	22,244,952	20,784,552	-	20,784,552	93.43%	-34.83%
Administration and Public Service	171,454,300	5,000,000	176,454,300	213,676,833	10,000,000	223,676,833	166,271,900	6,479,495	172,751,395	77.23%	26.76%
County Assembly	564,292,000	30,000,000	594,292,000	523,355,131	15,712,325	539,067,456	523,352,348	-	523,352,348	97.08%	-9.29%
SUB-TOTALS	**1,095,385,300**	**35,000,000**	**1,130,385,300**	**1,192,502,453**	**30,712,325**	**1,223,214,778**	**1,060,518,519**	**6,479,495**	**1,066,998,014**	**87.23%**	**8.21%**
Roads, Transport and Infrastructure	218,385,400	680,856,034	899,241,434	279,368,000	753,926,406	1,033,294,406	258,751,705	602,317,795	861,069,500	83.33%	14.91%
SUB-TOTALS	**218,385,400**	**680,856,034**	**899,241,434**	**279,368,000**	**753,926,406**	**1,033,294,406**	**258,751,705**	**602,317,795**	**861,069,500**	**83.33%**	**14.91%**
Medical Services and ICT	1,636,584,194	70,000,000	1,706,584,194	1,989,319,519	134,000,000	2,123,319,519	1,876,398,958	107,273,687	1,983,672,645	93.42%	24.42%
Public Health and Sanitation	315,782,688	-	315,782,688	350,766,522	2,702,703	353,469,225	349,497,930	-	349,497,930	98.88%	11.93%
SUB-TOTALS	**1,952,366,882**	**70,000,000**	**2,022,366,882**	**2,340,086,041**	**136,702,703**	**2,476,788,744**	**2,225,896,888**	**107,273,687**	**2,333,170,575**	**94.20%**	**22.47%**
Youth and Sports	36,888,800	30,000,000	66,888,800	13,934,509	40,000,000	53,934,509	12,612,509	28,695,320	41,307,829	76.59%	-19.37%
Culture and Tourism	31,200,000	-	31,200,000	13,660,072	3,682,940	17,343,012	11,881,732	-	11,881,732	68.51%	-44.41%
Gender, Children and Social Services	28,600,000	10,000,000	38,600,000	12,737,217	2,388,800	15,126,017	11,327,913	-	11,327,913	74.89%	-60.81%
Education and Vocation Training	204,623,423	60,000,000	264,623,423	352,690,474	30,000,000	382,690,474	284,230,500	24,011,007	308,241,507	80.55%	44.62%
SUB-TOTALS	**301,312,223**	**100,000,000**	**401,312,223**	**393,022,272**	**76,071,740**	**469,094,012**	**320,052,654**	**52,706,327**	**372,758,981**	**79.46%**	**16.89%**
Trade, Investment Promotion, Energy and Industry	52,831,880	300,000,000	352,831,880	31,375,352	155,191,698	186,567,050	29,516,168	2,744,711	32,260,879	17.29%	-47.12%
Revenue and Resource Mobilization	118,334,200	-	118,334,200	99,461,386		99,461,386	99,353,782	-	99,353,782	99.89%	-15.95%
SUB-TOTALS	**171,166,080**	**300,000,000**	**471,166,080**	**130,836,738**	**155,191,698**	**286,028,436**	**128,869,950**	**2,744,711**	**131,614,661**	**46.01%**	**-39.29%**
Agriculture and Crop Production	202,125,795	380,184,333	582,310,128	154,826,558	459,334,071	614,160,629	154,435,680	233,284,075	387,719,755	63.13%	5.47%
Fisheries and Ecosystem management	21,000,000	22,810,384	43,810,384	7,414,000	14,810,384	22,224,384	7,313,000	9,978,406	17,291,406	77.80%	-49.27%

Lands, Physical Planning and Urban	54,965,473	92,965,473	147,930,946	37,393,616	44,162,249	81,555,865	36,774,775	34,162,249	70,937,024	86.98%	-44.87%
SUB-TOTALS	**278,091,268**	**495,960,190**	**774,051,458**	**199,634,174**	**518,306,704**	**717,940,878**	**198,523,455**	**277,424,730**	**475,948,185**	**66.29%**	**-7.25%**
Environment and Natural Resources	33,668,000	206,000,000	239,668,000	34,344,269	296,000,000	330,344,269	32,442,845	56,000,000	88,442,845	26.77%	37.83%
Water Services and Irrigation	61,203,950	90,000,000	151,203,950	44,847,162	424,130,300	468,977,462	42,135,981	35,055,090	77,191,071	16.46%	210.16%
SUB-TOTALS	**94,871,950**	**296,000,000**	**390,871,950**	**79,191,431**	**720,130,300**	**799,321,731**	**74,578,826**	**91,055,090**	**165,633,916**	**20.72%**	104.50%
GRAND TOTAL	**4,111,579,103**	**1,977,816,224**	**6,089,395,327**	**4,614,641,109**	**2,391,041,876**	**7,005,682,985**	**4,267,191,997**	**1,140,001,835**	**5,407,193,832**	**77.18%**	**1**

Table 10: Expenditure by Programmes and Sub Programmes

	Development			**Recurrent**			**Total Sum of Approved Estimates**	**Total Sum of Cumulative Expenditure**	**Absorption Rate**
Row Labels	**Sum of Approved Estimates**	**Sum of Cumulative Expenditure**	**Absorption Rate**	**Sum of Approved Estimates**	**Sum of Cumulative Expenditure**	**Absorption Rate**			
3611 Office of Governor and Deputy Governor			**-**	**116,031,675**	**104,714,749**	**0.90**	**116,031,675**	**104,714,749**	**0.90**
P: County Government Advisory Services			**-**	**38,308,033**	**36,034,113**	**0.94**	**38,308,033**	**36,034,113**	**0.94**
0702013610 SP: Public Sector Advisory Services (Legal & Economic Advisors)			-	33,919,033	31,737,173	0.94	33,919,033	31,737,173	0.94
0702033610 SP: Communication and Strategy			-	4,389,000	4,296,940	0.98	4,389,000	4,296,940	0.98
P: County Leadership and Coordination of MDAs			**-**	**3,597,000**	**3,526,400**	**0.98**	**3,597,000**	**3,526,400**	**0.98**
0701033610 SP: Coordination of CMAs (Office of County Secretary)			-	3,597,000	3,526,400	0.98	3,597,000	3,526,400	0.98
P: General Administration, Planning and Support Services			**-**	**74,126,642**	**65,154,236**	**0.88**	**74,126,642**	**65,154,236**	**0.88**
0706043610 SP: Management of County Affairs (Office of Governor)			-	55,133,242	52,118,892	0.95	55,133,242	52,118,892	0.95
0706053610 SP: Coordination and Supervisory Services (Deputy Governor's Office)			-	18,993,400	13,035,344	0.69	18,993,400	13,035,344	0.69
3612 Roads, Infrastructure, Public Works and Urban Development	**753,926,406**	**602,317,795**	**0.80**	**279,368,000**	**258,751,705**	**0.93**	**1,033,294,406**	**861,069,500**	**0.83**
P: General Administration Planning and Support Services	**4,000,000**	**2,034,146**	**0.51**	**35,580,400**	**34,931,764**	**0.98**	**39,580,400**	**36,965,910**	**0.93**
0101023610 SP: General Administration Services	4,000,000	2,034,146	0.51			-	4,000,000	2,034,146	0.51
0201013610 SP: General Administration Services			-	35,580,400	34,931,764	0.98	35,580,400	34,931,764	0.98
P: Kathwana Municipality Development Programme			**-**	**9,029,500**	**7,751,540**	**0.86**	**9,029,500**	**7,751,540**	**0.86**

0109013610 SP: Kathwana Urban Area Support			-	9,029,500	7,751,540	0.86	9,029,500	7,751,540	0.86
P: Public Works and Housing Services	**47,981,059**	**19,906,025**	**0.41**	**3,438,000**	**2,345,500**	**0.68**	**51,419,059**	**22,251,525**	**0.43**
0108013610 SP: Public Works Services	47,981,059	19,906,025	0.41	3,438,000	2,345,500	0.68	51,419,059	22,251,525	0.43
P: Roads Transport	**498,000,000**	**383,224,115**	**0.77**	**153,620,100**	**148,923,289**	**0.97**	**651,620,100**	**532,147,404**	**0.82**
0202013610 SP: Rural Roads Improvement and Maintenance Services	498,000,000	383,224,115	0.77	153,620,100	148,923,289	0.97	651,620,100	532,147,404	0.82
P: Urban Development and Administration	**203,945,347**	**197,153,509**	**0.97**	**77,700,000**	**64,799,612**	**0.83**	**281,645,347**	**261,953,121**	**0.93**
0710013610 SP: Urban Administrative Services	203,945,347	197,153,509	0.97	77,700,000	64,799,612	0.83	281,645,347	261,953,121	0.93
3613 Medical Services	**134,000,000**	**107,273,687**	**0.80**	**1,989,319,519**	**1,868,179,246**	**0.94**	**2,123,319,519**	**1,975,452,933**	**0.93**
P: Curative and Rehabilitative Services			**-**	**182,998,478**	**151,899,175**	**0.83**	**182,998,478**	**151,899,175**	**0.83**
0401073610 SP: Medical Supplies			-	182,998,478	151,899,175	0.83	182,998,478	151,899,175	0.83
P: General Administration Planning and Support Services	**134,000,000**	**107,273,687**	**0.80**	**1,763,465,752**	**1,675,008,792**	**0.95**	**1,897,465,752**	**1,782,282,479**	**0.94**
0404013610 SP: General Administration Services	134,000,000	107,273,687	0.80	188,851,685	157,346,993	0.83	322,851,685	264,620,680	0.82
0404033610 SP: Human resource management			-	1,373,743,532	1,358,978,360	0.99	1,373,743,532	1,358,978,360	0.99
0404043610 SP: Policy, Planning, Financing and Budgeting-CRH			-	200,870,535	158,683,439	0.79	200,870,535	158,683,439	0.79
P: ICT Infrastructure Development	**-**	**-**	**-**	**42,855,289**	**41,271,279**	**0.96**	**42,855,289**	**41,271,279**	**0.96**
0205013610 SP: ICT Infrastructure Development	-	-	-	42,855,289	41,271,279	0.96	42,855,289	41,271,279	0.96
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development	**459,334,071**	**226,594,758**	**0.49**	**154,826,558**	**154,435,680**	**1.00**	**614,160,629**	**381,030,438**	**0.62**
P: Cooperative Development and Management			**-**	**231,411**	**200,000**	**0.86**	**231,411**	**200,000**	**0.86**
0304013610 SP: Cooperative Development			-	231,411	200,000	0.86	231,411	200,000	0.86
P: Crop Development and Management	**156,515,152**	**-**	**-**	**2,409,580**	**2,091,935**	**0.87**	**158,924,732**	**2,091,935**	**0.01**
0105013610 SP: Crops Development, Agribusiness and Market Development	156,515,152	-	-	2,409,580	2,091,935	0.87	158,924,732	2,091,935	0.01
P: General Administration Planning and Support Services	**279,818,919**	**222,594,758**	**0.80**	**98,236,879**	**98,203,060**	**1.00**	**378,055,798**	**320,797,818**	**0.85**
0101013610 SP: Administration, Policy, Strategy and Management of Agriculture	279,818,919	222,594,758	0.80	98,236,879	98,203,060	1.00	378,055,798	320,797,818	0.85
P: Livestock and Fisheries Resource Management and Development	**23,000,000**	**4,000,000**	**0.17**	**53,948,688**	**53,940,685**	**1.00**	**76,948,688**	**57,940,685**	**0.75**
0106013610 SP: Livestock Policy Development and Capacity Building	5,000,000	-	-	51,219,688	51,219,485	1.00	56,219,688	51,219,485	0.91

