

COUNTY GOVERNMENT OF WAJIR



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

COUNTY FISCAL STRATEGY PAPER

2025

“Restored Hope, empowering Wajir for better tomorrow”

FEBRUARY 2025

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**CFSP 2025 will be published on the website at: www.wajir.go.ke within 7 days of
adoption by the County Executive Committee.**

FOREWORD

The County Fiscal Strategy Paper (CFSP) 2025, is the third to be prepared under the leadership of **HE FCPA Ahmed Abdullahi EGH** administration. The paper focuses on key medium term policies and priorities as highlighted in the Governors Manifesto and CIDP 2023/2027. The key priorities include; quality and affordable healthcare, food security, social protection, access to early childhood education, critical infrastructure development as well as building resilience to climate change shocks.

Since 2022, the County Government has initiated key programmes that include: provision of quality health care across the county; provision of clean and safe water for domestic use; infrastructure expansion and rehabilitation as well as social programs for vulnerable groups. Some of the flagship programmes/projects implemented are upgrading of Wajir referral hospital to level 5 which is ongoing, construction of County Aggregation and Industrial Park, drilling of boreholes and excavation of water pans across the county.

The key challenges facing the county in offering services to the county residents still persist and include: the global supply chain disruptions; elevated prices for basic commodities, poor roads, water and energy infrastructure, public health emergencies, food insecurity and high illiteracy among others. In the medium term, the county is projected to experience suppressed rains hence leading to drought and disease outbreaks. This necessitates the county government to allocated sufficient funds towards responding to these disasters occasioned by climate change hazards.

In FY 2025/2026, the total county budget is projected at Kshs. 11.74 billion with recurrent allocated Kshs. 8.21 billion and development Kshs. 3.53 billion to be financed from equitable share from the national government of Ksh 10.34 billion, conditional and unconditional additional allocations from the national government's share of revenue of Kshs 286.93 million, conditional additional allocations financed from proceeds of loans and grants from development partners of Kshs 859.86 million and own source revenue of Kshs 260 million.

In the medium term, the projected county resources are constrained. Therefore, strict ceilings have been provided for the FY2025/2026 Budget and the Medium Term which will form the basis for departmental detailed budgets which shall be submitted to the County Assembly for approval by April, 30 2025. In finalizing the budget estimates, the departments should put priority to programmes that have high impact to the community and specifically that create employment, alleviate poverty, bring services closer to the people and improve the lives and livelihoods of the county residents.

CPA Mohamed Hassan Hussein
County Executive Committee Member
FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

This County Fiscal Strategy Paper highlights the county fiscal and budget framework for the FY2025/2026 and the medium term. It identifies key strategic priorities and fiscal policy in tandem with the Governors Manifesto and the Third County Integrated Development Plan 2023-2027 at large. The CFSP 2025 is important for it allocates sector and programmes resource ceilings that will guide the preparation of 2025/2026 County Budget Estimates. The paper was prepared in a participatory manner through involvement of departments in identification of sector priorities and preparation of Sector Reports. Further, the community members were consulted through Public Participation Forums conducted across the six Sub-Counties which contributed to the finalization of the document.

My special appreciation goes to the general public and all interested groups who participated in the public participation forums which took place on 21st February 2025 across the six sub-counties as well as through written memoranda which helped in the finalization of the CFSP 2025. In addition, I underscore the role played by the County Executive Committee Member for Finance and Economic Planning for his leadership and guidance in preparation of this statutory paper within the stipulated timelines. My special thanks go to all the County Executive Committee Members (CECMs) and County Chief Officers in charge of various Departments for their support throughout the entire process. Their contributions were paramount in shaping the County Fiscal framework.

I thank my staff in the Economic Planning, Budget and Statistics Department for their coordination and technical support in the compilation of this Paper. They demonstrated recommendable levels of teamwork and commitment throughout the preparation process of the C-FSP 2025.

CPA Ahmed Hussein Mohamed

County Chief Officer

ECONOMIC PLANNING, BUDGET, STATISTICS, AUDIT AND COMPLIANCE

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CPSB	County Public Service Board
CO	Chief Officer
CRA	Commission of Revenue Allocation
FY	Financial Year
GCP	Gross County Product
GDP	Gross Domestic Product
IBEC	Inter-Governmental Budget and Economic Council
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NHIF	National Health Insurance Fund
PE	Personnel Emoluments
PFM	Public Finance Management
PPP	Public Private Partnership
PWD	People with Disabilities
SRC	Salaries and Remuneration Commission
SWG	Sector Working Group

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CHAPTER ONE: COUNTY STRATEGIC BLUE PRINT

1.1 Overview

1. The County Fiscal Strategy Paper (CFSP) 2025 sets out the priority programs and policies of the county government that will be implemented in the Medium-Term Expenditure Framework (MTEF). This is the third fiscal strategy under the leadership of H.E. FCPA Ahmed Abdullahi and it presents sectoral development blueprint whose implementation over the medium term is expected to realize socio-economic development in the county.

2. The CFSP 2025 has been prepared through a consultative process that involved seeking and taking into account the views of varied stakeholders. The Paper covers MTEF period of 2025/2026-2027/2028. prepared against a backdrop of stable global and domestic economic outlook. Global growth is projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023 despite geopolitical challenges arising from global supply chain disruptions due to the prolonged Russia -Ukraine conflict, elevated global interest rates on account of inflationary pressures limiting access to credit and exacerbating debt servicing costs; and significant losses and damages due to frequent extreme weather events increasing fiscal pressures.

3. The Kenyan economy in 2023 demonstrated resilience in the face of severe multiple shocks that included the adverse impact of climate change, global supply chain disruption and the impact of Russia- Ukraine conflict. As such, the focused interventions and structural reforms of the Government under BETA have stabilized the economy and supported economic recovery to 5.6 percent in 2023 from 4.9 percent in 2022 following a strong rebound in agriculture after two years of severe drought. Despite the challenging environment, Economic growth is estimated to have slowed down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy. Growth is expected to pick up to 5.3 percent in 2025 and retain the same momentum over the medium term

largely driven by enhanced agricultural productivity; resilient services sector, and ongoing implementation of priorities under BETA (**Budget Policy Statement - December, 2024**)

1.2 County Strategic Priorities

5. During MTEF period of 2025/2026-2027/2028 the Government will strive to achieve the following key outcomes or transformations:

1. Increased access to quality healthcare
2. Enhance access to safe water and sanitation services
3. Improved access to quality basic education, acquisition of skills and support to vulnerable groups.
4. Increased Production and Productivity
5. Improved infrastructure development, Land Planning and Housing

1.2.1 Increased Access to Affordable and Quality Healthcare

6. Accessible and quality healthcare is vital for healthy population. The government will prioritize steady procurement of pharmaceutical and non- pharmaceutical items to improve their supply and distribution for the health facilities. Emergency referral service remains an important Programme for the sector to ensure the public access services not offered in the county. Currently, the County Government spends at least Kshs. 48,000 per referral to Nairobi. To reduce referrals out of the county, the Government will continue upgrading the Wajir county referral hospital to level 5 and the sub-county hospitals to standard level 4. This will involve effectuating theatres, intensive Care Unit (ICU), High Dependency Care Unit (HDU), Casualty and Emergency Unit. Ten maternities in high volume facilities will be constructed and equipped. And Health centres (3A) will be upgraded to level 3B.

7. The County will procure and distribute Health Management Information System reporting tools for 174 facilities towards attainment of improved data quality and security. Health Monitoring and evaluation will also be prioritized to ensure health indicators are tracked and continuously improved. With view to enhance effective referral services, 25 ambulances have been rehabilitated and are operational. In addition, Eye, Dental and ENT clinics will be equipped to improve services delivery. Further the government recruited 240 nurses and is prioritizing training, mentorship and capacity building of health staff. Through human resource

for health program, the Government has been investing in different health cadres to have specialists that offer specialized services.

8. The Government will also work with the national government in up scaling Social Health Insurance Fund (SHIF) by ensuring all households in the county are registered by 2027. Family Health and Special Programmes will be prioritized for funding to decrease maternal mortality, infant mortality, Immunization, TB and HIV & AIDS prevalence in the county.

1.2.2. Enhance Access to Safe Water and Sanitation Services

9. Wajir is a water stressed county. The number of households with an access to clean and safe water in the county remains low and hence need for key initiatives to expand water services. The main water sources include shallow wells, boreholes and water pans. In order to ensure availability and sustainable management of water and achieve universal equitable access to safe and affordable drinking water, the government will undertake hydrological surveys, water resource mapping, borehole drilling, equipping and renovation, water pan excavation, , Installation of reverse osmosis plants and construction of water works for domestic and livestock use. In addition, construction of roof catchment and underground tank is going to be prioritized as well as rehabilitation of water systems and water works will be catered for.

10. The Government will implement the Wajir Water and Sanitation project to provide the third phase of supplying water to Wajir municipality and ensure more boreholes are transferred to WAJWASCO in order to improve water resource management.

1.2.3. Improved Access to Quality Basic Education, Acquisition of Skills and Support to Vulnerable Groups

11. The county has high adult illiteracy rate with low enrolment in pre-primary, primary and secondary schools. The sector's goal is to enhance literacy and acquisition of skills and protect the vulnerable members of the society through social programs. The Government will strive to improve access, retention and transition of learners in ECD and TVET. Better learning environment will be provided through construction of new ECDE classrooms, toilets, renovating existing classrooms. In addition, chairs and tables, learning materials, in-door and out-door playing material will be provided for the pre-primary learners.

12. The government will prioritize Meals Program at pre-primary education level to increase enrolment and transition. Bursaries will be funded for secondary, colleges and university education to support the needy bright students. Girl Child education is going to be supported through provision of mentoring programmes, sanitary pads and undergarments. Training of ECD teachers on CBC and holistic learning will be a priority in the medium term. The government acquisition of digital literacy gadgets will promote digital literacy among learners. In addition, the Government will also strive to increase enrolments in polytechnics by providing the appropriate tools and equipment.

13. The Government will also support the vulnerable members of the society by up scaling cash transfers for the severely disabled, strengthening child protection initiatives for OVCs and establishing social service board that will fight radicalization, drug abuse as well as FGM and Gender Based Violence.

1.2.4: Increased Production and Productivity

14. The Government will prioritize investment towards high production in crop farming and livestock. Access to water for farmers will be supported through excavation of water pans, drilling and equipping of boreholes for irrigation. In addition, the Government has funded acquisition of small-scale irrigation kits. Land under crop production is expected to increase through enhanced mechanized land preparation using farm tractors as well as enhanced extension services by deploying technical officers in all the wards to transfer skills across all the value chains, including the emerging value chains like bee keeping and exotic breeds for chicken. Establishment of demonstration farms across all sub-counties to enhance farmer education and transfer of new technologies and methods has been completed.