0106023610 SP: Veterinary Services and Disease Prevention	18,000,000	4,000,000	0.22	2,729,000	2,721,200	1.00	20,729,000	6,721,200	0.32
3616 Public Administration, Intergovernmental Coordination and Devolution Affairs	**10,000,000**	**6,479,495**	**0.65**	**213,676,833**	**166,271,900**	**0.78**	**223,676,833**	**172,751,395**	**0.77**
P: General Administration, Planning and Support Services	**10,000,000**	**6,479,495**	**0.65**	**213,676,833**	**166,271,900**	**0.78**	**223,676,833**	**172,751,395**	**0.77**
0706013610 SP: General Administration and Support Services	10,000,000	6,479,495	0.65	171,746,333	162,925,211	0.95	181,746,333	169,404,706	0.93
0706023610 SP: Sub-County Administration and Field Services			-	3,638,000	2,555,009	0.70	3,638,000	2,555,009	0.70
0706103610 SP: Human Resource Management Services			-	38,292,500	791,680	0.02	38,292,500	791,680	0.02
3617 Education and Vocational Training	**30,000,000**	**24,011,007**	**0.80**	**352,690,474**	**284,230,500**	**0.81**	**382,690,474**	**308,241,507**	**0.81**
P: Education and Youth Training	**30,000,000**	**24,011,007**	**0.80**	**58,804,283**	**20,439,468**	**0.35**	**88,804,283**	**44,450,475**	**0.50**
0504013610 SP: Promotion of Basic Education (ECDE)	20,000,000	16,346,113	0.82	35,087,843	4,724,668	0.13	55,087,843	21,070,781	0.38
0504023610 SP: Youth Training and Capacity Building	10,000,000	7,664,894	0.77	23,716,440	15,714,800	0.66	33,716,440	23,379,694	0.69
P: General Administration Planning and Support Services			**-**	**293,886,191**	**263,791,032**	**0.90**	**293,886,191**	**263,791,032**	**0.90**
0501013610 SP: Administration Planning and Support Services			-	293,886,191	263,791,032	0.90	293,886,191	263,791,032	0.90
3619 Finance and Economic Planning	**5,000,000**	**-**	**-**	**317,193,862**	**245,394,970**	**0.77**	**322,193,862**	**245,394,970**	**0.76**
P: Economic Policy and County Planning			**-**	**6,162,200**	**6,158,978**	**1.00**	**6,162,200**	**6,158,978**	**1.00**
0703023610 SP: Monitoring and Evaluation Services			-	2,678,400	2,675,400	1.00	2,678,400	2,675,400	1.00
0703043610 SP: Economic Development, Planning and Coordination Services			-	1,084,900	1,084,678	1.00	1,084,900	1,084,678	1.00
0703053610 SP: County Statistics Services			-	2,398,900	2,398,900	1.00	2,398,900	2,398,900	1.00
P: Financial Management Services			**-**	**20,080,358**	**19,452,986**	**0.97**	**20,080,358**	**19,452,986**	**0.97**
0704033610 SP: Supply Chain Management Services			-	11,304,200	11,304,200	1.00	11,304,200	11,304,200	1.00
0704053610 SP: Audit Services			-	3,219,168	2,598,636	0.81	3,219,168	2,598,636	0.81
0704063610 SP: Budget Formulation and Coordination			-	2,386,040	2,386,020	1.00	2,386,040	2,386,020	1.00
0704083610 SP: Accounting Services			-	3,170,950	3,164,130	1.00	3,170,950	3,164,130	1.00
P: General Administration, Planning and Support Services	**5,000,000**	**-**	**-**	**290,951,304**	**219,783,006**	**0.76**	**295,951,304**	**219,783,006**	**0.74**
0706103610 SP: Human Resource Management Services	5,000,000	-	-	290,951,304	219,783,006	0.76	295,951,304	219,783,006	0.74
3620 Environment, Mining and Natural Resources	**296,000,000**	**56,000,000**	**0.19**	**34,344,269**	**32,442,845**	**0.94**	**330,344,269**	**88,442,845**	**0.27**
P: Environment and Natural Resources Management	**296,000,000**	**56,000,000**	**0.19**	**34,344,269**	**32,442,845**	**0.94**	**330,344,269**	**88,442,845**	**0.27**
1001013610 SP: Environment and Natural Resource	296,000,000	56,000,000	0.19	34,344,269	32,442,845	0.94	330,344,269	88,442,845	0.27

3622 Water Services and Irrigation	**424,130,300**	**35,055,090**	**0.08**	**44,847,162**	**42,135,981**	**0.94**	**468,977,462**	**77,191,071**	**0.16**
P: Environment and Natural Resources Management	**47,844,492**	**21,817,768**	**0.46**			**-**	**47,844,492**	**21,817,768**	**0.46**
1001023610 SP: Water Services	47,844,492	21,817,768	0.46			-	47,844,492	21,817,768	0.46
P: Water Supply Services	**376,285,808**	**13,237,322**	**0.04**	**44,847,162**	**42,135,981**	**0.94**	**421,132,970**	**55,373,303**	**0.13**
1002013610 SP: Domestic Water Services			-	37,734,867	36,234,867	0.96	37,734,867	36,234,867	0.96
1002023610 SP: Water Storage Services	376,285,808	13,237,322	0.04	2,595,695	2,115,114	0.81	378,881,503	15,352,436	0.04
1002033610 SP: Irrigation and Drainage Services			-	4,516,600	3,786,000	0.84	4,516,600	3,786,000	0.84
3623 County Public Service Board			**-**	**22,244,952**	**20,784,552**	**0.93**	**22,244,952**	**20,784,552**	**0.93**
P: General Administration, Planning and Support Services			**-**	**22,244,952**	**20,784,552**	**0.93**	**22,244,952**	**20,784,552**	**0.93**
0706013610 SP: General Administration and Support Services			-	18,274,952	17,017,952	0.93	18,274,952	17,017,952	0.93
0706103610 SP: Human Resource Management Services			-	3,970,000	3,766,600	0.95	3,970,000	3,766,600	0.95
3625 Public Health and Sanitation	**2,702,703**	**-**	**-**	**350,766,522**	**319,767,642**	**0.91**	**353,469,225**	**319,767,642**	**0.90**
P: Preventive and Promotive Health Services	**2,702,703**	**-**	**-**	**350,766,522**	**319,767,642**	**0.91**	**353,469,225**	**319,767,642**	**0.90**
0402013610 SP: Health Promotion and Disease Control	2,702,703	-	-	300,404,882	293,510,824	0.98	303,107,585	293,510,824	0.97
0402033610 SP: Environmental Health services			-	50,361,640	26,256,818	0.52	50,361,640	26,256,818	0.52
0402073610 SP: Reproductive Maternal and Child health Services			-	-	-	-	-	-	-
3628 Youth and Sports	**40,000,000**	**28,695,320**	**0.72**	**13,934,509**	**12,612,509**	**0.91**	**53,934,509**	**41,307,829**	**0.77**
P: Sports Development and Promotion	**40,000,000**	**28,695,320**	**0.72**	**13,934,509**	**12,612,509**	**0.91**	**53,934,509**	**41,307,829**	**0.77**
0505013610 SP: County Football League and Clubs Development			-	480,000	-	-	480,000	-	-
0505023610 SP: Athletics Championships and Other Games			-	209,800	109,800	0.52	209,800	109,800	0.52
0505033610 SP: Talent Search and Promotion	40,000,000	28,695,320	0.72	13,244,709	12,502,709	0.94	53,244,709	41,198,029	0.77
3629 Culture and Tourism	**3,682,940**	**-**	**-**	**13,660,072**	**11,881,732**	**0.87**	**17,343,012**	**11,881,732**	**0.69**
P: Culture, Arts and Social Services	**3,682,940**	**-**	**-**	**12,742,972**	**11,071,732**	**0.87**	**16,425,912**	**11,071,732**	**0.67**
0506013610 SP: Culture and Arts Promotion	3,682,940	-	-	12,742,972	11,071,732	0.87	16,425,912	11,071,732	0.67
P: Tourism Development and Promotion			**-**	**917,100**	**810,000**	**0.88**	**917,100**	**810,000**	**0.88**
0302013610 SP: Tourism Promotion and Infrastructure Development			-	92,720	92,000	0.99	92,720	92,000	0.99
0302033610 SP: Miss Tourism Tharaka Nithi			-	824,380	718,000	0.87	824,380	718,000	0.87

3630 Revenue and Resource Mobilization			**-**	**99,461,386**	**99,353,782**	**1.00**	**99,461,386**	**99,353,782**	**1.00**
P: Financial Management Services			**-**	**5,421,950**	**5,355,950**	**0.99**	**5,421,950**	**5,355,950**	**0.99**
0704073610 SP: Resource Mobilization and Management			-	5,421,950	5,355,950	0.99	5,421,950	5,355,950	0.99
P: Resource Mobilization			**-**	**94,039,436**	**93,997,832**	**1.00**	**94,039,436**	**93,997,832**	**1.00**
0712013610 SP: Revenue Administration			-	94,039,436	93,997,832	1.00	94,039,436	93,997,832	1.00
3631 Lands, Physical Planning and Housing	**44,162,249**	**34,162,249**	**0.77**	**37,393,616**	**36,774,775**	**0.98**	**81,555,865**	**70,937,024**	**0.87**
P: Land Policy and Planning	**44,162,249**	**34,162,249**	**0.77**	**37,393,616**	**36,774,775**	**0.98**	**81,555,865**	**70,937,024**	**0.87**
0102013610 SP: Physical Planning Services	44,162,249	34,162,249	0.77	34,941,155	34,789,314	1.00	79,103,404	68,951,563	0.87
0102033610 SP: Land administration & management			-	2,452,461	1,985,461	0.81	2,452,461	1,985,461	0.81
3632 Fisheries and Ecosystem Development	**14,810,384**	**-**	**-**	**7,414,000**	**7,313,000**	**0.99**	**22,224,384**	**7,313,000**	**0.33**
P: Livestock and Fisheries Resource Management and Development	**14,810,384**	**-**	**-**	**7,414,000**	**7,313,000**	**0.99**	**22,224,384**	**7,313,000**	**0.33**
0106033610 SP: Fisheries Development and Promotion	14,810,384	-	-	7,414,000	7,313,000	0.99	22,224,384	7,313,000	0.33
3633 Gender, Children and Social Services	**2,388,800**	**-**	**-**	**12,737,217**	**11,327,913**	**0.89**	**15,126,017**	**11,327,913**	**0.75**
P: Gender and Youth Empowerment	**2,388,800**	**-**	**-**	**12,737,217**	**11,327,913**	**0.89**	**15,126,017**	**11,327,913**	**0.75**
0503023610 SP: Gender, Youth and Women Empowerment	2,388,800	-	-	12,737,217	11,327,913	0.89	15,126,017	11,327,913	0.75
3634 Trade, Investment Promotion, Energy and Industry	**155,191,698**	**2,744,711**	**0.02**	**31,375,352**	**29,516,168**	**0.94**	**186,567,050**	**32,260,879**	**0.17**
P: Energy Resource Development & Management	**5,191,698**	**2,191,698**	**0.42**	**28,995,652**	**28,356,718**	**0.98**	**34,187,350**	**30,548,416**	**0.89**
0204013610 SP: Energy Resource Development & Management	5,191,698	2,191,698	0.42	28,995,652	28,356,718	0.98	34,187,350	30,548,416	0.89
P: Industrial Development and Investment	**150,000,000**	**553,013**	**0.00**	**2,379,700**	**1,159,450**	**0.49**	**152,379,700**	**1,712,463**	**0.01**
0305033610 SP: Industrial Development	150,000,000	553,013	0.00	675,600	455,400	0.67	150,675,600	1,008,413	0.01
0305043610 SP: Consumer Protection & Fair-Trade Practices			-	1,704,100	704,050	0.41	1,704,100	704,050	0.41
Grand Total	**2,375,329,551**	**1,123,334,112**	**0**	**4,091,285,978**	**3,705,889,649**	**1**	**6,466,615,529**	**4,829,223,761**	**1**

Table 11: Summary of Departmental performance for FY 2024/25 budget

Sector /Department	Allocated amount (KShs.) A	Actual Expenditure (KShs.) B	Absorption rate (%) *100	*Remarks
3613 Medical Services	2,123,319,519	1,983,672,645	93.42%	
3630 Revenue and Resource Mobilization	99,461,386	99,353,782	99.89%	
3616 Public Administration and Devolution Affairs	223,676,833	172,751,395	77.23%	Undisbursed KDSP II Conditional grants affected the overall performance
3621 County Assembly	539,067,456	523,352,348	97.08%	
3617 Education, Gender, Culture and Social Services	382,690,474	308,241,507	80.55%	
3633 Gender, Children and Social Services	15,126,017	11,327,913	74.89%	
3612 Roads, Infrastructure and Public Works	1,033,294,406	861,069,500	83.33%	
3619 Finance and Economic Planning	322,193,862	245,394,970	76.16%	
3628 Youth and Sports	53,934,509	41,307,829	76.59%	
3611 Office of Governor and Deputy Governor	116,031,675	104,714,749	90.25%	
3615 Agriculture and Crop Production	614,160,629	387,719,755	63.13%	Undisbursed KABDP and partial disbursement of NACDP & ELRP Conditional Grant affected the Department's performance
3625 Public Health and Sanitation	353,469,225	349,497,930	98.88%	
3629 Culture and Tourism	17,343,012	11,881,732	68.51%	
3623 County Public Service Board	22,244,952	20,784,552	93.43%	
3622 Water Services and Irrigation	468,977,462	77,191,071	16.46%	Undisbursed K-WASH Conditional Grant affected the Department's performance
3620 Environment, Mining and Natural Resources	330,344,269	88,442,845	26.77%	Undisbursed FLLOCA Conditional Grant affected the Department's performance

3632 Fisheries and Ecosystem Development	22,224,384	17,291,406	77.80%	Partial disbursement of ABDP affected the Department's performance
3631 Lands, Physical Planning and Housing	81,555,865	70,937,024	86.98%	
3634 Trade, Investment Promotion, Energy and Industry	186,567,050	32,260,879	17.29%	Undisbursed CAIP Conditional Grant affected the Department's performance
Grand Total	**7,005,682,985**	**5,407,193,832**	77.18%	Undisbursed conditional grants affected the overall performance

2.2.4 Adherence to Fiscal Responsibility Principles

In line with the Constitution, the PFMA, 2012 section 107, the PFM Regulations of 2015, the county government adhered to the fiscal responsibility principles as indicated in the table below:

Table 12: Adherence to Fiscal Responsibility Principles

Item	Target	Achieved	Status
Total Expenditure		5,407,193,832	
Total Revenue		5,633,637,947	
Total Expenditure as % of total revenue	≤ 100%	95.98%	Complied
Total recurrent		4,267,191,997	
Total Recurrent as % of Total expenditure	≤ 70%	78.92%	Not complied
Total Development		1,140,001,835	
Total Development as % of total revenues	≥ 30%	21.08%	Not complied
Total wages		2,710,773,363	
Total wages as % of Total revenues	≤ 35%	48.12%	Not complied
County assembly allocation -As per CRA ceiling	485,355,131	539,067,456	Complied [1]

i) **The County Government's recurrent expenditure shall not exceed the county government's total revenue.** The county government incurred recurrent expenditure of KES 4.27 billion against revenue receipt of KES 5.63 billion thus remaining within the limits of the PFMA, 2012.

ii) **Over the medium term, a minimum of 30 percent of the County budget shall be allocated to development expenditure.** The development allocation in FY 2024/25 revised estimates was 40.8 percent of the total budget. The actual development spending for the county government was 20.2 percent, falling short of the outlined principles in the PFM Act 2012. This shortfall is attributed to late disbursement of the equitable share, conditional grants & loans.

iii) **The County Government's expenditure on wages 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.** The County Government's share of wages and employee benefits to revenues was 48.12 percent in FY 2024/25 which exceeds the statutory requirement of 35 percent of the county government's revenue. There are various factors that have caused the PE to remain above the 35 per cent recommended by PFM Regulations 2015 over the last ten years despite deliberate efforts by the County Government to contain it. The factors include salary reviews and increments by the SRC, and implementation of the Finance Act of 2023 on housing levy and NSSF, recruitment of health personnel during COVID-19 pandemic, staff attrition in critical service delivery points such as health and agriculture sectors, operationalization of completed projects and new programmes, and shortage of technical staff in sectors such infrastructure (engineers, surveyors,

[1] The allocation to the County Assembly included the balances of KES 43.7 million carried forward from the FY 2023/24 and a development expenditure of KES 30 million.

architects etc), health (specialists eg. anesthetists, ICU personnel, oncologists, ophthalmologists, etc) and in agriculture (plant and animal scientists) among others.

iv) **Over the medium term, the Government's borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. However, 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.** During the period FY 2024/25, the county government did not borrow, as stipulated in the Debt Management Strategy Paper, 2024. The budget was financed by equitable share, loans and grants from the National Government and own source revenue. The County debt shall be maintained at a sustainable level as approved by the County Assembly. The County Government maintained prudent fiscal management to mitigate the accumulating pending bills.

v) **Fiscal risks shall be managed prudently.** The government has been prudently managing its fiscal risks to ensure financial stability. This was done by identifying possible fiscal risks and devising mitigation measures. There is also an established, internal pending bills committee, audit committee, an internal audit and a risk management unit which plays a key role in identifying, quantifying, and managing fiscal risks.

vi) **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.** On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and the tax base, the County Treasury is domesticating tariffs and pricing policy developed by the CRA whose objectives is to provide guidelines on taxation policy that support economic development and promote economic diversification, enhance the country's competitive edge, and establish tax incentive schemes that are aligned to the government's development agenda. Additionally, it is established to promote investment and foster a flexible fiscal space that contains revenue-raising tax policy and administrative reforms to be undertaken over the medium-term. Further, the Government continues to carry out tax reforms including exploring untapped revenue streams in the mining sub-sector, revenue mapping, property rates and physical planning services. Additionally, the County Treasury will establish sufficient legal frameworks and guidelines to curb noncompliance. This includes the establishment of a County Court, review of by-laws and capacity building of enforcement officers. The main objective is to raise adequate tax revenues, ensure a predictable tax environment and minimize tax expenditure.

Analysis of CFSP 2024 against FY 2024/25 budget and the implication in the County

The CFSP 2024 provided policy goals and priority development areas that guided the FY 2024/25 printed budget estimates. The equitable share projected in CFSP 2024 recorded a positive variance as compared to the

FY 2024/25 printed estimates. This was attributed to revision of the approved County Allocation on Revenue Act (CARA) that increased the county allocation from KES 4.20 billion to KES 4.53 billion. There were no adjustments to the County's Own Source Revenue. The projected conditional allocation (loans and grants) in the CFSP 2024 increased by KES. 352.0 million occasioned by the revision of County Government Additional Allocation Act 2024 that increased the conditional county allocations. Table 11 below presents deviations of the printed estimates from the CFSP projections for the FY 2024/25. Overall, the printed budget estimates indicate a total recurrent expenditure reduction of KES 12.90 million and an increase in the development expenditure of KES 460.64 million as compared to the CFSP 2024 ceilings, necessitated by expenditure rationalization.

Table 13: CFSP 2024 against FY 2024/25 budget

Expenditures	2024 CFSP Projections	2024/25 Printed Estimates	Variance
Revenues			
Equitable Share	4,438,768,407	4,534,480,732	(95,712,325)
Own Source Revenue	450,000,000	450,000,000	-
Conditional Allocation-Loans And Grants	1,145,661,447	1,497,684,585	(352,023,138)
Total Budget	**6,034,429,854**	**6,482,165,317**	**(447,735,463)**
Expenditure Item			
Total Recurrent Expenditure	**4,111,579,103**	**4,098,679,103**	**12,900,000**
Operations And Maintainance	1,650,579,180	1,804,182,972	(153,603,792)
Personnel Emoluments	2,460,999,923	2,294,496,131	166,503,792
Total Development Expenditure	**1,922,850,751**	**2,383,486,214**	**(460,635,463)**
Total Expenditure	**6,034,429,854**	**6,482,165,317**	**(447,735,463)**
Percentage Share of P.E.	40.8%	35.4%	5.4%
Percentage Share of O&M	27.4%	27.8%	-0.5%
Percentage Share of OSR	7.5%	6.9%	0.5%
Percentage Share of Recurrent to Budget	68.1%	63.2%	4.9%
Percentage Share of Development to Budget	31.9%	36.8%	-4.9%

2.3 Fiscal balance (or net position)

In line with the fiscal performance in expenditure and revenues, the fiscal deficit, including grants, on a cash basis, amounted to KES 1.37 billion (19.6 percent of target) due to revenue shortfalls in county own source revenue, conditional loans and grants. This impacted on budget implementation and increased the stock of pending bills.

2.4 Implications for the FY 2024/25 Performance

The FY 2024/25 was characterized by several revenues for conditional grants and loans not released in full, which hampered budget implementation and impeded service delivery. The fiscal performance in FY 2024/25 affected the financial objectives set out in the County Fiscal Strategy Paper 2024 in the following ways:

i) The year was marked by severe cash flow challenges, largely due to delayed approval of County Government Additional Allocation Act (CGAAA) 2024. This resulted to funds amounting to KES 1.37 billion (77.3 % of the target) from conditional grants not disbursed. Construction of County headquarters, WB K-WASH PforR, Aggregated Industrial Parks Programme, KABDP, KUSP, KDSP and conditional grants for basic salary arrears for county government health workers recording 0% disbursements. Additionally, Own Source Revenue underperformed by KES 3.2 million. These collective shortfalls disrupted budget implementation, leading to non-payment for goods and services delivered to the county.

ii) The absorption rates as indicated in Tables 8 and 9, by most County sectors were above 80% for both development and recurrent with the overall actual expenditure level reaching 77.18 % of the target. However, Water and Irrigation and Trade, Investment, Industry and Energy Departments recorded the lowest absorption rates at 16.46% and 17.29% respectively, due to non-disbursement of the K-WASH and Aggregation of Industrial Parks conditional grants. Further, Environment and Natural Resources Department recorded an absorption rate of 26.77% occasioned by partial disbursement of FLLoCA conditional grants. Generally, the failure to achieve full absorption can be attributed to revenue deficits and unrealized conditional loans, and grants.

iii) Notably, the County Own-Source Revenue (CORe) base increased by 15.4%, from KES 417.35 million in FY 2023/24 to KES 481.79 million in FY 2024/25. The CORe collected represents 8.6% of total county revenues. This significant achievement is attributed to enhanced enforcement, the implementation of the Social Health Authority (SHA), and an effective multisectoral approach through stakeholder engagement and departmental collaboration.

iv) Expenditure on personnel emoluments consumed 48.1% of the budget, significantly exceeding the 35% threshold recommended by the PFM Regulations (2015). This continues to exert considerable pressure on county resources. In contrast, expenditure on other development activities accounted for 21.1% of total expenditure.

Given these deviations, the revenue and expenditure ceilings for FY 2026/27 and the medium term will be revised based on updated macroeconomic assumptions and formally affirmed in the County Fiscal Strategy Paper (CFSP) 2026. The County Government remains committed to the fiscal responsibility principles stipulated in Section 107 of the PFM Act, 2012, and make appropriate modifications to the CFSP 2026 objectives to reflect these changed circumstances.

SECTION III: RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.0 Overview

The fiscal and economic assumptions underpinning the 2025/26 budget are anchored on continued economic recovery both globally and nationally, despite persistent risks from geopolitical tensions, trade disruptions, and climate variability. Kenya's GDP growth slowed to 4.9 percent in 2024, after expanding by 5.4 percent in 2023, with agriculture and services sectors sustaining growth momentum while the industrial sector remained subdued. According to the World Economic Outlook (WEO 2025), early 2025 indicators show resilience, with GDP maintaining 4.9 percent in the first quarter, supported by stable weather, easing inflation, and an accommodating monetary policy.

At the county level, Tharaka Nithi reflected national trends, recording improved own-source revenue in FY 2024/25 and sustaining growth into the first three months of FY 2025/26. However, the fiscal space remains tight due to delayed disbursements, high wage pressures, and pending bills. The County Treasury remains committed to strengthening revenue mobilization, rationalizing expenditures, and implementing structural reforms to support fiscal consolidation and aligning resources with development priorities.

3.1 Recent Economic Developments

The global economy has portrayed relative stability as growth is expected to decelerate and reach 3.1 percent in 2026. At 3.0 percent in 2025, the forecasts are below the 2024 outcome of 3.3 percent. Although the world economy has been steady in the current years, it is experiencing significant headwinds, including elevated trade tension, and policy uncertainty. This is leading to a decline in the outlook of most of the leading world economies. In the case of Emerging Market and Developing Economies (EMDEs) such as China, India, Russia, Brazil, Nigeria, South Africa and Mexico, the capability to bridge per capita income disparities to the advanced economies (e.g. United States, Germany and France), enhance employment growth and alleviate severe poverty is still wanting. The threats to the outlook are somewhat downside-related and may include increasing trade barriers, ongoing policy uncertainty, growing geopolitical tensions, and the percentage of extreme weather events. Further, policy uncertainty and trade tensions could be alleviated in case the leading economies can achieve sustainable agreements to subdue the prevailing trade disputes. The hard international environment experienced by EMDEs is further aggravated by fact that inflows of foreign direct investment into these economies have reduced to a rate that is less than half of the levels experienced in the year 2008 and is likely to continue being muffled. International collaboration is required to help recover a more predictable and open international commerce setting and increase the backing of nations struggling with warfare, debt, and climate change.