15. To facilitate livestock products export and boost animal market the government will continue investing in the completion of the international abattoir. Towards improvement in disease control, the Department of Agriculture and Livestock has been operationalized vet labs and construct vaccine cold chain stores to enhance good storage of drugs and vaccines in addition to erection of cattle crushes across the sub-counties. Meat inspectors for all the sub-counties will be recruited. Finally Facilitation of fodder production through provision seeds, extension services, and construction of hay store has been completed.

16. The government will prioritise access to affordable credit for MSMEs to ensure business growth. In addition, construction of aggregation centres will be a priority in the medium term with key value chains given priority.

1.2.5: Improved infrastructure ,Land Planning and Affordable Housing

17. The government is in the process of development of spatial plan as well as physical plans for major towns which will improve land use. Once this is completed, an accelerated process of surveying plots in major towns will be prioritized. In addition, the government will collaborate with the National Government to deliver affordable houses for the county residents. The government is in the process of improving informal settlements through opening up of access roads, improving the roads to bitumen standard and provision of alternative renewable energy to government institutions.

1.3 Legal Basis for the Publication of the County Fiscal Strategy Paper

18. Section 117 (1) of Public Finance Management Act, 2012 requires County Treasury to prepare County Fiscal Strategy Paper to be approved by the County Executive Committee and submitted to the County Assembly by the 28th February of every calendar year.

1.4 Fiscal Responsibility Principles

19. A County Treasury is mandated to manage the county government's public finances. Section 107 (2) of the Public Finance Management Act, 2012 requires it to enforce the following fiscal responsibility principles:

1. The county government's recurrent expenditure shall not exceed the county government's total revenue;
2. Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
3. The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
4. Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;

5. The county debt shall be maintained at a sustainable level as approved by county assembly;
6. The fiscal risks shall be managed prudently;
7. 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.

I.5 Outline of the County Fiscal Strategy Paper

20. The 2025 CFSP is presented in six sections:

- i. **Chapter One:** Outlines the programmes for achieving the County Government's strategic objectives
- ii. **Chapter Two:** Recent Economic Development and Medium-Term outlook
- iii. **Chapter Three:** Highlights the fiscal framework and medium term budget (Revenue projections, recurrent expenditure forecast, development expenditure projections, and fiscal balance). The chapter further highlights, the FY2024/2025 and medium term priorities, the fiscal policy status, Fiscal Strategy Paper's obligation to observe Fiscal Responsibility Principles as set out in the PFMA 2012, Fiscal Structural Reforms. The section generally outlines the county fiscal strategic objectives that the County is implementing to achieve its fiscal responsibility principles.
- iv. **Chapter Four:** Covers the Medium-Term Expenditure Framework. It highlights the total resource envelope for FY 2024/25 MTEF, Spending Priorities, Medium Term Expenditure Estimates, Baseline ceilings, Finalization of spending plans, and details of Sector Priorities.
- v. **Chapter Five:** is the Conclusion and next steps
- vi. **Chapter Six:** Annexures

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

2.1 Overview

2.1.1 Global and Regional Economic Developments

21. The global economy has stabilized, with growth projected at 3.2 percent in both 2024 and 2025, slightly down from 3.3 percent in 2023. This stability is supported by easing global inflation and supply chain constraints. The outlook is driven by stronger-than-expected growth in the U.S., major emerging markets like India, and improved prospects in the UK. However, key risks to global growth include potential disruptions to the disinflation process due to spikes in commodity prices amid ongoing geopolitical tensions, a resurgence of financial market volatility impacting sovereign debt, a sharper slowdown in China, and the escalation of protectionist policies that could heighten trade tensions, reduce market efficiency, and further disrupt supply chains (BPS 2025)

22. Growth in advanced economies is expected to remain steady at 1.8 percent in both 2024 and 2025, slightly up from 1.7 percent in 2023. In the United States, growth is projected to reach 2.8 percent in 2024, driven by strong consumer spending, non-residential investment, and labor market demand. However, it is expected to slow to 2.2 percent in 2025 as fiscal policy tightens and a cooling labor market dampens consumption. In the euro area, growth is set to recover due to improved export performance—particularly in goods—stronger domestic demand, rising real wages supporting consumption, and a gradual easing of monetary policy that is expected to boost investment. Conversely, Japan's growth is projected to decline due to temporary supply disruptions and the fading impact of one-off factors that spurred activity in 2023, such as the surge in tourism (BPS 2025)

23. Growth in emerging markets and developing economies is expected to remain steady at 4.2 percent in both 2024 and 2025, though with variations across major economies. Regionally, Sub-Saharan Africa's growth is projected to rebound to 4.2 percent in 2025, up from 3.6 percent in 2024 and 2023. This recovery is driven by strengthened economic activity as the effects of previous weather-related shocks diminish and supply constraints gradually ease.

2.1.2 National Economic Developments

24. Kenya's economy remained strong and resilient in the first three quarters of 2024, despite experiencing slower growth compared to the same period in 2023. The country's economic growth averaged 4.5 percent in this period (5.0 percent in Q1, 4.6 percent in Q2, and 4.0 percent in Q3), down from an average of 5.6 percent in 2023 (5.5 percent in Q1, 5.6 percent in Q2, and 6.0 percent in Q3). This growth was largely driven by a strong performance in the agriculture sector, a modest recovery in manufacturing, and the continued resilience of the services sector. While all economic sub-sectors, except mining and construction, recorded positive growth in the first three quarters of 2024, the rate of growth varied across different industries. Kenya's diversified economic structure continues to be a key factor in cushioning the country from both domestic and external shocks.

25. The **primary sector** expanded by an average of 4.2 percent in the first three quarters of 2024, with growth rates of 5.0 percent in Q1, 4.4 percent in Q2, and 3.2 percent in Q3. This growth was largely driven by strong agricultural performance, despite a contraction in mining and quarrying. The agriculture sector remained resilient, recording growth of 6.1 percent in Q1, 4.8 percent in Q2, and 4.2 percent in Q3, supported by favorable weather conditions and government interventions aimed at reducing production costs. However, the sector's performance was partially hindered by heavy rains and flooding between March and June 2024, which resulted in livestock losses and damage to croplands.

26. The **mining and quarrying sector** contracted in the first three quarters of 2024, primarily due to a decline in the production of key minerals such as titanium, soda ash, and gemstones. This downturn was largely attributed to the closure of Kwale-based Base Titanium, which formally ceased mining operations in Kenya in December 2024 following the depletion of commercially viable ore.

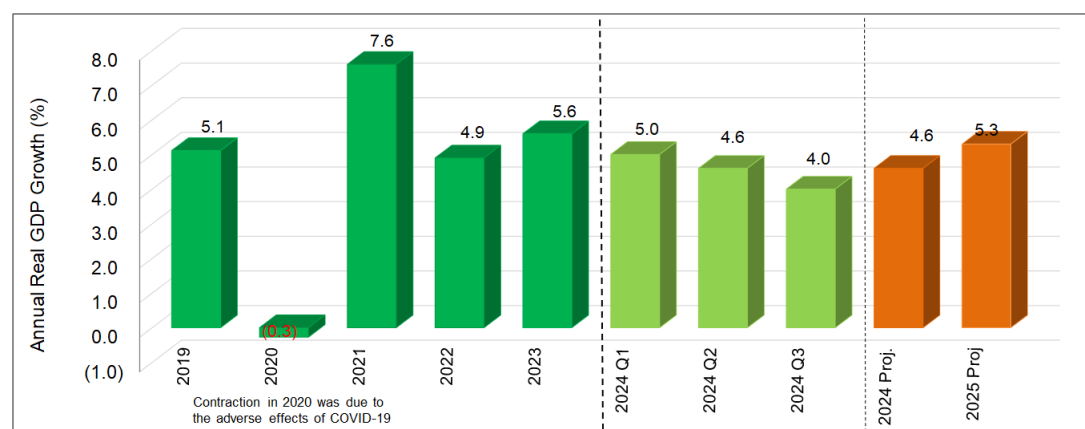
27. The **industrial sector** experienced subdued growth in the first three quarters of 2024, averaging 0.8 percent (1.0 percent in Q1, 0.8 percent in Q2, and 0.6 percent in Q3). This slowdown was primarily driven by reduced activity in electricity and water supply, as well as a contraction in the construction sub-sector. The decline in electricity and water supply resulted from lower electricity generation from geothermal, wind, and solar sources, while the

contraction in construction was attributed to a slowdown in public sector infrastructure projects. Meanwhile, the manufacturing sector, which accounts for nearly half of the industrial sector's output, was supported by strong growth in food manufacturing, though non-food manufacturing activities showed mixed performance.

28. The **services sector** maintained strong growth momentum in the first three quarters of 2024, averaging 5.6 percent (6.2 percent in Q1, 5.3 percent in Q2, and 5.3 percent in Q3). This growth was driven by robust performances in accommodation and food services, financial and insurance services, information and communication, real estate, and wholesale and retail trade. The accommodation and restaurant sub-sector benefited significantly from several high-profile international conferences held in Nairobi between April and June 2024, which attracted substantial international participation. Meanwhile, the information and communication sub-sector saw increased growth due to rising voice traffic, internet usage, and mobile money transactions, despite a decline in domestic Short Messaging Services (SMS) usage.

29. Taking into account the performance of the economy in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy growth is estimated to expand overall by 4.6 percent in 2024 and 5.3 percent in 2025. These projections are mainly supported by: a robust services sector and recovery of manufacturing sector; robust agricultural productivity and improvement in exports. The outlook will be reinforced by implementation of policies and reforms under the priority sectors of the Bottom-Up Economic Transformation Agenda (BETA) and improvement in aggregate demand. Additionally, implementation of prudent fiscal and monetary policies will continue to support economic activity(Figure 2.1)

Figure 2.1: Annual Real GDP Growth Rates, percent



Source: KNBS

2.2 Review of Recent Economic Performance

30. The economy expanded by 5.2 per cent in the first quarter of 2024 compared to 5.5 per cent growth in the corresponding quarter of 2023. The growth was largely supported by a rebound in agricultural activities, which grew by 6.1 per cent owing to sufficient rainfall experienced during the quarter under review. In addition, the performance was also on account of significant growths in Accommodation and Restaurant (28.0%), Professional, Administration and Support Services (9.9%), Information and Communication Technology (7.8%); Financial and Insurance (7.0%) and Wholesale and Retail Trade (4.9%).