Across EMDEs, domestic policy action is also critical to contain inflation risks, strengthen fiscal resilience through improved revenue mobilization, and spending rationalization. To unlock job creation and long-term growth, structural reforms must focus on raising institutional quality, attracting private investment, and strengthening human capital and labor markets. In particular, countries in Fragile and Conflict Situations (FCS) face daunting development challenges that will require tailored domestic policy reforms, underpinned by well-coordinated multilateral support. That notwithstanding, fiscal stimulus is anticipated in major economies including China, Germany and the United States.

Global inflation is expected to fall to 3.6 percent in 2026 from 4.2 percent in 2025 and, a path similar to the first half of 2025. The overall picture hides notable cross-country differences, with forecasts predicting inflation will remain above target in the United States and be more restrained in other large economies.

Kenya's economy continues to recover from recent shocks including the COVID-19 pandemic, global conflicts, and adverse climate impacts. Real GDP hit 5.4 percent in 2023, driven by a rebound in agriculture and strong performance in the services sector, while industrial growth remained weak. Growth moderated in 2024, with GDP shrinking to 4.9 percent for the year. Indicators for the first quarter of 2025 show the economy growing at 4.9 percent year-on-year, with all major sectors posting positive growth, though services slowed compared to 2024. Inflation eased to about 4.5 percent in 2024, down from 7.7 percent in 2023, supported by stable food and fuel prices. Monetary policy has turned more accommodative, with the Central Bank easing interest rates to spur credit growth.

Key sectoral performance highlights include:

- Accommodation and food services declined by 4.1% in Q1 2025, from 38.1% in Q1 2024.
- Financial and insurance services expanded by 5.1% in Q1 2025, compared to 7.0% in Q1 2024.
- Information and communication grew by 5.8% in Q1 2025, slower than 7.8% in Q1 2024.
- Transport and storage grew by 4.0% in Q1 2025, compared to 3.8% in Q1 2024.

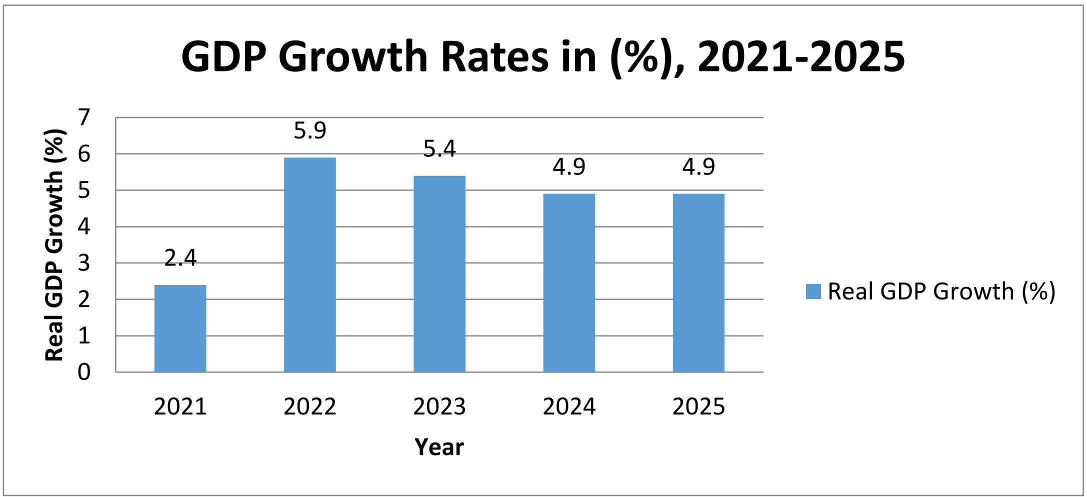
Agriculture continued to perform strongly in early 2025 due to stable weather, helping cushion the slowdown in services. Export activity also improved modestly. The World Bank projects Kenya's GDP growth to average at 4.9 percent for 2025–2027 in 2025, supported by private sector recovery, government investments under the Bottom-Up Economic Transformation Agenda (BETA), and prudent fiscal and monetary policies.

Tharaka Nithi County has mirrored national economic trends, with agriculture remaining the backbone of the local economy. Enhanced rainfall in 2024 led to destroyed crops and livestock, reducing agricultural productivity, weakening household incomes, and trading activities. However, stable weather conditions in mid-2024 and into 2025 have supported recovery in crop production and livestock rearing.

The County recorded an improvement in own-source revenue collection in FY 2024/25, supported by continued automation of revenue streams, enforcement measures, SHA roll out, deliberate efforts to expand the county revenue base and collaboration with departments. Performance in the first quarter of FY 2025/26 (July–September 2025) indicates stable revenue growth, though the fiscal space remains constrained due to recurrent expenditure pressures, delayed national disbursements, and the persistent burden of pending bills.

Government interventions, particularly in agriculture, infrastructure, and health, as well as structural reforms in revenue mobilization, have cushioned the county economy. Nonetheless, the need for stronger fiscal discipline, faster disbursement of conditional grants, and effective management of pending bills remains urgent to ensure sustained growth and service delivery.

Figure 3: Kenya GDP Growth Rates in Percentage, 2021-2025



Source: Kenya National Bureau of Statistics

In an effort to combat corruption, enhance transparency, efficiency, accountability, and maximize value for money in public procurement, the national government, through the National Treasury, has introduced an electronic Government Procurement (e-GP) system. This digital platform is designed to automate and streamline the public procurement process, replacing traditional manual procedures. Starting from July 1, 2025, all government procurement activities will be required to be conducted exclusively through the e-GP system. As a county, we are fully committed to embracing and adopting the e-GP process. However, to ensure a smooth and successful transition, it is crucial that personnel involved in operating the system receive comprehensive and adequate training. This will equip them with the necessary skills and knowledge to fully utilize the system, thereby ensuring its effective implementation and achieving the desired outcomes.

3.2 Progress report on budget implementation

Implementation of the FY 2025/26 budget has begun under a constrained fiscal environment shaped by delayed disbursement of funds. Performance in the first quarter of FY 2025/26 shows that the county has received an equitable share allocation amounting to KES 374 million while conditional grants and loans have not been disbursed. Own-source revenue collection, amounting to KES 46.50 million was realized, comprising KES 20.6 million collected as FIF and KES 25.90 million from ordinary revenue streams. Unspent balances for FY 2024/25 were KES 226.44 million. Expenditure patterns reveal that most outlays were on recurrent items, including personnel emoluments and operations and maintenance, with limited development disbursements recorded in the first quarter of FY 2025/26.

Additionally, institutionalization of reforms to contain the wage bill, including payroll audits and enhanced HR controls. Expenditure rationalization will target recurrent and development budgets for all departments to align the same with the revised DoRA and CARA. The fiscal projections for the 2025 CBROP have been revised from those of the 2024 estimates considering the fiscal outcome of the FY 2024/25.

3.3 County Economic Outlook and Policies

Tharaka Nithi county economy remains intricately linked to national economic trends, with fiscal allocations significantly influenced by macroeconomic policies. As the national government implements its medium-term fiscal strategy, the county must align its planning to navigate economic uncertainties while seizing emerging opportunities for sustainable growth.

The county's economic situation reflects unique local dynamics. Over the past year, economic growth has been driven by increased agricultural productivity, supported by better rainfall performance in 2024, provision of farm inputs and increased adoption of resilience-building Technologies, Innovation and Management Practices (TIMPs). According to the Gross County Product 2024, the agricultural sector contributed 21.6 per cent to the national GDP, thereby exerting a significant impact on the overall economic performance over the years (2019-2023). Tharaka Nithi County agricultural sector contributed 0.9% of the national GDP.
The agriculture sector employs over 40 percent of the total population, with more than 70 percent living and working in rural areas. Tharaka Nithi is investing in agriculture to boost production and productivity, enhance value addition, and increase small-scale farmers' market participation.

Key initiatives that the county government proposed for the medium-term include improved cash crop development, distribution of fertilizers and high-yield seeds, artificial insemination, and strengthening horticulture. Additionally, collaboration with the National Government has led to projects like the Aquaculture Business Development Programme (ABDP) and the National Agriculture Value Chain Development Project (NAVCDP), which helps link farmers to local and international markets.

The county government advocates for the right to safe and accessible water for all, and ensure sustainable water and sanitation management. The county is focused on investments in water management and conservation and pursued strategic partnerships to fund projects such as water reservoirs and smallholder irrigation systems in marginalized areas. Specifically, the K-WASH program which aims to enhance health and well-being through sustainable water and sanitation management is anticipated to expand access to clean and safe domestic water.

The Financing Locally-led Climate Actions (FLLoCA) programme, supported by the World Bank, focuses on building climate resilience at the community level by strengthening county and national government capacity to plan, fund, and implement local climate adaptation and mitigation projects, particularly in rural areas. The initiative comes to a close in FY 2026/27 and will enhance the county government's capacity to respond to emerging climate change issues that continue to impact socioeconomic development.

The county is also committed to providing quality and effective health care, having expanded its health facility network to improve access. The health facility density is at 4.3 per 10,000 population, surpassing the national target of 2.2. Efforts will continue to improve Intensive Care Units and upgrade health facilities to alleviate pressure on level five and four hospitals.

The county focuses on integrating competency-based curricula, rehabilitating Vocational Training Centers, and promoting early childhood education to ensure better learning outcomes. The county has also invested in increasing the number of VTC tutors to improve enrollment and retention.

Through the second Kenya Devolution Support Programme, the county government has made strides to improve the effectiveness of service delivery. The donor-funded programme aims to achieve results through enhancing sustainable financing and expenditure management, intergovernmental coordination, institutional performance, and human resource management. Additionally, oversight, participation, and accountability dimensions are being enhanced through the performance for results programme, which will run until FY 2026/27.

Industrialization is essential for advancing the Bottom-Up Economic Transformation Agenda (BETA) and the county government is shifting from an agriculture-based economy to processing and manufacturing to create jobs and foster economic growth. Kenyan Vision 2030 promotes equitable education and training as key to a skilled workforce. Statistics show that the manufacturing, secondary services and service sectors in the county present growth potential, aligning with national economic strategies. The Gross County Product (GCP) report 2024 shows that these sectors contributed 0.3 percent, 0.6 percent and 0.5 percent respectively to the national Gross Value Added (GVA). Overall, Tharaka Nithi maintained 0.6 percent contribution to the national GDP.

The table below highlights the GCP by economic activities at the current prices.

Table 14: *Tharaka Nithi GCP by economic activity, 2023*

GCP by Economic Activity at Current Prices, 2023	**Amount (KES Million)**
Agriculture, Forestry & Fishing	31,680
Mining & Quarrying	286
Manufacturing	3,438
Electricity Supply	240
Water Supply; Waste Collection	332
Construction	7,317
Wholesale & Retail Trade; Repair of Motor Vehicles	2,006
Transport & Storage	11,712
Accommodation & Food Service Activities	2,039
Information & Communication	1,927
Financial & Insurance Activities	1,136
Real Estate Activities	3,146
Professional & Technical Services	1,562
Administrative Support Services	1,072
Public Administration & Defense	8,354
Education	7,683
Human Health & Social Work Activities	2,690
Other Service Activities	1,656
Financial Services Indirectly Measured	343
Total GCP	**87,932**

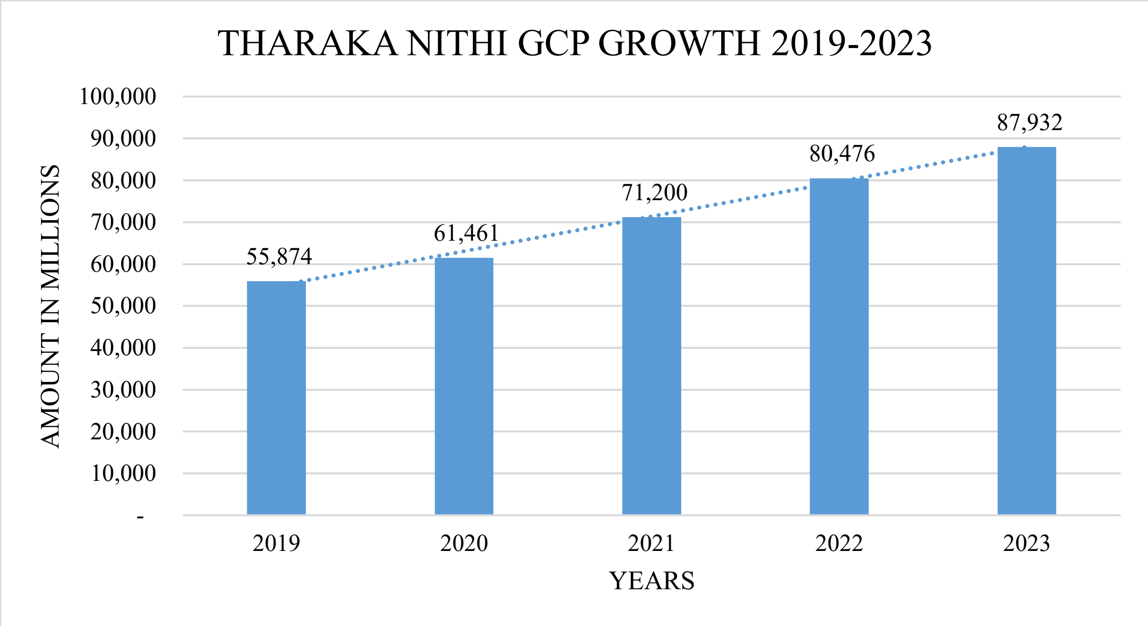


Figure 4: *Tharaka Nithi's GCP growth, 2019-2023*

3.4 Medium Term Fiscal Framework

The global economy has stabilized, with growth projected at 3.2 percent in 2024 and 3.3 percent in 2025, up from 3.3 percent in 2023. This improvement is supported by easing global inflation and reduced supply chain constraints. The outlook indicates stronger-than-expected growth in the United States, as well as in some large emerging market economies like India, along with more favorable growth prospects in the United Kingdom. However, the main risks to this global growth outlook include potential disruptions to the disinflation process, which could be triggered by new spikes in commodity prices due to ongoing geopolitical tensions. Additionally, there is concern about a possible resurgence of financial market volatility that could negatively affect sovereign debt markets, along with the possibility of a deeper growth slowdown in China.

	Growth (%)			
	Actual		Projections	
Economy	**2022**	**2023**	**2024**	**2025**
World	3.5	3.3	3.2	3.3
Advanced Economies	2.6	1.7	1.7	1.9
Of which: USA	*1.9*	*2.9*	*2.8*	*2.7*
Euro Area	*3.4*	*0.4*	*0.8*	*1.0*
Japan	*1.0*	*1.5*	*(0.2)*	*1.1*
Emerging and Developing Economies	4.1	4.4	4.2	4.2
Of which: China	*3.0*	*5.2*	*4.8*	*4.6*
India	*7.0*	*8.2*	*6.5*	*6.5*
Sub-Saharan Africa	4.0	3.6	3.8	4.2
Of which: South Africa	1.9	0.7	0.8	1.5
Nigeria	3.3	2.9	3.1	3.2
Kenya*	4.9	5.6	4.6	5.3

*Source: IMF World Economic Outlook, January 2025. *National Treasury Projection*

Growth in the advanced economies is projected to remain stable at 1.7 percent in 2024 and 1.9 percent in 2025 from 1.7 percent in 2023. In the United States, growth is projected at 2.8 percent in 2024 and 2.7 percent in 2025, reflecting strong wealth effects, a less restrictive monetary policy stance, and supportive financial conditions, stronger out turns in consumption
and non-residential investment, and demand factors in the labour market. In the Euro area, growth may pick up but at a more gradual pace, with geopolitical tensions continuing to weigh on sentiment. However, growth in Japan will contract in 2024, reflecting temporary supply disruptions and the fading of one-off factors that boosted activity in 2023, such as the surge in tourism.

Growth in emerging markets and developing economies is projected to remain stable at 4.2 percent in 2024 and 2025, with divergence across major economies. At the regional level, growth in Sub-Saharan Africa is expected to rebound to 4.2 percent in 2025 from 3.8 percent in 2024. This growth is driven by improved economic activities as the adverse impacts of prior weather shocks subside and supply constraints gradually ease.

The Kenyan economy remained strong and resilient in the first three quarters of 2024 despite its growth being relatively slower than the corresponding period in 2023. In the first three quarters of 2024, the economic growth averaged 4.5 percent (5.0 percent in Q1, 4.6 percent in Q2, and 4.0 percent in Q3) compared to an average growth of 5.6 percent (5.5 percent in Q1, 5.6 percent in Q2, and 6.0 percent in Q3) in 2023. The growth in the first three quarters of 2024 was underpinned by strong performance in the agriculture sector, a slight recovery of the manufacturing sector, and the resilience of the services sector. All the economic sub-sectors except mining and construction recorded positive growth rates in the first three quarters of 2024, though the magnitudes varied across the economic activities as shown in

Table 15: Sectoral GDP Performance

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Sectors	Annual Growth Rates		Quartely Growth Rates					
	2021	2022	2022 Q1	2022 Q2	2022 Q3	2023 Q1	2023 Q2	2023 Q3
1. Primary Industry	**0.5**	**(1.0)**	**(0.4)**	**(1.5)**	**(1.5)**	**5.9**	**8.0**	**6.4**
1.1. Agriculture, Forestry and Fishing	(0.4)	(1.6)	(1.7)	(2.4)	(1.3)	6.1	8.2	6.7
1.2 Mining and Quarrying	18.0	9.3	23.8	16.6	(4.5)	3.3	5.2	1.1
2. Secondary Sector (Industry)	**6.8**	**3.5**	**4.4**	**4.2**	**3.0**	**2.4**	**1.7**	**2.9**
2.1. Manufacturing	7.3	2.7	3.8	3.6	1.8	2.0	1.4	2.6
2.2. Electricity and Water supply	5.6	4.9	3.2	5.6	6.0	2.5	0.8	1.9
2.3. Construction	6.7	4.1	6.0	4.5	3.5	3.1	2.6	3.8
3. Tertiary sector (Services)	**9.6**	**6.7**	**8.5**	**7.7**	**5.7**	**5.9**	**5.9**	**6.9**
3.1. Wholesale and Retail trade	8.0	3.8	4.9	4.1	3.6	5.7	4.2	4.8
3.2. Accomodation and Restaurant	52.6	26.2	40.1	44.0	16.9	21.5	12.2	26.0
3.3. Transport and Storage	7.4	5.6	7.7	7.2	5.1	6.2	3.0	2.8
3.4. Information and Communication	6.1	9.9	9.0	11.2	11.8	9.0	6.4	7.3
3.5. Financial and Insurance	11.5	12.8	17.0	16.1	9.6	5.8	13.5	14.7
3.6. Public Administration	6.0	4.5	6.2	3.8	3.4	6.6	3.8	4.2
3.7. Others	10.8	5.2	6.7	5.5	4.7	4.8	4.9	6.3
of which: Professional, Admin & Support Services	7.1	9.4	13.1	10.9	9.0	7.3	5.5	9.5
Real Estate	6.7	4.5	6.0	5.0	4.0	5.2	5.8	6.2
Education	22.8	4.8	4.6	4.4	3.9	3.0	4.0	4.7
Health	8.9	4.5	5.7	4.4	3.7	5.4	5.0	5.1
Taxes less subsidies	11.9	7.0	9.5	6.1	7.3	5.3	4.0	2.8
Real GDP	**7.6**	**4.8**	**6.2**	**5.2**	**4.3**	**5.5**	**5.5**	**5.9**

Source of Data: Kenya National Bureau of Statistics.

Tharaka-Nithi County's economy is predominantly supported by agriculture, infrastructure development, and public services. The main areas of focus include enhancing crop and livestock production, improving roads, water supply, climate change, healthcare and education. The county prioritizes development projects that boost living standards and foster economic growth, with significant investments scheduled for urban development, healthcare, and public administration.

While agriculture remains a cornerstone of the economy, ongoing efforts to improve infrastructure and service delivery aim to promote overall economic progress and enhance the quality of life for residents while strengthening social pillar through education and healthcare. However, the substantial wage bill incurred by the county limits the funding available for various initiatives, hindering the achievement of key objectives. This budget review and outlook paper presents policy proposals that can be implemented in the short to medium term to address the rising wage bill. These include reviewing recruitment practices, implementing a hiring freeze based on necessity, and streamlining payroll and control systems to clean up the payroll processes within the county.

3.5 Risks to the Outlook

Kenya's GDP growth is projected to rebound, with forecasts for 2025 ranging from 5.3% to 5.6%. This growth is supported by a rebound in key sectors that drive the economy, increased macroeconomic stability, and declining inflation and a strengthening shilling against major currencies. These all portray a stable economic environment in the medium term, but, there are downside risks to this macroeconomic outlook emanating from domestic as well as external sources.

Geopolitical Risk

External risks include further escalation of geopolitical tensions – particularly the wars in the Middle East and Ukraine; potential worsening of supply disruptions due to the shipping crisis in the Red Sea and Suez Canal, which could result in higher import and production costs; and uncertainty about the evolution of international oil prices.

Climate change

Extreme weather (drought or floods) could weaken agricultural output, lead to the destruction of capital, increase food insecurity, and lead to a surge in cases of water-borne diseases. Lower than anticipated global economic growth, particularly in major export destinations, could reduce Kenya's exports, tourism receipts, and remittances growth, while an increase in global fuel prices could increase the country's import bill.

Changes in macroeconomic assumptions

Kenya's GDP growth is projected to rebound, with forecasts for 2025 ranging from 5.3% to 5.6%. This growth is supported by a rebound in Agriculture due to favorable weather, increased macroeconomic stability including declining inflation and strengthening shilling, and a government initiative such as farm input subsidies. Projections for future years are generally positive, though the world bank notes the fiscal path remains fragile due to high debt. The average growth in 2023 and 2024 was 5.2%.

Inflation declined significantly from 9.6% in October 2022 to 3.8% in May 2025. The development blueprint under the Bottom -Up- Economic Transformation Agenda (BETA) supports the agricultural sector and overall economic growth. Strong performance in the Services, infrastructure, real estate, finance and public administration sectors are all anticipated to support economic expansion, as the economy continues to demonstrate resilience against global shocks. Notably, the government is exploring financing opportunities to supports development.

Investment Risks

Tight global financial conditions arising from lower-than-expected return of global inflation to target levels could aggravate Kenya's vulnerabilities towards meeting external financing requirements. However, the Government's commitment to fiscal consolidation and prioritizing concessional borrowing is expected to mitigate this risk.

Financial Risks

The upside risk to the domestic economy relates to the fast-tracked implementation of structural reforms under BETA and the Fourth Medium-Term Plan (MTP) IV. Early normalization in global financing conditions and lower international fuel and food prices would strengthen Kenya's external balances. Faster than projected rebound in economic activities that would result in higher Government revenues, providing fiscal space that would support fiscal consolidation.

Monetary and Fiscal Risk

Continued coordination between monetary and fiscal policies is expected to result in stable macroeconomic conditions, which is a necessary condition for investment and savings, thereby promoting economic growth. The Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they materialize.

SECTION IV: RESOURCE ALLOCATION FRAMEWORK

4.1 Adjustment to the 2025/26 FY Budget

The FY 2025/26 budget is guided by nine broad county government development priorities as contained in the CFSP 2025 and the third generation CIDP. The main objectives are to enhance economic growth and development, increase agricultural production, improve water access, improve access quality and affordable health services, provision of quality education, ensure sustained investment in infrastructure, and provision of efficient and effective services.

The total revenue estimates for FY 2025/26 are KES 6.77 billion; to be financed through equitable share of 4.59 billion (67.8%), OSR of KES 585.40 million (8.6%) and conditional grants and loans of 1.60 billion (23.6%). Estimated recurrent expenditure for the FY 2025/26 is KES 4.26 billion, which represents 63 percent of the total expenditure while estimated development expenditure is KES 2.51 billion. The Government's estimated development index for FY 2025/26 is 37 percent, which meets the minimum requirement of 30 percent set by the PFM Act.

The adoption of the fourth basis of revenue allocation for the FY 2025/26 - FY 2029/30 proposed new parameters for sharing of revenue for county governments. Tharaka-Nithi County is set to benefit from the fourth basis of revenue allocation as it is identified as one of the twelve counties receiving additional funding to catalyze development. This special allocation aims to provide resources for developing counties that have not fully engaged in development programs, offering Tharaka-Nithi a dedicated opportunity to fund and implement new projects. Additionally, the Division of Revenue Act (DoRA) 2025 established the equitable share for county governments at KES 405.1 billion, an increase of KES 17 billion from the previous year. Similarly, the enactment of the County Allocation of Revenue Act, (CARA) 2025, indicates an increase in Tharaka Nithi County's equitable share, from KES 4.58 billion to KES 5.05 billion. Further, the County Government Additional Allocations Act (CGAAA) 2025 indicates variances in conditional grants and loans, such as RMLF, ABDP, settlement of doctors' salary arrears, among others.