31. The economy grew by 4.6 per cent in the second quarter of 2024 compared to 5.6 per cent growth in the corresponding quarter of 2023. The growth was primarily underpinned by rebound in the manufacturing activities that grew by 3.3 per cent during the period under review compared to 1.5 percent growth during similar quarter in 2023. The other sectors that supported growth during the period under review included: Accommodation and Restaurant (26.6%), Professional, Administration and Support services (6.8%), Financial and Insurance (5.1%); and; Information and Communication (7.2%). During the period under review, most macroeconomic indicators exhibited an upward trend.

32. The country's real Gross Domestic Product (GDP) grew by 4.0 per cent in the third quarter of 2024, compared to 5.1 per cent in the corresponding quarter of 2023. This growth was mainly supported by a rebound in Wholesale and Retail Trade activities that had contracted in 2023. During the review quarter, Agriculture, Forestry, and Fishing activities' Gross Value Added decreased by 4.2 per cent compared to a growth of 6.2 per cent in the third quarter of 2023 owing to harsh weather and climatic conditions that characterized the better part of 2024. In addition, other sectors that significantly contributed to the growth include Professional, Administration and Support Services (7.8%), Information and Communication (6.1%) and Accommodation & Restaurant (13.7%).

33. According to the World Bank report on (Kenya Economic Update) June, 2024, Kenya's real GDP has grown by 5% in 2024 and is projected to grow by 5.3 in 2025, propelled by service

sector resilience and recovery of exports in 2024. The growth outlook assumes adequate rainfall, fiscal consolidation strategy and continuous implementation of government structural reform agenda.

34. Inflation Developments: Overall inflation declined and has remained below the mid-point of the 5.0 percent target band since June 2024, primarily due to significant drops in energy prices and a continued easing of food prices. Inflation fell to 3.0 percent in December 2024, down from 6.6 percent in December 2023 and a peak of 9.6 percent in October 2022. This downward trend has been supported by an abundant food supply resulting from favorable weather conditions, lower fuel inflation driven by exchange rate appreciation and declining international oil prices, and a reduction in non-food non-fuel (NFNF) inflation, reflecting the effects of previous monetary policy tightening. (BPS 2025)

35. With inflation remaining below the mid-point of the target range and the exchange rate stabilizing, the Central Bank of Kenya, through the Monetary Policy Committee (MPC), has gradually eased monetary policy by lowering the Central Bank Rate (CBR). The rate was first reduced from 13 percent to 12.75 percent in August 2024, then to 12.0 percent in October 2024, and further to 11.25 percent in December 2024. This monetary policy easing aims to enhance credit access for the private sector, thereby supporting economic activity and growth.

36. Net Domestic Assets (NDA) contracted by 2.2 percent in the year to September 2024, compared to a growth of 10.9 percent over a similar period in 2023. The slowdown in growth of the NDA was due to a decline in growth of the domestic credit to the private sector. The domestic credit extended by the banking system to the Government increased to grow by 16.6 percent in the year to November 2024 compared to a growth of 14.4 percent in the year to November 2023.

37. Interest Rates Developments: Interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 11.4 percent in December 2024 compared to 11.7 percent in December 2023 and has remained within the prescribed corridor around the CBR (set at $CBR \pm 150$ basis points). The 91-day Treasury Bills rate also declined to 10.0 percent in December 2024 from 15.7 percent in December 2023

Local Economic Development

36. As per NDMA report, the 2024 enhanced March to May Long Rains came following the El Nino enhanced above average 2023 October to December short rains and has helped drive economic recovery in the ASAL areas including Wajir county. This has included regeneration of forage and water resources, recovery of livestock including improvement of their livestock body conditions and productivity. There was improvement in terms of population of the county that were in need of urgent humanitarian assistance, 10 percent in 2024, compared to 30 percent in 2023. However Tropical Livestock Units (TLUs) is still below long-term average due to previous protracted drought coupled with livestock sales to meet basic household requirements and school fees. Additionally, WFP's VAM satellite rainfall and vegetation data for Wajir County shows poor performance of the 2024 OND short rains season leading to sharp decline in the vegetation condition index from Normal Vegetation Greenness to Moderate Vegetation Deficit. The situation is expected to further worsen in the coming months considering the poor performance of the 2024 OND short rains seasons. No rains were received in December 2024, hence the significant deterioration in vegetation condition.

37. Wajir County contributes on average 0.5 per cent of the National Gross Value added with real GCP total of Ksh 69,108 million as per the KNBS GCP 2024 report. The county has recorded GCP growth of 6 percent in 2023 down from 10 percent growth in 2022 due to poor rainfall seasons during the 2023 long rains which slowed down growth in most productive sectors of the economy including Agriculture and livestock production. The Gross County product (GCP) 2024 statistics indicate that the agricultural sector directly contributes approx. 34 percent of the county's economy down from 38 percent in 2022.

38. The **primary sector** of the county economy grew by an average of 0.2 percent in 2023 mainly supported by agricultural activities despite a contraction in mining and quarrying. In 2023, the agriculture sector grew by 1 percent. The subdued growth in the sub-sector was mainly due to heavy rains and floods during short rains in October and November that led to loss of livestock and damage to croplands.

39. In 2023, activities in the mining and quarrying sector in Wajir County experienced a contraction (-13.5 per cent growth), primarily due to two key factors. First, the heavy rains

significantly impacted mining operations by cutting off access roads to sub-counties where these activities are typically carried out. The poor road conditions disrupted the transportation of raw materials and limited access to mining sites, slowing down production. Secondly, a decline in construction activities within the county further contributed to reduced demand for mined materials such as sand and stones. With fewer ongoing construction projects, the demand for quarrying products decreased, leading to lower production levels.

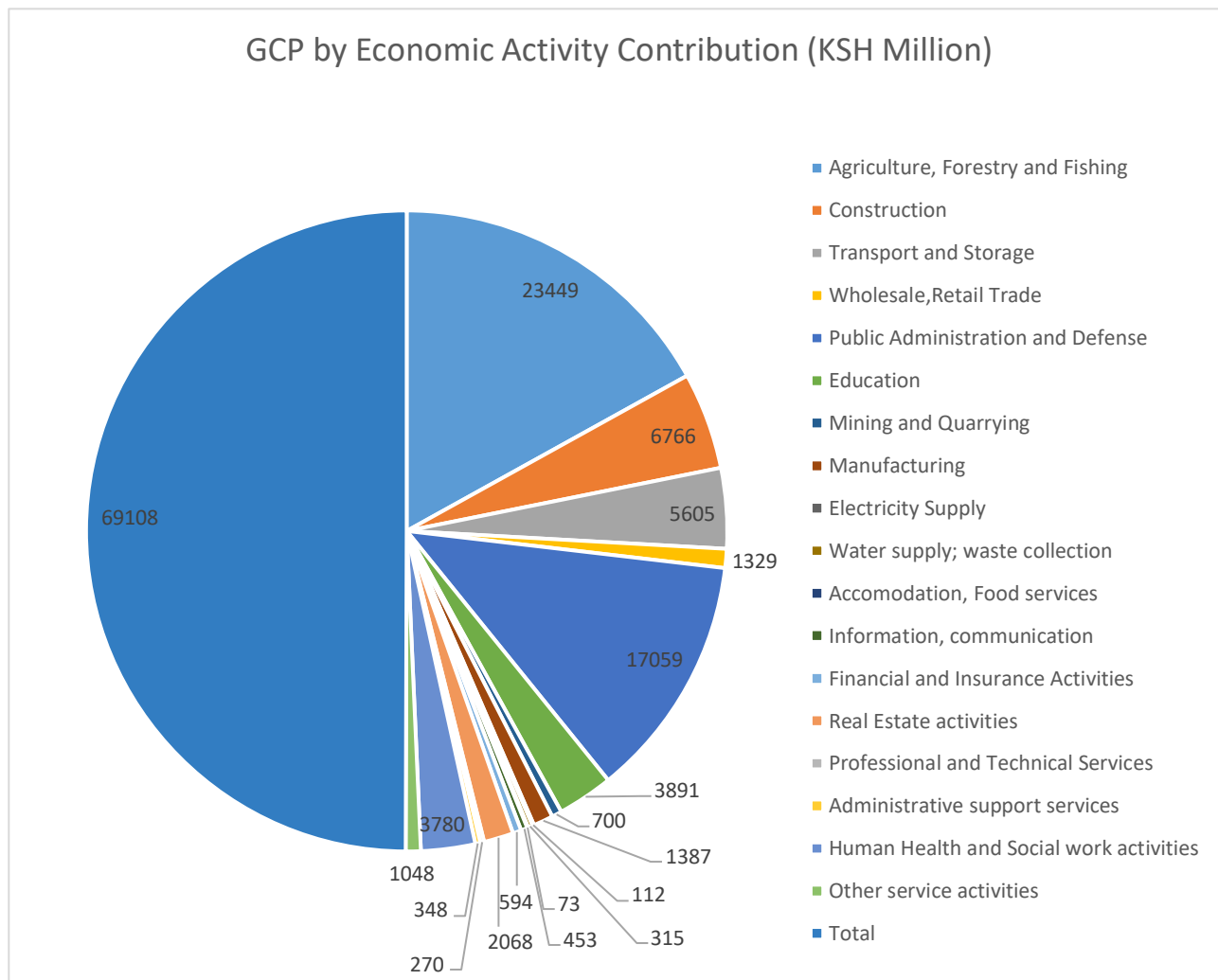
40. Industrial sector performance in 2023 has been relatively good with a growth of 8 percent in the manufacturing sub-sector which accounts for 2 percent of Wajir GCP. This was mainly on account of growth in electricity & water supply, with electricity supply growing by 104 percent in 2023.

41. The activities in the **services sector** continued to sustain remarkable growth momentum in 2023. The performance was largely characterized by significant growths in accommodation and food service (30 percent), wholesale and retail trade (11 percent) and real estate sub-sectors (8 percent). Accommodation and restaurant service sub-sector benefited from several county and local NGO conferences largely held in Wajir Township, Eldas and Habasweine. Growth in the wholesale and retail trade sub-sector is as a result of increased consumer demand, improved supply chains, and enhanced business activities across Wajir County.

42. Considering the performance of Wajir County's economy over the past three years and ongoing investments in key sectors such as agriculture, health, water, and sanitation, the county's economy is projected to grow by 6 percent in 2025. Sustained investment in agriculture, particularly in enhancing food security and resilience through programs like the Food Systems Resilience Project (FSRP), is expected to boost productivity and rural incomes. The expansion of health services, including infrastructure development and improved access to medical care, will contribute to a healthier workforce and overall economic stability. Additionally, increased investments in water and sanitation infrastructure will enhance living standards, support agricultural activities, and promote business growth. These factors, combined with steady growth in the industrial and services sectors, are likely to drive economic expansion and improve livelihoods across Wajir County in the coming year.

Figure 1: Wajir County GCP by Economic Activity

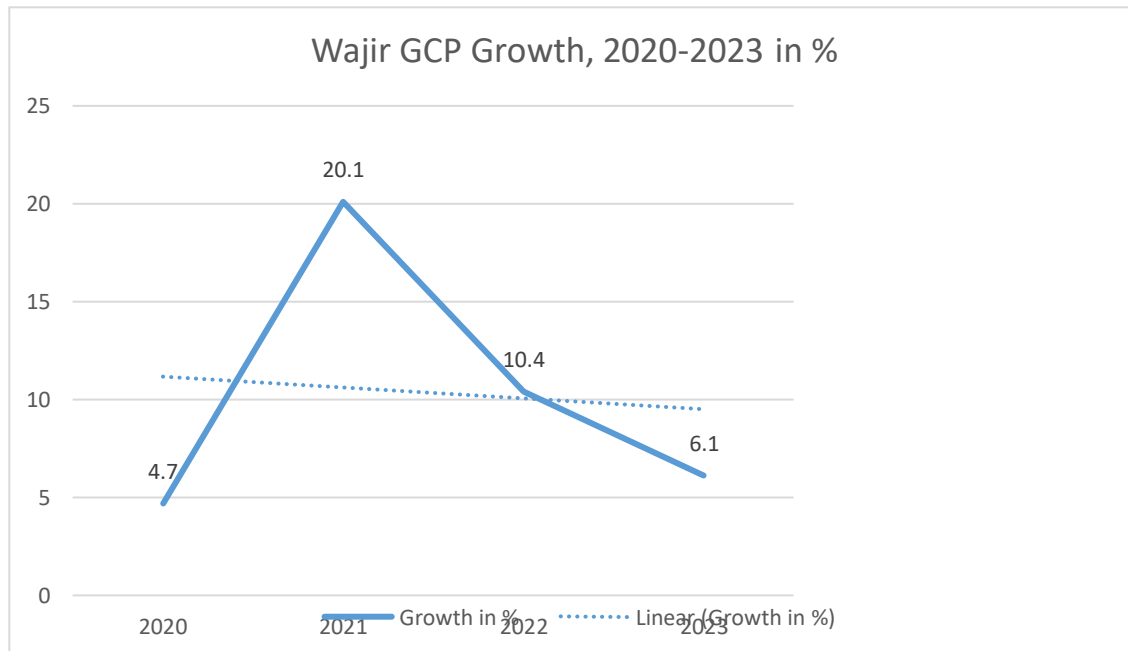
SECTORS CONTRIBUTION TO WAJIR GCP 2023				
	YEAR	YEAR	% Contribution	% Contribution
ECONOMIC ACTIVITIES	2022 (KSH M)	2023(KSH M)	2023(KSH M)	2022(KSH M)
AGR, forestry and fishing	23,296.00	23,449	33.93094866	37.60
Construction	6429	6,766	9.790472883	10.38
Transport and Storage	4732	5,605	8.11049372	7.64
Wholesale, Retail Trade	1197	1,329	1.923076923	1.93
Public adm and defence	13628	17,059	24.68455172	22.00
Education	2926	3,891	5.630317764	4.72
Mining & Quarrying	809	700	1.012907333	1.31
Manufacturing	1285	1,387	2.007003531	2.07
Electricity Supply	55	112	0.162065173	0.09
Water Supply; Waste collection	309	315	0.4558083	0.50
Accommodation, Food Service Activities	56	73	0.105631765	0.09
Information and Communication	428	453	0.655495746	0.69
Financial & Insurance Activities	500	594	0.859524223	0.81
Real Estate Activities	1900	2,068	2.992417665	3.07
Professional & Technical services	246	270	0.390692829	0.40
Administrative Support services	294	348	0.503559646	0.47
Human Health & Social Work activities	3130	3,780	5.469699601	5.05
Other Service Activities	942	1,048	1.516466979	1.52
total	61950	69,108		



Source: KNBS, GCP 2024

43. Looking at the GCP trends between 2019 and 2023, the GCP growth was slow in 2020 due to the effects of Covid-19 and prolonged drought. As a result of recovery initiatives put in place by the government towards cushioning communities against Covid-19 and the drought, the county recorded a record GCP growth of 20.1% in 2021. The effected of prolonged drought and the global inflation of goods and communities slowed the growth of the county GCP in 2022 and 2023 as shown in **Figure 2**

Figure 2: Gross County Product Growth Trends at Current Prices



Source: County Treasury 2024

44. Budget implementation for the FY 2024/25 has faced initial setback due to exchequer delays particularly in the first quarter of the FY, 2024 that slowed down budget implementation. Additionally, the FY2023/24 closed with unpaid exchequer requests (carryovers) of Ksh 808.6 million. The impugned National Finance Bill 2024 and the withdrawal of the Division of Revenue Bill, 2024 have introduced fiscal uncertainties culminating reduced allocations to the county governments. Implementation of the increased statutory contributions towards Housing Levy and Social Security Funds has continued to put pressure on the expenditures. To ensure seamless implementation of the FY 2024/25 budget and readjust revenue and expenditures in the light of the new fiscal realities, the county Treasury is in the process of rationalizing expenditures through Supplementary Estimates.

Revenue Performance

45. By the end December 2024, revenue receipt amounted to Kshs 4918.3 million against a target of Kshs 6383.4 million resulting to an underperformance of Kshs 1465.2 million. The underperformance was mainly on account of shortfall registered in exchequer releases particularly funds from development partners pending approval of the County Additional

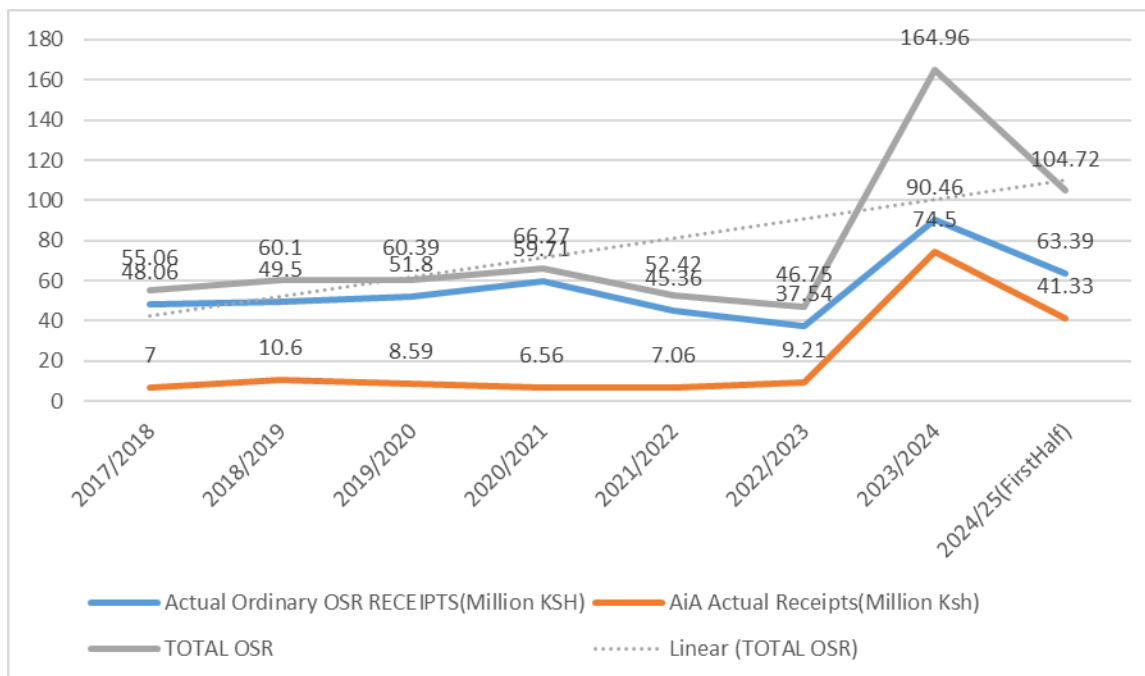
Allocation Bill, 2024. Total revenue receipt grew by 14 percent by end of December 2024 compared to revenues received in a similar period in December 2023 as shown in table 2a.

		Dec-23	Dec-24			
item		ACTUAL(KSH)	TARGET	ACTUAL	DEVIATION	GROWTH %
A	TOTAL REVENUE					
	Total Revenues (1+2+3)	4,314,636,359	6,383,403,989	3,838,341,733	2,545,062,256	-11%
1	Ordinary OSR	36,042,764	40,000,000	63,389,051	23,389,051	76%
2	AIA(FIF)	13,170,000	60,000,000	41,328,430	18,671,570	214%
3	Exchequer Release	4,265,423,595	6,283,403,989	3,733,624,252	2,549,779,737	-12%
B	TOTAL EXPENDITURE	3,822,888,310	6,383,403,989	4,428,168,565	1,955,235,423	16%
1	RECURRENT	3,071,657,539.00	3,740,389,113	3,137,112,813	-603,276,300	2%
2	DEVELOPMENT	751,230,771	2,643,014,876	1,291,055,752	1,351,959,124	72%

Own Source Revenue

46. Own Source Revenue for the period to December 2024 was Ksh 104.7 million against a target of Ksh 100 million translating into a surplus of Ksh 4.7 million representing a growth of 113 percent compared to a similar period in 2023. The overperformance is attributed to Ordinary Own Source Revenue collection of Ksh 63.4 million against a target of Ksh 40.0 million. However, ministerial A-i-A (FIF) recorded a shortfall of Ksh 18.6 million at Ksh 41.3 million against a target of Ksh 60.0 million. This is expected to pick up in the last two quarters of the financial year. Figure 4 shows the trend in Own Source Revenue collection from FY 2017/18 to the First Half of the current FY.