County leadership's recent structural changes and departments realignments will necessitate aligning financial resources with new priorities, ensuring strategic resource allocation for enhanced service delivery and operational efficiency.

With these developments, the County Treasury will review the FY 2025/26 printed budget estimates to appropriate the cash balances brought forward and incorporate changes proposed in the CARA and CGAAA for equitable share and conditional grants respectively as well as realign the budget with the new county government structure. This will ensure seamless implementation of the budget and safeguard fiscal consolidation plans.

4.2 Medium Term Expenditure Framework

The FY 2026/27 budget is aligned with the Medium-Term Expenditure Framework, which is based on the third-generation County Integrated Development Plan (CIDP) for 2023-2027. The County Government of Tharaka Nithi aims to strengthen the local economy while fostering holistic growth, in line with its goal of being a haven for value addition and ensuring that no one is left behind. This framework addresses public demand for governance that supports all community members. Priority will be placed on both social and capital investments aimed at raising living standards and reducing the county's poverty index, implemented through a program-based budgeting approach. The outlined priorities will be effectively managed through this framework, which emphasizes resource optimization as a key approach. A key objective of this framework is to achieve a zero fiscal deficit.

4.3 Proposed 2026/27 Budget Framework

4.3.1 Revenue Projections

In FY 2026/27, the county government projects total revenue to increase from the FY 2025/26 printed estimates of KES 6.77 billion to KES. 7.26 billion, reflecting a 7.2% increase. This comprises KES 585.4 million from own source revenue, KES 5.18 billion from the equitable share, and KES 1.49 billion from loans and grants. This revenue outlook is expected to improve through reforms in revenue mobilization, strengthened policies, strategic planning, and enhanced administration.

County own-source revenue is anticipated to sustain a positive growth trajectory, supported by improved management measures and initiatives to expand the tax base. Between FY 2022/23 and FY 2024/25, OSR collections increased by 68% from KES 286.73 million to KES 481.79 million. The overarching goal is to optimize collections by tapping into underutilized revenue streams, thereby realizing the full potential of local resources as prioritized in the budget framework. Strengthening the instruments of revenue collections, including review / development of policies, laws, and regulations, including the Revenue Mobilization Strategy, Rating Act, Markets and Trade Licensing Act, Cess Act, Tax Waiver Administration Act, and Building Approvals legislation among others remains central to increasing OSR. Table 12 and Figure 4 below illustrate the revenue projections for the MTEF.

Table 16: MTEF Revenue Projections by source FY 2023/24- FY 2028/29

Description	Actual 2023/24 FY	Actual 2024/25 FY	Printed Estimate 2025/26 FY	2026/27 FY projected	Projection 2027/28 FY	Projection 2028/29 FY
Equitable Share Allocation	4,027,976,038	4,749,766,134	4,587,150,462	5,180,166,565	5,439,174,893	5,711,133,638
Grant income	559,317,341	294,640,755	1,597,849,728	1,494,366,104	1,569,084,409	1,647,538,630
Local Revenue	417,346,035	481,791,096	585,400,000	585,400,000	614,670,000	645,403,500
Unspent Bal from Previous FY	253,643,267	107,439,962	0	0	0	0
Grand Total	**5,258,282,681**	**5,633,637,947**	**6,770,400,190**	**7,259,932,669**	**7,622,929,303**	**8,004,075,768**

Figure 5 shows the revenue performance and the projections over the medium term.

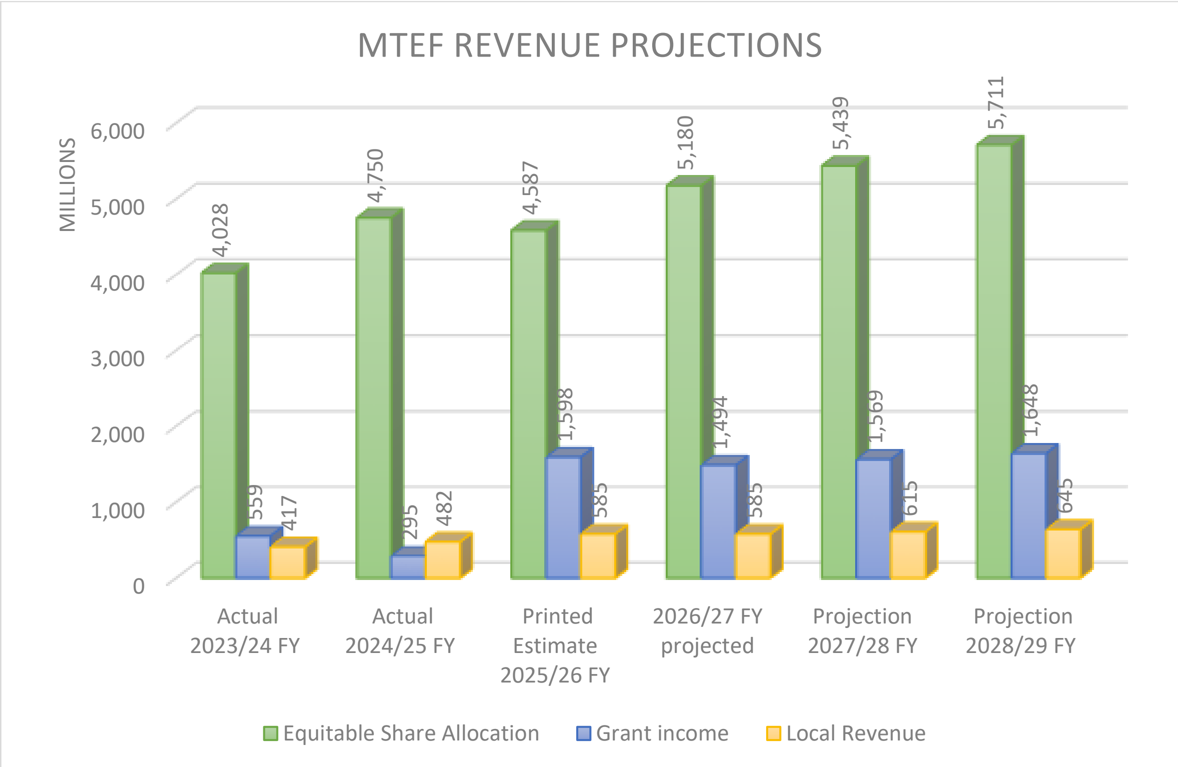

Figure 5: Revenue Projections FY 2023/24-FY 2028/29

Table 17 : Revenue and Expenditure Projections FY 2024/25-2028/29

	2024/25 FY		2025/26 FY			2026/27 FY		2027/28 FY	2028/29
Description	**Budget Estimates**	**Actual**	**Budget Estimates**	**CBROP 2024**	**CFSP 2025**	**CFSP 2025**	**CBROP 2025**	**CBROP 2025**	**CBROP 2025**
TOTAL REVENUE & GRANTS	7,005,682,985	5,633,637,947	6,770,400,190	6,725,080,700	6,784,214,478	7,123,425,201	7,259,932,669	7,622,929,303	8,004,075,768
Unspent Bal b/f \Previous FY	107,439,962	107,439,962	0	0	0		0	0	0
Revenue (Total)	**6,898,243,023**	**5,526,197,985**	**6,770,400,190**	**6,725,080,700**	**6,784,214,478**	**7,123,425,201**	**7,259,932,669**	**7,622,929,303**	**8,004,075,768**
Equitable Share Allocation	4,749,766,131	4,749,766,134	4,587,150,462	4,594,480,200	4,587,150,462	4,816,507,985	5,180,166,565	5,439,174,893	5,711,133,638
Local Revenue	485,000,000	481,791,096	585,400,000	480,000,000	480,000,000	504,000,000	585,400,000	614,670,000	645,403,500
Grant and Loans	1,663,476,892	294,640,755	1,597,849,728	1,650,600,500	1,717,064,016	1,802,917,216	1,494,366,104	1,569,084,409	1,647,538,630
Grand (Total)	**7,005,682,985**	**5,633,637,947**	**6,770,400,190**	**6,725,080,700**	**6,784,214,478**	**7,123,425,201**	**7,259,932,669**	**7,622,929,303**	**8,004,075,768**
Total Expenditure	**7,005,682,985**	**5,633,637,947**	**6,770,400,190**	**6,725,080,700**	**6,784,214,478**	**7,123,425,202**	**7,259,932,669**	**7,622,929,303**	**8,004,075,768**
Recurrent	4,614,641,109	4,267,191,997	4,258,549,163	4,308,389,865	4,211,398,779	4,421,968,718	4,580,412,357	4,809,432,975	5,049,904,624
Recurrent as % of CG Total Revenue	*66%*	*76%*	*63%*	*64%*	*62%*	*62%*	*63%*	*63%*	*63%*
Personnel Emolument	2,814,098,850	2,710,773,363	2,418,644,603	2,405,993,953	2,504,999,923	2,630,249,919	2,693,212,643	2,827,873,275	2,969,266,939
Operations & Maintenance	1,800,542,259	1,556,418,634	1,839,904,560	1,902,395,912	1,706,398,856	1,791,718,799	1,887,199,714	1,981,559,700	2,080,637,685
Personnel Emoluments as % of CG Revenue	*40%*	*48%*	*36%*	*36%*	*37%*	*37%*	*37%*	*37%*	*37%*
Development	2,391,041,876	1,140,001,835	2,511,851,027	2,416,690,835	2,572,815,699	2,701,456,484	2,679,520,312	2,813,496,328	2,954,171,144
Development as % of CG Total Revenue	*34%*	*20%*	*37%*	*36%*	*38%*	*38%*	*37%*	*37%*	*37%*
Unspent Bal Current FY	0	226,444,115	0	0	0	0	0	0	0

4.3.2 Expenditure Forecasts

The forecasted budget for FY 2026/27 is KES 7.26 billion, with projected recurrent and development expenditure of KES 4.58 billion and KES 2.68 billion respectively. This indicates a 7.2% increase in total revenues, with 7.6 percent and 6.7 percent increase in recurrent and development expenditures respectively.

The projected budget is anticipated to grow to KES 7.62 billion in FY 2027/28 and KES 8.0 billion in FY 2028/29. The FY 2027/28 recurrent and development expenditures are projected to be KES 4.81 billion and KES 2.81 billion respectively, while that of FY 2028/29 are projected at KES 5.05 billion and KES 2.95 billion respectively.

Over this MTEF period, recurrent expenditure is expected to account for 63% of the overall budget largely driven by staff compensation, while the development budget will account for 37%. Key investment priorities will focus on advancing universal health coverage, strengthening skills development, enhancing public service delivery, expanding road infrastructure, upgrading urban centers and markets, improving access to water and sanitation, addressing climate change, promoting value addition and market access for smallholder farmers, boosting agricultural productivity for food security, and supporting the growth of MSMEs. Table 16 summarizes the actual and projected expenditure for the period while table 17 gives a summary of indicative departmental ceilings for the MTEF period.