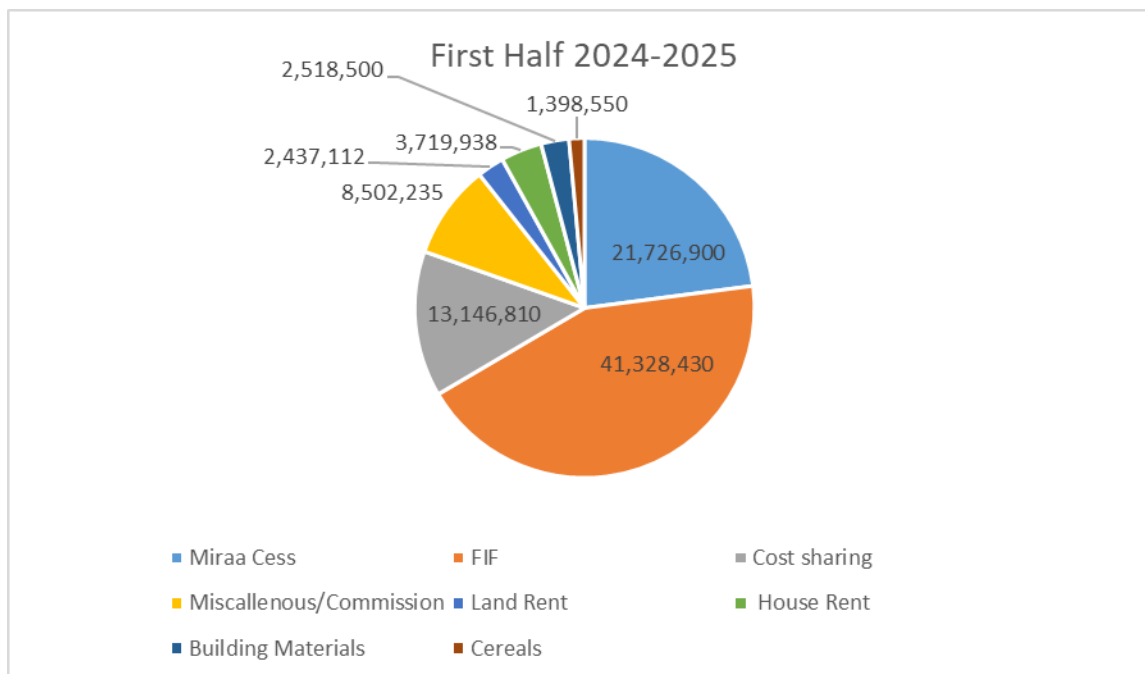
Figure 3: The Trend in Own-Source Revenue Collection from FY 2017/18 to First half FY 2024/2025



Sources: Wajir County Treasury

47. The highest revenue stream of Kshs.41.33 million was revenue from the health sector FiF, contributing 39.5 percent of the total OSR receipts during the reporting period. The second highest stream by performance was miraa cess at 21.73 million representing 20.7 percent of the overall OSR in the first half of FY 2024/25.

Figure 4: Top Streams of Own Source Revenue in First Half FY 2024/25



Expenditure Performance

48. Total expenditure in the period to December 2024 amounted to Ksh 4,428.2 million against a target of Ksh 6,383.4 million, translating to a shortfall in expenditure of Ksh 1,955.2 million. This was largely on account of below target exchequer disbursement towards recurrent expenditure by Ksh 699.2 million and Development expenditure by Ksh 1597.6 million.

49. By the end of December 2024, Wajir County's fiscal operations resulted in an overall deficit of Ksh 341.62 million, equivalent to 0.5 percent of the county's Gross County Product (GCP). This deficit is attributed to a combination of exchequer delays and reduced national allocations. To address this shortfall and ensure fiscal sustainability, the county Treasury is in the process of rationalizing expenditures through a supplementary budget. This adjustment will prioritize essential services and development programs while aligning expenditures with available revenues to maintain financial stability and service delivery.

Fiscal Balance

In the medium term, the government is forecasting a balanced budget hence there will be no need for debt financing.

2.4 Significant Economic, Legislative and Financial Events

50. The constitutional provisions for county governments financing have guaranteed stable flow of funds from the National Government with Wajir County recording an average of 12% growth per annum between 2013/14 and 2017/18. This however significantly changed after the implementation of the 3rd revenue sharing formula as well as slowdown in revenue collection nationally; in the period 2018/19 to 2020/21, the county received the same amount of equitable share from the revenues raised nationally.

51. In the FY 2021/2022, the equitable share grew by impressive 11 percent in comparison to the receipts of 2020/21. In the FY 2022/2023 the county received same amount of equitable share as FY 2021/22. However, there was growth of 4 percent equitable share in the FY 2023/2024 compared to the preceding Fiscal Year. However, following the impugned Finance Bill, 2024 and the revision of the County Division of Revenue and County Allocation of Revenue Bills, Wajir county has reduced Equitable share of Ksh 9.90 billion down from Ksh 10.21 billion in the FY 2024/2025 representing 0.5 percent growth compared to FY 2023/2024.

52. In the medium term, supported by smart economic recovery strategies, continued reforms in revenue administration and revenue enhancement measures both at the National and the county government, the county government's total revenue is projected to rise by 9% from KES 11.74 billion to KES 12.81 billion.

53. In FY 2023/24, the County generated the highest ever Own Source Revenue of Ksh164.96 million representing 110 percent performance and an increase of 253 percent compared to the amount realized in FY 2022/23 at Ksh 46.75 million. This represents 2.0 percent of the equitable revenue share disbursed in the fiscal year. The Government will implement a mix of tax administrative and tax policy measures in order to further boost revenue collection efforts to a target of 3 percent of this Financial Year's equitable share in the medium term

54. According to a Report by CRA, Wajir County has OSR potential of Kshs 891 million. That is 1.3 percent of Wajir's Gross County Product of Kshs 69.12 Billion (2024 Gross County Product (GCP) Report, KNBS. The county government is currently collecting 19 percent of its revenue potential; therefore, the fiscal policy will target to grow OSR collection by 22 percent of its potential in the FY 2024/2025 and progressively grow by 25 percent in the medium term

55. CRA Analysis shows that the potentially leading revenue generators are Market Trade Centre Fees, Environment and Conservancy, Building Plan Approvals, and Parking fees in that order. In order to achieve this, the Government will undertake a combination of both tax administrative and tax policy reforms.

56. On the tax administrative side, the department of Revenue and Resource Mobilization will implement among others, the following measures:

- i. Reduction of OSR gap from 81 percent to 75 percent by unlocking potential revenue streams and further leveraging on the Medium-Term Tax Revenue Strategies by the national government such as the rolling out of electronic Tax Management System for the main revenue streams
- ii. Tax base expansion in the urban centres outside Wajir Town and employing human and technological resources in all the urban centres in the county.
- iii. Automation of key revenue streams including Appropriation in Aid from the health facilities. This will seal leakages and enhance compliance
- iv. Linking performance contracting and management with revenue targets so that all government revenue generating sectors double up their efforts and focus more on revenue generation as a key deliverable

57. On the tax policy, the Government will implement various tax policy measures to further boost revenue collection. In addition, to further strengthen revenue mobilization efforts, the Government will finalize the development of the County Tax Policy and the Medium-Term Revenue Strategy (MTRS) for the period FY 2024/2025 - 2026/2027.

Accrual Accounting

58. To strengthen management of public resources, the Government is in the process of transitioning from cash basis to accrual basis of accounting to improve cash management and enhance financial and fiscal reporting. The accrual accounting will enable the Government to account for all assets and liabilities including all Government assets. The transition to accrual accounting process is guided by accounting standards (IPSAS 33).

Zero-based Budgeting Approach

59. The government will entrench the Zero-Based Budgeting (ZBB) approach in preparing the FY 2025/26 and future budgets to enhance efficiency and accountability in resource allocation. To support this transition, the county Treasury team has been trained on the Budget Costing Tool within the IFMIS Budget Module, which incorporates standardized costing methodologies. This tool streamlines the calculation of budget baselines and prioritization, ensuring a credible foundation for preparing budget estimates.

2.5 Economic Policy and Outlook

60. The BPS projects a GDP growth of around 5.3 percent in 2025 and retain the same momentum over the medium term; this is expected to be able to guarantee revenue stability in the medium term. The county's GCP is projected to grow by 5 percent in 2025 and 6 percent in the medium term supported by growth in the Agriculture and Service sectors. The revenue projections in this CFSP have taken into consideration these projections as well as the revenue raising measures such as laws and policies that the county is putting in place in the short to medium term

61. Development spending in the budget will increase progressively over the medium term to sustain economic growth without disrupting momentum. This funding will prioritize high-impact sectors that drive employment creation and poverty reduction. Key investments will focus on affordable and quality healthcare, resilient food systems, and climate change adaptation and mitigation measures, including wetland rehabilitation and reforestation. These strategic interventions are expected to support long-term economic stability and sustainable development.

62. The government projects a balanced budget in the medium term. Inflation has been projected to ease to within the target of 5+/- 2.5% nationally in the medium term and is therefore not expected to have adverse effect on the budgetary resources for the county government.

63. In order to align and support the National Government Agenda on the five sectors of Bottom-Up Economic Transformation Agenda, the county has committed to sustain allocation of significant resources to the core sectors. An average of 30% of budgetary allocations will go to the health sector while the agriculture, Trade and Cooperatives, Water Services and Energy & Environment sectors that support food security and value addition will consume 28% in the medium term.

2.6 Risks to the Economic Outlook

64. The main risks to both the domestic and local economy stem from unpredictable weather conditions driven by climate change, which could significantly impact agricultural production—accounting for 33% of the county’s economy—thereby increasing inflationary pressures and food insecurity. Below-average rainfall in the last half of 2023 and the first half of 2025 has led to severe drought, hampering growth in the agriculture and livestock sectors. Additionally, persistent increases in global food prices and climate-related shocks may push inflation toward the upper bound. The fiscal space remains tight due to multiple global shocks, including the wars in Ukraine and the Israel-Hamas conflict, as well as the U.S. administration's decision to scale down USAID-funded programs, all of which could further exacerbate inflationary pressures on the local economy.

65. Kenya’s tight fiscal consolidation measures, coupled with growing public opposition to tax regimes, may freeze equitable share increments in the medium term, further constraining the already limited fiscal space needed to implement county priorities. This could challenge the county’s ability to fund critical development initiatives and sustain service delivery.

66. 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 as they materialize

67. Governance Issues: Weak and non-existent laws for Own Source Revenue generation poses a risk to the realization of the medium-term fiscal consolidation goals contained in the CFSP.

The risks are analysed and appropriate mitigation measures proposed in Table III below.

Table 3: Risks to Economic Outlook and Proposed Mitigation Measures

Risks	Mitigation measures
<p>Governance Risks:</p> <p>The County government has projected as part of the revenue envelope Own Source Revenue (OSR) that will be used for funding the budget. OSR has continued to be constrained by the weak policy and legal framework to support revenue raising measures.</p>	<ul style="list-style-type: none">• The government is committed to institute relevant laws and policies in the shortest time possible. In the year 2024/25-2026/27, extensive consultations will be undertaken to either fast track or redraft some of the laws that have been proposed in tax administration, valuation and enforcement to expedite the OSR collection• County Treasury will fast-track the process of automating revenue streams which is on-going
<p>Weather-related shocks: in 2023 and 2024, the county experienced depressed rains; the unpredictability of weather patterns poses a risk to the Livestock sector which is the economic mainstay for the county.</p>	<ul style="list-style-type: none">• The government will expedite the Disaster Risks Management Policy and Bill that are expected to facilitate proper framework for DRM. Further, the county will seek to invest additional resources in water provision, rangeland management, food security and nutrition to build necessary resilience

Source: Wajir County Treasury

CHAPTER THREE: FISCAL POLICY AND BUDGET FRAMEWORK

3.1 Fiscal Framework and Medium Term Budget

68. The FY2025/2026 and the Medium-Term Budget is anchored on the County Government's policy priorities and economic policy framework as shown in Chapter One and Chapter Two of this very important paper. In line with Governor's Manifesto and County Integrated Development Plan 2023-2027, the County Government will promote growth oriented policies and direct funds to key county priority areas as well as promote efficient resource mobilization strategies to reduce budget deficits brought about by underperformance of Own Source Revenue.

3.1.1 Revenue Projections and Expenditure Trends

3.1.1.1 Revenue Receipts and Projections

69. In FY2025/2026, the county government total revenue is expected to decrease from Kshs 12.82 billion in the current FY2024/2025 to Kshs 11.74 billion excluding the balance brought forward from FY 2023/2024 of Kshs 936.6 million. This includes: 10.34 billion from National Government as Equitable Share; 970.04 million as conditional grants and allocations from loans and grants; and lastly but not the least Own Source Revenue of Kshs 260 million. The decline in revenue is mainly attributable to reduction in grants towards WAJWASCO and department of Agriculture and Livestock programs. Moreover, the own source revenue performance will be boasted by the ongoing automation of the revenue streams which is at advanced stages, implementation of County Facility Improvement Financing Act in addition to enactment of key legislations that include: revenue rating bill; revenue administration bill; development of valuation.

Table I: County Government Revenue Trends and Projections (in Kshs.)

FY	Equitable Share	OSR	Loans and Grants	Balance BF	Total
2017/2018	8,138,900,000	56,600,000	352,257,697		8,547,757,697
2018/2019	8,478,000,000	60,100,000	1,866,629,840		10,404,729,840
2019/2020	8,545,500,000	60,400,000	993,216,131		9,599,116,131

FY	Equitable Share	OSR	Loans and Grants	Balance BF	Total
2020/2021	8,545,500,000	66,300,000	1,156,454,432		9,768,254,432
2021/2022	9,474,726,151	52,400,000	1,260,585,139	750,244,495	11,537,955,785
2022/2023	9,474,726,151	46,790,000	1,388,553,807	698,916,355	11,608,986,313
2023/2024	9,065,360,000	147,680,000	971,260,000	1,001,160,705	11,185,460,705
2024/2025	10,214,592,219	200,000,000	2,408,203,726	936,621,902	13,759,417,847
2025/2026	10,336,261,439	260,000,000	1,146,788,290		11,743,049,729
2026/2027	11,258,789,400	280,000,000	970,346,237		12,509,135,637
2027/2028	11,593,184,400	280,000,000	932,373,640		12,805,558,040
Proportion of Total Revenues (2025/26)	88%	2.2%	9.8%	-	

Source: County Treasury

3.1.1.2 County Expenditure Trends

70. In the current FY2024/2025, the county government recurrent expenditure for the first half was Ksh 3.14 billion of the total recurrent budget of Ksh 7.48 billion which was an improvement of 15% compared to the same period in the FY2023/2024 while development expenditure was Ksh 1.29 billion of total development budget of 5.29 billion. This was an improvement of 72% compared to the same period in FY2023/2024 which amounted to Ksh 751 million out of Ksh 4.27 billion development budget. The tables below highlights first half expenditure for FY2023/2024 and 2024/2025.

Table : First Half Recurrent Expenditure by Vote FY2023/2024 & 2024/2025

Department	FY2023/24			FY2024/25		
	Budget	Expenditure	Absorption %	Budget	Expenditure	Absorption %
Health Services	2,757,534,717	1,175,880,001	43%	2,983,494,992	1,486,205,365	50%
Education, Social Welfare and Family Affairs	764,390,255	230,653,401	30%	793,191,060	310,375,042	39%
Water Resources Development	172,088,005	39,116,377	23%	278,806,000	113,111,240	41%
WAJWASCO	153,913,130	51,416,395	33%			
Agriculture, Livestock, and Fisheries Development	249,666,341	40,520,206	16%	250,130,758	45,610,541	18%
Trade, Industrialization, Co-operative Development	154,467,748	38,414,732	25%	188,053,681	63,070,181	34%
Roads & Transport Services	247,396,380	59,314,866	24%	225,650,000	100,913,544	45%
Energy, Environment and Climate	93,257,002	15,190,700	16%	97,136,482	11,884,633	12%

	FY2023/24				FY2024/25		
Department	Budget	Expenditure	Absorption %	Budget	Expenditure	Absorption %	
Change							
Lands, Housing and Physical Planning & Public Works	66,743,725	5,352,150	8%	107,600,258	17,924,359	17%	
Public Service, Special Programs and County Administration	1,082,641,329	367,536,189	34%	1,009,426,031	326,067,465	32%	
Wajir Municipality	207,790,329	66,308,429	32%	222,450,000	103,662,819	47%	
County Executive	586,103,162	179,952,749	31%	575,324,269	260,197,638	45%	
Finance and Economic Planning	638,110,126	438,960,424	69%	677,249,694	274,761,134	41%	
CPSB	78,784,872	8,533,210	11%	72,265,000	23,328,852	32%	
TOTAL	7,252,887,121	2,717,149,829	37%	7,480,778,225	3,137,112,813	42%	

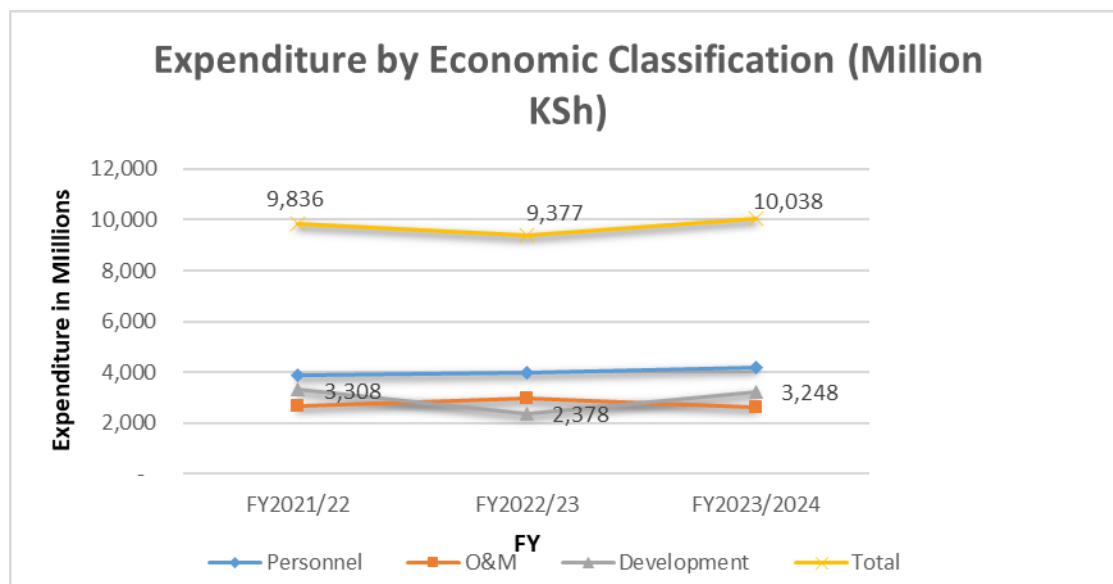
Table : First Half Development Expenditure by Vote FY2023/2024 & 2024/2025

	FY2023/24				FY2024/25		
Department	Budget	Expenditure	Absorption %	Budget	Expenditure	Absorption %	
Health Services	493,911,625	172,475,887	35%	798,730,629	448,420,107	56%	
Education, Youth, Gender and Social Services	150,734,900	5,881,898	4%	253,860,729	58,820,786	23%	
Water Resources Development	309,146,000	119,860,211	39%	1,273,270,821	247,384,497	19%	
WAJWASCO	666,200,000	0	0%				
Agriculture, Livestock, and Fisheries Development	699,530,537	284,354,351	41%	464,536,742	22,153,939	5%	
Trade, Industrialization, Co-operative Development	697,000,000	0	0%	474,386,870	169,533,010	36%	
Roads & Transport Services	432,859,389	130,859,044	30%	546,837,318	162,118,234	30%	
Energy, Environment and Natural Resources	367,934,500	0	0%	506,553,680	106,299,848	21%	
Lands, Housing and Physical Planning & Public Works	268,000,000	0	0%	702,158,910	52,848,053	8%	
Public Service, Labor and Decentralized Unit	18,300,000	0	0%	47800000	23477278.4	49%	
Wajir Municipality	167,554,472	37,799,380	23%	217,894,053	0	0%	
TOTAL	4,271,171,423	751,230,771	18%	5,286,029,752	1,291,055,752	24%	

71. The expenditure trends as explicitly clarified in **Figure 8** below indicates that the absorption levels for personal emolument have been increasing while use of goods and services has been declining as impacted by the rising wage bill. The development budget absorption levels declined in FY2022/2023 however increased in FY2023/2024 as a result of efficiency in public procurement which has led to increase in absorption for the overall budget. The County

Government of will continue to put measures aimed at improving procurement efficiency to improve budget absorption rates in the medium term.

Figure 5: Actual Expenditure Trends by Economic Classifications from FY 2021/2022 – FY 2023/2024 (in Millions)



Source: County Treasury

3.1.2 Expenditure Projections

72. The projected expenditure in the FY 2025/2026 is Kshs 11.74 billion which translate to 8percent decline compared to the current FY 2024/2025 budget estimates of Kshs 12.82 Billion excluding balances brought forward. This is attributable to sharp decline in total grants from the National Government. Over the medium- term, the expenditure projections are Kshs 12.51 billion and Kshs 12.81 billion in the FY 2026/2027 and 2027/2028 respectively (See **Annex Table 2**).

3.1.2.1 Recurrent Expenditure Forecasts

73. The recurrent expenditure for the FY 2025/2026 is projected at Kshs 8.21 billion which is a drop of Kshs 43.38million from the budgeted amount of Kshs 8.25 billion in the current FY 2024/2025 exclusive of balances brought forward of Kshs 218 million. The projected personnel emoluments comprise 53.0% of the total recurrent expenditure amounting to Kshs 4.46 billion while operations and maintenance will amount to Kshs 3.93 billion. The projected

compensation to employees is 37.0% of the total revenues for FY 2025/2026 compared to 34.0% in the budget estimates for FY 2024/2025; a growth of 3.0% in county wage bill.