Table 18: Summary of Actual and Projected Expenditure MTEF

Expenditure Classification	**Actual Expenditure 2024/25**	**Approved Budget Estimates 2025/26**	**Projected Estimates (MTEF) 2026/27**	**Projected Estimates (MTEF) 2027/28**	**Projected Estimates (MTEF) 2028/29**
Recurrent	**3,900,304,912**	**4,258,549,163**	**4,580,412,357**	**4,809,432,975**	**5,049,904,624**
Personnel Emoluments	2,710,773,363	2,418,644,603	2,693,212,643	2,827,873,275	2,969,266,939
Operations & Maintenance	1,545,648,940	1,839,904,560	1,887,199,714	1,981,559,700	2,080,637,685
Development	**1,261,537,807**	**2,511,851,027**	**2,679,520,312**	**2,813,496,328**	**2,954,171,144**
County Assembly	523,352,348	538,533,605	593,960,285	623,658,299	654,841,214
Un spent Bal current FY	107,439,962	-	-	-	-
Total	**5,269,282,681**	**6,770,400,190**	**7,259,932,669**	**7,622,929,303**	**8,004,075,768**

Table 19:Summary of Indicative departmental Ceilings for the MTEF Period 2024/25- 2028/29

SECTOR	MINISTERIAL DEPARTMENTS	TOTAL EXPENDITURE KSHS					% SHARE OF TOTAL EXPENDITURE				
		2024/25 Actual Expenditure	**2025/26 Estimates**	**2026/27 Ceilings**	**2027/28 Projections**	**2028/29 Projections**	**2024/25 Actual Expenditure**	**2025/26 Estimates**	**2026/27 Ceilings**	**2027/28 Projections**	**2028/29 Projections**
Public Administration	Governor's Office	104,714,749	109,931,939	119,680,173	125,664,182	131,947,391	1.94%	1.62%	1.65%	1.65%	1.65%
	Finance and Economic Planning	245,394,970	246,229,900	248,484,703	260,908,938	273,954,385	4.54%	3.64%	3.42%	3.42%	3.42%
	County Public Service Board	20,784,552	40,133,400	45,411,796	47,682,386	50,066,505	0.38%	0.59%	0.63%	0.63%	0.63%
	Public Administration, Intergovernmental Coordination and Devolution Affairs	172,751,395	535,454,300	620,954,300	652,002,015	684,602,116	3.19%	7.91%	8.55%	8.55%	8.55%
	County Assembly	523,352,348	538,533,605	593,960,285	623,658,299	654,841,214	9.68%	7.95%	8.18%	8.18%	8.18%
	Office of the County Secretary and County Attorney	0	39,700,900	51,500,800	54,075,840	56,779,632	0.00%	0.59%	0.71%	0.71%	0.71%
	Sub Total	**1,066,998,014**	**1,509,984,044**	**1,679,992,057**	**1,763,991,660**	**1,852,191,243**	**19.73%**	**22.30%**	**23.14%**	**23.14%**	**23.14%**
Infrastructure, Energy, ICT and Housing	Roads, Transport and Infrastructure	861,069,500	775,177,146	944,872,131	992,115,738	1,041,721,524	15.92%	11.45%	13.01%	13.01%	13.01%
	Sub Total	**861,069,500**	**775,177,146**	**944,872,131**	**992,115,738**	**1,041,721,524**	**15.92%**	**11.45%**	**13.01%**	**13.01%**	**13.01%**
Health	Medical Services	1,983,672,645	1,831,351,197	1,864,306,839	1,957,522,181	2,055,398,290	36.69%	27.05%	25.68%	25.68%	25.68%
	Public Health and Sanitation	349,497,930	331,764,696	364,290,379	382,504,898	401,630,143	6.46%	4.90%	5.02%	5.02%	5.02%
	Sub Total	**2,333,170,575**	**2,163,115,893**	**2,228,597,218**	**2,340,027,079**	**2,457,028,433**	**43.15%**	**31.95%**	**30.70%**	**30.70%**	**30.70%**
Education and Social Services	Gender, Children and Social Services	11,327,913	36,000,000	47,759,502	50,147,477	52,654,851	0.21%	0.53%	0.66%	0.66%	0.66%
	Youth and Sports	41,307,829	88,888,000	118,888,800	124,833,240	131,074,902	0.76%	1.31%	1.64%	1.64%	1.64%
	Culture and Tourism	11,881,732	36,249,800	48,700,000	51,135,000	53,691,750	0.22%	0.54%	0.67%	0.67%	0.67%
	Education and Vocational Training	308,241,507	254,622,350	282,623,423	296,754,594	311,592,324	5.70%	3.76%	3.89%	3.89%	3.89%
	Sub Total	**372,758,981**	**415,760,150**	**497,971,725**	**522,870,311**	**549,013,827**	**6.89%**	**6.14%**	**6.86%**	**6.86%**	**6.86%**
General Economic and Commercial Affairs	Trade, Investment Promotion, Energy and Industry	32,260,879	206,831,880	370,831,880	389,373,474	408,842,148	0.60%	3.05%	5.11%	5.11%	5.11%
	Revenue and Resource Mobilization	99,353,782	119,330,000	150,134,200	157,640,910	165,522,956	1.84%	1.76%	2.07%	2.07%	2.07%
	Sub Total	**131,614,661**	**326,161,880**	**520,966,080**	**547,014,384**	**574,365,103**	**2.43%**	**4.82%**	**7.18%**	**7.18%**	**7.18%**
Agriculture	Fisheries And Ecosystem Development	17,291,406	49,910,000	50,589,999	53,119,499	55,775,474	0.32%	0.74%	0.70%	0.70%	0.70%
	Agriculture, Livestock, Veterinary Services, and Cooperative Development	387,719,755	581,241,378	624,600,917	655,830,963	688,622,511	7.17%	8.59%	8.60%	8.60%	8.60%

	Lands, Physical Planning and Urban Development	70,937,024	153,965,450	144,401,466	151,621,539	159,202,616	1.31%	2.27%	1.99%	1.99%	1.99%
	Sub Total	**475,948,185**	**785,116,828**	**819,592,382**	**860,572,001**	**903,600,601**	**8.80%**	**11.60%**	**11.29%**	**11.29%**	**11.29%**
Environment, Water and Natural Resources	Environment and Natural Resources	88,442,845	279,850,300	239,913,038	251,908,690	264,504,125	1.64%	4.13%	3.30%	3.30%	3.30%
	Water Services and Irrigation	77,191,071	515,233,949	328,028,038	344,429,440	361,650,912	1.43%	7.61%	4.52%	4.52%	4.52%
	Sub Total	**165,633,916**	**795,084,249**	**567,941,076**	**596,338,130**	**626,155,037**	3.06%	11.74%	7.82%	7.82%	7.82%
Grand Total	**Grand Total**	**5,407,193,832**	**6,770,400,190**	**7,259,932,669**	**7,622,929,302**	**8,004,075,768**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table 20: Summary of Indicative Sector Ceilings

SECTOR	**TOTAL EXPENDITURE KSHS**					**% SHARE OF TOTAL EXPENDITURE**				
	2024/25 Actual Expenditure	**2025/26 Estimates**	**2026/27 Ceilings**	**2027/28 Projections**	**2028/29 Projections**	**2024/25 Actual Expenditure**	**2025/26 Estimates**	**2026/27 Ceilings**	**2027/28 Projections**	**2028/29 Projections**
Public Administration	1,066,998,014	1,509,984,044	1,679,992,057	1,763,991,660	1,852,191,243	19.73%	22.30%	23.14%	23.14%	23.14%
Infrastructure, Energy, ICT and Housing	861,069,500	775,177,146	944,872,131	992,115,738	1,041,721,524	15.92%	11.45%	13.01%	13.01%	13.01%
Health Services	2,333,170,575	2,163,115,893	2,228,597,218	2,340,027,079	2,457,028,433	43.15%	31.95%	30.70%	30.70%	30.70%
Education and Social Services	372,758,981	415,760,150	497,971,725	522,870,311	549,013,827	6.89%	6.14%	6.86%	6.86%	6.86%
general economic and commercial affairs	131,614,661	326,161,880	520,966,080	547,014,384	574,365,103	2.43%	4.82%	7.18%	7.18%	7.18%
Agriculture	475,948,185	785,116,828	819,592,382	860,572,001	903,600,601	8.80%	11.60%	11.29%	11.29%	11.29%
Environment, Water and Natural Resources	165,633,916	795,084,249	567,941,076	596,338,130	626,155,037	3.06%	11.74%	7.82%	7.82%	7.82%
Grand Total	**5,407,193,832**	**6,770,400,190**	**7,259,932,669**	**7,622,929,302**	**8,004,075,768**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table 21: Recurrent and Development Expenditure FY 2024/25-FY 2028/29

Expenditure classification	Actual Expenditure 2024/25	Approved budget estimates 2025/26	Projected estimates (MTEF) 2026/27	Projected estimates (MTEF) 2027/28	Projected estimates (MTEF) 2028/29
Recurrent	4,267,191,997	4,258,549,163	4,580,412,357	4,809,432,975	5,049,904,624
Development	1,140,001,835	2,511,851,027	2,679,520,312	2,813,496,328	2,954,171,144
Total	**5,407,193,832**	**6,770,400,190**	**7,259,932,669**	**7,622,929,303**	**8,004,075,768**

Table 22: Summary of Departmental Ceilings by Expenditure Category

Department	PE	O&M	Grants - Rec	Total Rec	Ord. Dev	Grants - Dev	Total Dev	Grand Total
Agriculture and Crop Production	102,177,840	39,964,500	0	142,142,340	151,525,689	231,250,000	382,775,689	524,918,029
Livestock and Veterinary Development	56,991,264	22,691,624	0	79,682,888	20,000,000	0	20,000,000	99,682,888
Fisheries and Ecosystem management	16,600,000	13,500,000	0	30,100,000	10,000,000	10,489,999	20,489,999	50,589,999
County Assembly	0	533,960,285	0	533,960,285	60,000,000	0	60,000,000	593,960,285
County Public Service Board	22,233,400	23,178,396	0	45,411,796	0	0	0	45,411,796
Office of Governor and Deputy Governor	44,719,973	74,960,200	0	119,680,173	0	0	0	119,680,173
Office of the County Secretary and County Attorney	29,200,300	22,300,500	0	51,500,800	0	0	0	51,500,800
Public Administration and Devolution Affairs	132,604,300	48,350,000	37,500,000	218,454,300	50,000,000	352,500,000	402,500,000	620,954,300
Finance and Economic Planning	100,801,803	147,682,900	0	248,484,703	0	0	0	248,484,703
Education and Vocational Training	165,921,723	66,701,700	0	232,623,423	50,000,000	0	50,000,000	282,623,423
Gender, children and Social Services	22,100,000	15,659,502	0	37,759,502	10,000,000	0	10,000,000	47,759,502
Culture and Tourism	23,200,000	15,500,000	0	38,700,000	10,000,000	0	10,000,000	48,700,000
Youth and Sports	30,340,800	18,548,000	0	48,888,800	70,000,000	0	70,000,000	118,888,800
Land and Physical planning	40,678,000	33,723,466	0	74,401,466	70,000,000	0	70,000,000	144,401,466
Medical Services	1,330,799,066	346,411,548	24597481	1,701,808,095	120,000,000	0	120,000,000	1,821,808,095
Public Health and Sanitation	268,526,400	51,489,979	44,274,000	364,290,379	0	0	0	364,290,379
Information Communication Technology	19,153,144	23,345,600	0	42,498,744	0	0	0	42,498,744
Roads, Infrastructure, Public Works and Urban Development	63,400,400	133,985,000	35,000,000	232,385,400	435,000,000	277,486,731	712,486,731	944,872,131
Revenue and Resource Mobilization	105,009,000	25,125,200	0	130,134,200	20,000,000	0	20,000,000	150,134,200
Trade, investment promotion, Energy and Industry	43,101,480	27,730,400	0	70,831,880	50,000,000	250,000,000	300,000,000	370,831,880
Water Services and Irrigation	50,253,750	26,506,395	0	76,760,145	120,000,000	131,267,893	251,267,893	328,028,038
Environment and Natural resources	25,400,000	34,513,038	0	59,913,038	80,000,000	100,000,000	180,000,000	239,913,038
Total	**2,693,212,643**	**1,745,828,233**	**141,371,481**	**4,580,412,357**	**1,326,525,689**	**1,352,994,623**	**2,679,520,312**	**7,259,932,669**

4.4 Projected fiscal balance (deficit) and likely financing

The FY 2025/26 is balanced, and FY 2026/27 is predicted to be balanced as well. The county expenditure priorities will be aligned with the available resources to prevent the buildup of pending bills. The county will tap into potential revenue streams to increase its own source revenue. In addition, the county will encourage prudent utilization of available resources to avoid budget deficits and eliminate inefficiencies. Subsequent shortfalls in revenue that may occur within the year will be addressed through supplementary within the existing framework recommended and approved by the Intergovernmental Budget and Economic Council (IBEC).

4.5 Pending Bills

At the start of FY 2024/25 the County Government total pending bills was KES 878.34 million. Out of the total pending bills, KES 635.9 million was settled by the county government. In the same period, the county incurred KES 600.15 million as pending bills, which includes KES 219.68 million for salary arrears and statutory deductions. This culminated to the total outstanding County Executive pending bills of KES 842.59 million as at 30th June 2025, comprising of KES 185.43 million and KES 657.16 million for development and recurrent respectively. The county executive has already settled salary arrears for June 2025. The County Assembly closed the financial year with pending bills amounting to KES 96.82 million. Table 16 gives an ageing analysis of pending bills.