Table 2: Actual and Projected Recurrent Expenditure by Economic Classifications (in kshs)

	2022/23 FY	2023/24 FY	2024/25 FY		Projections		
	Actual Expenditure	Actual Expenditure	Approved	Supp I	2025/26 FY	2026/27 FY	2027/28 FY
Total Expenditure	9,970,230,000	11,036,900,000	13,759,417,847		11,743,049,729	12,509,135,637	12,805,558,040
Recurrent	7,592,230,000	7,788,900,000	8,473,388,095	8,335,110,658	8,212,049,729	8,498,411,221	8,753,363,557
Recurrent as % of CG Total Revenue	76.0%	71.0%	62.0%	64.2%	69.9%	67.9%	68.4%
Personnel Emolument	4,003,000,000	4,185,870,000	4,377,202,254	4,394,827,995	4,456,812,745	4,491,812,745	4,531,812,745
Operations & Maintenance	3,589,230,000	2,603,500,000	3,103,575,971	3,940,282,663	3,755,236,984	4,006,598,476	4,221,550,812
Personnel Emoluments as % of CG Revenue	40.0%	38.0%	32.0%	34%	37.9%	35.9%	35.4%
Development	2,378,000,000	3,248,000,000	5,286,029,752	4,639,122,434	3,531,000,000	4,010,724,416	4,052,194,483

Source: County Treasury

3.1.2.2 Development and Net Lending

74. in the FY 2025/2026, the development expenditure Projection is Kshs 3.53 billion compared to Kshs 5.29 billion in FY2024/2025 budget estimates a 33 percent decrease. The decline is mainly attributed to the balances brought forward from FY 2023/2024 due to low absorption levels for the development budget as well as a projected decrease in conditional grants and proceeds from loans and grants. Comparatively, in the current FY 2024/2025 development expenditure constitutes 38% of the total budget while in FY2025/2026 projected development expenditure constitutes 30.1% of the total budget. In the medium term the development expenditure will be maintained at the proportion of 32.1% and 31.6% in FY 2026/2027 and FY 2027/2028 respectively. Equitable share transfers as well as loans and grants from National Government will fund the development expenditure. However, the County Treasury will pursue friendly credit options in the event that an opportunity for strategic investment arises in the medium term.

Table 3: Actual and Projected Development Expenditure (in kshs)

	Actual Expenditure	Actual Expenditure	Budget Estimates	Projections		
	2022/23 FY	2023/24 FY	2024/25 FY	2025/26 FY	2026/27 FY	2027/28 FY
Total Expenditure	9,970,230,000	11,036,900,000	12,523,596,509	11,743,049,729	12,509,135,637	12,805,558,040
Development	2,378,000,000	3,248,000,000	5,286,029,752	3,531,000,000	4,010,724,416	4,052,194,483
Development as % of CG Total Revenue	24%	29%	42%	30.1%	32.1%	31.6%

Source: County Treasury

3.1.3 Fiscal Balance and Deficit Financing

75. The county government does not plan to pursue long term borrowing in the medium term and hence this paper has not factored any debt projection in all the financial projections. In the event that a critical need to borrow arises in the medium term, it will only be for key development and high impact projects. In this case, the borrowing will adhere to the framework provided by the National Treasury on borrowing by County governments as well as the county debt management strategy.

3.2 FY 2025/26 and Medium-Term Budget Priorities

76. The main emphasis for FY 2025/2026 and the Medium Term Framework will be the implementation of the Third Generation CIDP 2023-2027 which incorporates the Governor's Manifesto and key priority programmes across the county. The goal is to set the foundations for the inclusive growth of the county economy, so as to create employment, improve county infrastructure, build resilience as well as reduce poverty in all its dimensions. The CIDP 2023-2027 further integrate key priorities identified in medium term plan IV as well the five BETA pillars. These includes Agricultural Transformation and Inclusive Growth; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry. The activities identified under these pillars have high potential for eradicating hunger; creating jobs, expending own source revenue, as well as reducing the cost of living within the county.

77. The key Pillars recognized in the third generation CIDP 2023-2027 for socio- economic growth and development include: Ensuring food security through agricultural irrigation, disease control, fodder production, rangeland management as well as value addition for agriculture and livestock products; Universal health care to ensure high productive communities as well as

reduced cost of healthcare; Increased access to clean and safe water for drinking through key water infrastructure projects including distribution to households; Increased access to credit for business people and specifically youth and women; Strengthening County government's preparedness and response to pandemic and disasters; Boosting private sector activity through policy, legislation and institutional reforms; and Human capital development and leveraging integration of region through regional blocks.

78. The County government of Wajir will prioritize prudent spending on programs and projects with high impact to communities to ensure more resilient households, easy access to key public services as well as create an enabling environment for private sector to thrive. In addition, the government will initiate key programmes to cushion vulnerable households as well as reduce effects of climate change.

79. In the FY 2025/2026 and Medium Term, the County Government of Wajir will endeavour to ensure sustainability and strict prioritization in allocation of resources to programmes. The departments are advised to adopt efficiency in allocation of resources through budget costing as well as reviewing the projects funded by the development partners. The departments are as well encouraged to restructure and re-align with the government priority programmes and ensure they achieve sectoral objectives within the ceiling provided by this C-FSP 2025. The following criteria will serve as a guide for allocating resources:

- Linkage of the programme / project with the priorities of third generation CIDP (2023/2027) for County Government of Wajir and MTP IV;
- Completion of ongoing projects, viable stalled projects and payment of verified pending bills;
- Cost effectiveness, efficiency and sustainability of the programme / project;
- Degree to which a programme / project addresses the core mandate of the department,
- Degree to which a programme / project addresses job creation and poverty reduction;
- Linkage of programmes that support mitigation and adaptation to climate change; and
- Expected outputs and outcomes from a programme / project.

80. The process of developing county government expenditure ceilings is in line with county priorities extracted from the third Generation CIDP 2023-2027, C-ADP 2024/2025 and C-ADP

2025/2026, the Sector Working Group reports as well as the priorities in Medium Term Plan IV. Moreover, the ceilings were also adjusted based on the prevailing climatic conditions and changes, expenditure trends and the changes in sector specific priorities. Conditional funds and grants have been ring fenced based on the purpose budgeted for.

81. The FY 2025/2026 and Medium Term Framework are based on zero deficits. However, the County Government of Wajir will address any shortfall in revenue that may occur within the MTEF period through supplementary budget or borrowing within the legal framework by county governments if approved by the Intergovernmental Budget and Economic Forum (IBEC) and the County Assembly.

3.3 Fiscal Policy Status

82. In the FY2025/2026 and the medium term, the different sector working groups will provide the platform for dialogues between the county government and the various sectors of the county economy. The departments will implement their priorities within the ceiling while giving priority to projects / programmes that positively affects lives and livelihoods of the county residents as well as projects geared towards creating enabling environment for the private sector to thrive. In addition, the departments are required to clear their pending bills from the previous years as per the agreed plan approved by the County Executive Committee.

3.4 Fiscal Strategy Paper's Obligation to Observe Fiscal Responsibility Principles

83. In the FY 2025/2026 and the medium term, the Government will ensure strict adherence to fiscal responsibility principles. The County Treasury will rationalize to ensure resources allocated to non-core recurrent expenditure are shifted to capital and development programs to ensure sustainable and inclusive growth across the county.

84. The PFM Act, 2012 sets out the Fiscal Responsibility Principles to ensure prudence and transparency in the management of public resources. In the FY2025/2026 and the medium term, the government will adhere to these principles as highlighted below:

- i. Over the medium term, a minimum of thirty (30) per cent of the budget shall be allocated to the development expenditure. The government's development allocation

FY 2022/2023 and FY 2023/2024, 2024/2025 the government achieved an allocation to development expenditure of 36%, 34% and 38%, respectively. However, in the medium term, the development projection is 31% in FY 2025/202 as well as in the outer years which is within the law;

- ii. The Government's expenditure on wages shall not exceed a percentage of 35% of the County total revenue. The projected proportion of Personnel Emoluments in FY 2025/26 is 37.9% which represents a 4% increase from the budgeted amount in FY2024/25. In order to achieve this principle, the government developed a wage bill reduction strategies and action plan which identified nine key strategies geared towards reducing the wage bill to 35% of total budget by the end of FY2027/2028.
- iii. Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure. In the medium term the County government of Wajir does not envisage long term borrowing. However, if need arises it will only be directed to development purpose.
- iv. The county debt shall be maintained at a sustainable level as approved by County Assembly. In the medium term, the county debt shall be restricted to development expenditure where opportunity arises.
- v. The fiscal risks identified shall be managed prudently and all mitigation measures indicated put in place to manage all identified and emerging risks. Chapter two of this paper identifies the probable risks to the county and their mitigation measures well spelt out; and
- vi. The government shall maintain a reasonable degree of predictability with respect to the level of tax/ levy rates and bases shall be maintained, taking into account any tax reforms that may be made in the future. In the medium term, the government will: automate all viable revenue streams; map out more streams to expand from the current 17 streams to 25; implement FIF Act, enact relevant revenue laws; Increase tax, rates and rents compliance; and Enhance the collaboration of the county government with key stakeholders in order to enhance own source revenue;

3.4.1 Fiscal Structural Reforms

85. The Government will strive to widen the tax base in order to meet own source revenue full potential. In the current FY 2025/26, the government is in the process of automating revenue streams in order to ensure more resources are availed in the county resource basket. In FY 2025/26 and the medium term, key legislations and policies geared towards revenue enhancement in the county will be enacted. The Government has implemented FIF Act, will institute tax administration reforms; and conduct tax education to the residents across the county as well as encourage tax and rates voluntary compliance.

86. In the FY 2025/2026 and the medium term, the government key focus will be geared towards rationalizing its expenditure in order to curtail wastages. The Accounting Officers therefore, are required to ensure improved accountability and transparency in utilization of public resources as well as putting more focus on programmes and activities that have a high impact on the lives and livelihoods of the county residents.

3.4.2 Debt Financing Policy

87. Since the start of FY2022/2023, the County Government has not accrued any debt and hence the outstanding debts are limited to the pending bills that amount to Kshs 5.5 billion as per the Assumption of Office of the Governor Committee Report which were limited to commitments and pending bills from previous years spending. The government will constitute a committee in charge of vetting pending bills to determine their validity and once completed, a report will be ready for implementation. The Settlement process of the pending bills will be given first priority every start of the Financial Year.

88. In the medium term projections, no debt financing has been factored. However, if an investment opportunity is identified, the Government will source credit from favorable sources upon approval by the relevant government agencies in conformity with the PFM Act.

3.5 Fiscal Risk Outlook

89. The County Government projects stable macroeconomic variables thereby allowing the county to enhance revenue collection and improve the fiscal space. The main fiscal risks include

underperformance of revenue especially Conditional Grants and Own Source Revenue. Delayed conditional grants release poses fiscal risk to the fiscal outlook and therefore will be mitigated through compliance with all set conditions by the Development Partners and the National Treasury. Enhancing own source revenue is a key priority for the government and hence the automation process is ongoing which is expected to increase the efficiency in revenue collection and ensure that the county is on the roadmap to attaining the county potential. The department of health enacted the Wajir Facility Improvement Financing Act that is expected to enhance revenue collection in the health sector.