Table 23: Ageing Analysis of County Executive Pending Bills

Category	Ageing analysis (Amount in Kshs.)				Total
	Under one year	1-2 years	2-3 years	Over 3 years	
Development Pending Bills	**107,234,631**	**12,251,529**	**782,070**	**65,167,008**	**185,435,238**
Recurrent Pending Bills (Goods & Services)	273,235,868	71,306,328	35,626,759	57,306,118	**437,475,073**
Recurrent Pending Bills (Salary Arrears and Statutory Deductions)	219,681,190				**219,681,190**
Recurrent Pending Bills (Staff Claims)					-
Total Recurrent Pending Bills	492,917,058	71,306,328	35,626,759	57,306,118	**657,156,263**
Total Pending Bills	**600,151,689**	**83,557,857**	**36,408,829**	**122,473,126**	**842,591,501**

The County Government has constituted a pending bills committee that helps the county executive in proactive fiscal management measures on the pending bills, hence ensuring the county continues to function efficiently. In order for the County Government to effectively address the issue of pending bills, it is necessary to prioritize budgeting for the pending bills in current and forecasted years thus pending bills will take first charge in FY 2025/26. It is also important for cash flow management to ensure that sufficient funds are available for upcoming payments.

SECTION V: CONCLUSION

The 2025 CBROP will form the basis for the development of the 2026 CFSP that will detail the progress made towards the County development agenda as provided in the CIDP 2023-27. The County Government in the FY 2026/27 and over the medium term will focus on promotion of key value chains in agricultural production, provision of quality healthcare services, basic education and skills development, improvement to water access, development of critical infrastructure and trade promotion and enhancing governance, transparency & accountability as well as efficiency and effectiveness in delivery of public goods.

The fiscal proposals contained in the CBROP 2025 are geared towards realizing the development objectives contained in the MTP IV, CIDP III (2023-2027), Annual Development Plans and the fiscal responsibility principles outlined in the PFM Act 2012. Further, the county operates within the constrained fiscal environment, making it essential to prioritize budget accuracy and maximize value through the efficient use of available funds. During the FY 2026/27 and over the medium term, the Government will adopt Zero Based Budgeting Approach to guide the prioritization and allocation of resources to projects and programmes. As budgetary resources are limited, sectors are, therefore, required prioritize their programmes for FY 2026/27 within the available ceilings to ensure that use of public funds is in line with county government priorities and financial prudence.

Towards minimizing pending bills, all departments will be required to clear outstanding liabilities in addition to adhering to the principles of project management, for example preparing bills of quantities in advance. County Sector Working Groups need to prudently consider detailed costing of projects, strategic significance, deliverables (outputs and outcomes), alternative interventions, administration and implementation plans for efficient and effective utilization of resources.

The indicative sector ceilings will serve as a guide in the preparation of the 2026 CFSP and formulating budget estimates for the FY 2026/27 and that Sectors and departments are encouraged to realign their programs and sub-programs to the provided ceilings and the County Government priorities outlined in the CIDP 2023-27 and the ADP 2026/27. All departments are expected to adhere to and execute all key budget activities within the specified timelines as outlined in the Budget circular of August 2025 and ensure timely and smooth finalization of the MTEF budget for 2026/27 and over MTEF period.

To mirror this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears maximum benefits to the citizens. The involvement of all stakeholders in budget execution will be key in enhancing overall budget implementation. In addition, the prioritization of public needs will be key in shaping the final budget policies and allocations for the 2026/27 financial year.

The county will continue to strengthen its revenue collection and management systems with the goal of generating more revenues while ensuring the stability of the fiscal framework and financial health of the County. The identification of other sources of revenue for example implementation of the new valuation roll will avail more resources for development programmes. The county will revitalize revenue collection measures in order to ensure that the various projections for revenue streams for the MTEF will be realized.

ANNEXURES

Annex I: Budget Calendar for the FY 2025/26

ACTIVITY	RESPONSIBILITY	DEADLINE
1. Prepare and issue budget circular with guidelines	CEC Member for Finance	August 29th 2025
1.1 Two-day sensitization workshop for accounting officers		3rd - 4th September 2025
2. Sector Woking Groups and CBEF	County Treasury	
2.1.1 1st CBEF Meeting – Review of FY 2024/2025 and Consideration of ADP FY 2026/27		22nd -23rd September 2025
2.1.2 First meeting for SWGs		October 2025
2.2 Second meeting for SWGs		February 2026
Submission of projects and programmes to be implemented for FY 2025/26		December 2025
2.3 Third meeting for SWGs		April 2026
3. County Annual Progress Report	County Treasury (Economic Planning Department)	
3.1 Draft CAPR		30th July 2026
3.2 Validation of the CAPR		1st – 2nd August 2026
3.3 Submission to CEC for Approval		15th August 2026
3.4 Submission to CA for Approval		30th August 2026
4. Monitoring and Evaluation	County Treasury (Economic Planning Department)	
4.1 M&E field work		September 2025, November 2025, January 2026 and May 2026
4.2 Annual M&E week		2nd Week November 2025
5. Statistical abstract 2025	County Treasury (Economic Planning Department	
5.1 Draft		November 2025
5.2 Launch		December 2025
6. Development of ADPs for FY 2026/27	County Treasury (Economic Planning Department)	
6.1. Draft ADP FY 2026-2027		29th August 2025
6.2 Public Participation of ADP FY 2025-2026		2nd – 4th September 2025
6.3 Submission of ADP FY 2025-2026 to CEC		29th August 2025
6.4 Submission of ADP FY 2025-2026 to County Assembly		1st September 2025
6.5. Report of ADP from County Assembly		
6.6. Consolidation of CA recommendations to Final ADP		
6.7. Approval of ADP by County Assembly		*(Within 21 days upon submission)*
7. Development of County Budget Review and Outlook Paper (CBROP) 2025	County Treasury (Budget Unit)	
7.1. Estimation of Resource Envelope		9th September 2025
7.2. Determination of policy priorities		“
7.3. Preliminary resource allocation to Sectors		“
7.4. Draft County Budget Review and Outlook Paper		17th Sep 2025
7.5. Validation		22nd September 2025
7.6. Submission and approval of CBROP by CEC		30th September 2025
7.7. Submission of approved CBROP to County Assembly		14th October 2025
8. Preparation of Budget proposals for the MTEF	Departments	
8.1. First retreat to draft Sector Reports (Programmes and projects submitted)	SWGs	14th -17th October 2025
8.2. Public Sector Hearings	County Treasury	September 2025 and February 2026
8.3. Review and Incorporation of stakeholder inputs in Sector proposals	SWGs	14th January 2026
8.4 Submission of Sector Reports to Treasury	Sector Chairpersons	19th February 2026
8.5. Consultative meeting with CECs/COs on budget proposals	County Treasury	14th April 2026
8.6 3rd CBEF Meeting: Consideration of Budget Estimates	County Treasury	24th April 2026
9. Draft County Fiscal Strategy Paper (CFSP) 2026 and Debt Management Strategy (DMS) 2025		
9.1. Draft CFSP	County Treasury	6th February 2026
9.2. Draft Debt Management Strategy (DMS)	Budget Unit	“
9.3.1 Validation Workshop	Budget Unit	10th - 16th February 2026
9.3.2 2nd CBEF Meeting: Consideration of CFSP and DMS (Strategic Planning)	County Treasury	17th February 2026
9.4. Submission of CFSP and DMS to CEC for approval	County Treasury	20th February 2026
9.5. Submission of CFSP & DMS to County Assembly for approval	County Assembly	26th February 2026
10. Preparation and approval of Final Departmental Budgets		
10.1. Develop and issue final guidelines on preparation of 2026-2027 MTEF Budget	County Treasury	January, 2026
10.2. Submission of Draft Revenue Raising Measures (Finance Bill) to County Treasury	Revenue Department	25th March, 2026

10.3. Submission of Budget proposals to County Treasury (First draft)	Line departments	31st March, 2026
10.4. Consolidation of the Draft Budget Estimates (final draft)	County Treasury	14th April, 2026
10.5. Submission of Draft Budget Estimates to CEC	County Treasury	24th April, 2026
10.6. Submission of Draft Budget Estimates to County Assembly	County Treasury	30th April, 2026
10.7. Submission of Final Revenue Raising Measures (Finance Bill) to County Treasury	Revenue Department	30th April, 2026
10.8. Review of Draft Budget Estimates by County Assembly	County Assembly	17th June, 2026
10.9. Report on Draft Budget Estimates from County Assembly	County Assembly	18th June, 2026
10.10. Consolidation of the Final Budget Estimates	County Treasury	19th June, 2026
10.11. Approval of Appropriation Bill by County Assembly	County Assembly	25th June, 2026
10.12. Approval of Vote on Account by County Assembly	County Assembly	26th June, 2026
10.13 Budget Statement	CEC Finance	24th June, 2026
10.14 Appropriation Bill passed	County Assembly	26th June, 2026
11. Public participation	County Treasury (Economic Planning Department)	September 2025 - February 2026

Annex II: Revenue Performance per Stream and location

REVENUE STREAM	Sum of Proposed Budget Estimates FY 2023/24	Sum of Revised Budget Estimates 2023-2024 (A)	Actual Revenue (KShs.) (B)	Variance (KShs.) (C=B-A)
SBP	75,000,000	81,000,000	71,954,510.00	(9,045,490)
LIVESTOCK AND AGRICULTURAL PRODUCE CESS	7,000,000	1,000,000	498,957.00	(501,043)
BMT	25,000,000	25,000,000	15,757,460.00	(9,242,540)
NATURAL RESOURCE CESS	80,000,000	80,000,000	60,476,567.00	(19,523,433)
PARKING	20,000,000	20,000,000	20,536,079.00	536,079
HOUSE RENT/STALL	4,500,000	4,500,000	5,016,706.00	516,706
ADVERTISEMENT	6,800,000.00	6,800,000.00	19,432,479.00	12,632,479
PLAN APPROVAL	7,000,000	7,000,000	7,459,455.00	459,455
LIQOUR	20,000,000	20,000,000	20,734,402.00	734,402
VETINARY SERVICES	9,000,000	9,000,000	6,977,024.00	(2,022,976)
COOPERATIVE SERVICES	200,000	200,000	-	(200,000)
ADMINISTRATIVE FEE	6,000,000	6,000,000	436,157.00	(5,563,843)
PLOT RENT	6,000,000	6,000,000	6,138,822.00	138,822
WEIGHTS AND MEASURES	500,000	500,000	-	(500,000)
PROPERTY FEE (SEARCH/TRANSFERS/SUBDIVISION & REPPEGING)	3,000,000	3,000,000	2,383,409.00	(616,591)
MISLENEOUS FEE	15,000,000	15,000,000	480,700.00	(14,519,300)
ORDINARY REVENUE TOTAL	**285,000,000.00**	**285,000,000.00**	**238,282,727.00**	**(46,717,273)**
AIA (RECEIPTS FROM MEDICAL SERVICES)	165,000,000.00	200,000,000	243,508,375.50	43,508,376
GRAND TOTAL	**450,000,000.00**	**485,000,000.00**	**481,791,102.50**	**(3,208,898)**

REVENUE BY SUB COUNTY

S/NO	SUB COUNTY	TARGET	ACTUAL	VARIANCE	PERCENTAGE (%)
1	MWIMBI SUB COUNTY	13,500,000.00	9,685,124	(3,814,876.00)	71.7
2	CHOGORIA TOWN	28,000,000.00	22,289,163	(5,710,837.00)	79.6
3	CHUKA SUB COUNTY	21,000,000.00	17,979,522	(3,020,478.00)	85.6
4	CHUKA URBAN	70,000,000.00	60,241,487	(9,758,513.00)	86.1
5	IGAMBANG'OMBE SUB COUNTY	28,000,000.00	22,718,630	(5,281,370.00)	81.1
6	MUTHAMBI SUB COUNTY	20,000,000.00	15,099,326	(4,900,674.00)	75.5
7	THARAKA NORTH SUB COUNTY	39,000,000.00	34,048,699	(4,951,301.00)	87.3
8	THARAKA SOUTH SUB COUNTY	25,000,000.00	20,422,249	(4,577,751.00)	81.7
9	CHIAKARIGA SUB COUNTY	32,000,000.00	28,691,855	(3,308,145.00)	89.7
10	MUNICIPALITY	2,000,000.00	1,710,124	(289,876.00)	85.5
11	A.I SERVICES	4,000,000.00	3,446,702	(553,298.00)	86.2
12	HEADQUARTERS	2,500,000.00	1,949,846	(550,154.00)	78.0
13	HOSPITAL FEES AND CHARGES	200,000,000	243,508,369	43,508,369.00	121.8
	TOTALS	**485,000,000.00**	**481,791,096.00**	**(3,208,904.00)**	99.3