90. Huge wage bill and unverified pending bills poses a fiscal risk. The county will institute stringent measures to cap wage bill ballooning through human resource rationalization and freezing of employment for non-critical work force. The county government will constitute pending bill verification committee to hasten the payments of the Pending bills. The Government will strive to adhere to fiscal responsibility principles especially by ensuring that at least 30 percent of the budget is spent on development. The County Treasury will put the necessary measures to increase absorption levels to ensure services are delivered effectively and efficiently. The county government will pursue innovative ways to ensure compliance and controls in financial management and reporting as well as ensure compliance with the PFM Act 2012 and Public Financial Management Regulations (PFR).

CHAPTER FOUR: MEDIUM TERM EXPENDITURE FRAMEWORK

91. The FY 2024/2025 and the Medium-Term Budget is based on the priorities in the Third Generation County Integrated Development Plan 2023-2027 and the macroeconomic policy of the country. The county priority policy in the medium term is in line with the National Bottom - Up Economic Transformation Agenda (BETA) by investing heavily in the health care services, food security, Micro Small Medium Enterprises, ICT and local industries in the county.

4.1 Resource envelope

92. The total projected revenue for the financial year 2025/2026 is Kshs. 11.74 Billion downward move of 1.079 Billion from 12.822 billion in the financial year 2024/2025 due to projected possible reduction in donor funding of similar amount. The county further projects total revenue of Kshs. 12.509 Billion and Kshs. 12.805 Billion in the financial years 2026/2027 and 2027/2028 respectively. The resource projection is based on the horizontal sharing of equitable by the county governments which has used the third formular. If the fourth formular is approved before the finalization the budget process as required by article 217 of the constitution. The resources are expected to come from equitable share, own source revenue, Conditional Grant from National Government and loans and grants from development partners as shown in the Table Below;

Table 4: Medium Term revenue projection (in Kenya Shillings) FY 2025/2026-2027/28

Revenue Source	FY 2025/2026	FY 2026/2027	FY2027/2028
Equitable Share	10,336,261,439	11,258,789,400	11,593,184,400
Own Source Revenue including A-I-A	260,000,000	280,000,000	280,000,000
Conditional Grants and Loans	1,146,788,290	970,346,237	932,373,640
Total	11,743,049,729	12,509,135,637	12,805,558,040

Source: County treasury

93. The revenue projection for the financial year 2025/2026 is aided by the 2025 Budget Policy statement. The county will monitor the approval process of the county governments additional allocation bill 2025 as well as the County Allocation of Revenue bill 2025 in order to determine the resource allocation for the county in the medium term. The projected reduction in the conditional grants and loans is informed by the wajir water and sanitation

project and Emergency Locust Response Program that is expected to come to an end in the medium term. Own source revenue is projected to be enhanced by the planned revenue automation, the enactment of the facility improvement financing act and the huge investment in health that is expected to translate to higher revenues from specialized treatment in public health facilities. The detailed revenue projection for the financial year 2025/2026 is as shown in the table below;

Table 5: Detailed Revenue Projections in Kenya Shillings FY 2025/2026-F2027/28

Type of Revenue	Approved FY 2023/24	Actual FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
a) Equitable share	9,853,656,422	9,065,363,910	10,214,592,219	10,336,261,439	11,258,789,400	11,593,184,400
b) Conditional Grants (GOK)	9,421,475	-	564,071,378	286,927,318	286,927,318	286,927,318
i) County Aggregation Industrial Park	-		250,000,000	0	0	0
ii) Road Maintenance Fuel Levy			251,017,318	251,017,318	251,017,318	251,017,318
iii) Community Health Promoters (CHPs)			60,810,000	35,910,000	35,910,000	35,910,000
iv) Transfer of Museum Function			2,244,060	0	0	0
v) Transfer of Library function	9,421,475			0	0	0
c) Conditional allocations from loans and grants	1,127,543,600	966,322,425	1,844,132,348	859,860,972	683,418,919	645,446,322
i) Primary HC in Devolved context (DANIDA)	26,952,863	15,912,988	13,162,500	0	0	0
ii) KISIP	180,000,000	180,000,000	488,615,663	0	0	238,085,350
iii) EMERGENCY LOCUST RESPONSE PROGRAM	178,454,153	177,269,419	142,500,000	0	0	0
iv) Food System Resilience Project	-		173,076,923	251,000,000	300,000,000	251,000,000
v) Wajir Water and Sanitation Project	600,000,000	408,223,728	700,000,000	0	0	0
vi) a. KDSP II	-		37,500,000	37,500,000	37,500,000	37,500,000
vi) b. KDSP II	-	0	-	352,500,000	150,000,000	0
vii) KUSP - UIG	-		35,000,000	35,000,000	35,000,000	35,000,000
viii) KUSP - (UDG)			72,942,053	72,942,053	150,000,000	72,942,053

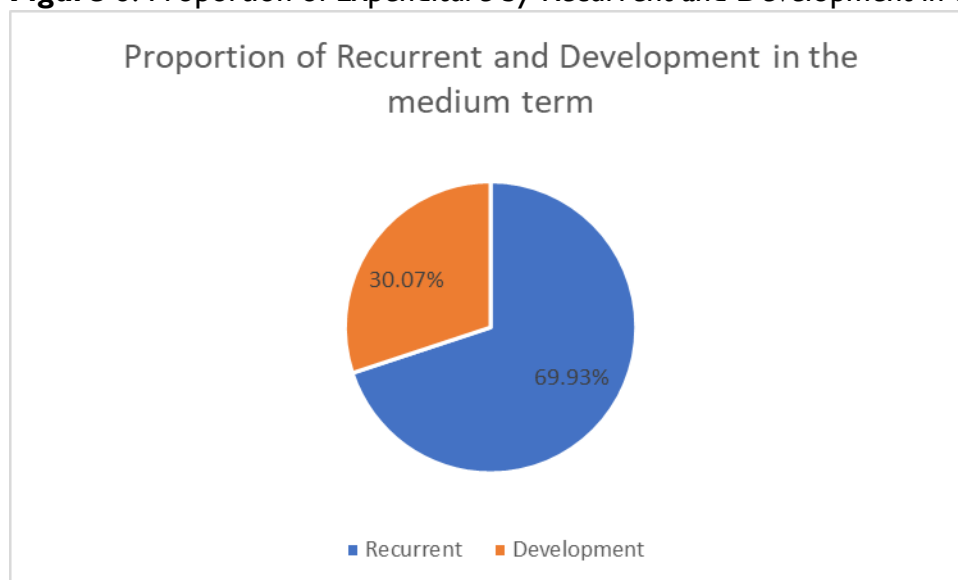
ix) Flocca	11,000,000	0	11,000,000	0	0	0
x) Flocca	125,000,000	184,416,290	159,416,290	100,000,000		0
xi) ASDSP	3,901,152	500,000		0	0	0
xii) Fertiliser Subsidy	2,235,432	0		0	0	0
xiii) Agricultural Business Development Project (KABDP)			10,918,919	10,918,919	10,918,919	10,918,919
d) Own Source Revenue	150,000,000	164,953,671	200,000,000	260,000,000	280,000,000	280,000,000
i) Health A-I-A	60,000,000	95,814,960	120,000,000	170,000,000	180,000,000	180,000,000
ii) Other Revenue Sources	90,000,000	69,138,711	80,000,000	90,000,000	100,000,000	100,000,000
e) Balance from the previous year	1,002,396,487	1002396487	936,621,902	0	0	0
Total	12,143,017,984	11,199,036,493	13,759,417,847	11,743,049,729	12,509,135,637	12,805,558,040

Source: County Treasury

4.2 Expenditure Projections

94. The county expenditure in the financial year 2025/2026 is projected to comprise of recurrent of Kshs 8.21 billion (69.9 percent of the county budget) and development of Kshs 3.53 billion (30.1 Percent of county budget). This is in compliance with fiscal responsibility principles and ensures quality service to the residents.

Figure 6: Proportion of Expenditure by Recurrent and Development in the Medium Term



Source: County Treasury

4.3 FY 2025/2026 and Medium-Term Budget Priorities

95. The medium term expenditure framework is developed from the departmental priorities in the Third Generation Wajir County Integrated Development Plan (CIDP) 2023-2027. The county focuses especially on the social sectors priorities shifted towards hunger and poverty reduction. This means social protection, Early Childhood Education, water and sanitation, Nutrition and RAMCAH will be the county priority. Programmes with magnitude impact towards child protection, enrolment and quality education at both early childhood education development and vocational training centers will form the basis of county allocations. Provision of clean water for domestic use, improvement of county roads, and adoption of alternative source of energy, enhanced small and medium enterprises and improvement of livestock and crop production will inform the county priorities and budgetary allocations for the FY 2025/2026
96. The county will empower local industries, cooperatives, small-holder farmers and livestock traders as an employment creation to youth and women to lower the multidimensional poverty index.
97. Enhancement of climate resilience, affordable and quality healthcare, decent housing will be adequately financed in the next fiscal year.

4.3.3 Budgetary Allocations for the FY 2025/2026 and the Medium Term

98. The Government plans to spend Kshs 11.74 Billion, Kshs 12.50 Billion and Kshs 12.81 Billion in FY 2025/2026, FY 2026/2027 and FY 2027/2028 respectively. About thirty (28%) of the county budget for the FY 2025/2026 is expected to finance critical programmes in the Health services such as RAMNCAH, Curative and rehabilitative, Public Health and Sanitation as well as county referral services. Other key priority sectors that will receive substantial allocation are: the Public Service, Special Programs and County Administration at 12% due to huge work force as well as dealing with critical and essential services such as disaster preparedness and responses; and Education, Social Welfare and Family Affairs at 10% that mainly focuses on Early Childhood Education services and the department of water services at 7% that mainly supports Water System Rehabilitation & maintenance and Infrastructure Development;

99. The county government will also invest in food system resilience to enhance food production; as such, 6 percent of the total projected allocations will be set aside towards Agriculture, Livestock and Veterinary Services. County Assembly that provides oversight services has an allocation of 7% while Roads, Transport, Public Works and Housing as well as Lands, Spatial Planning and Urban Development sector that deals with development of informal settlements are each allocated 7%.

100. Other sectors that are allocated significant resources are; The Executive office of the Governor and Finance and Economic Planning that received an allocation of 5% each. Development in general receives a reduced amount in subsequent years occasioned by conditional grants from proceed of loans whose programmes they have been funding are ending in the medium term. The sector ceiling for the medium term is as per the table below,

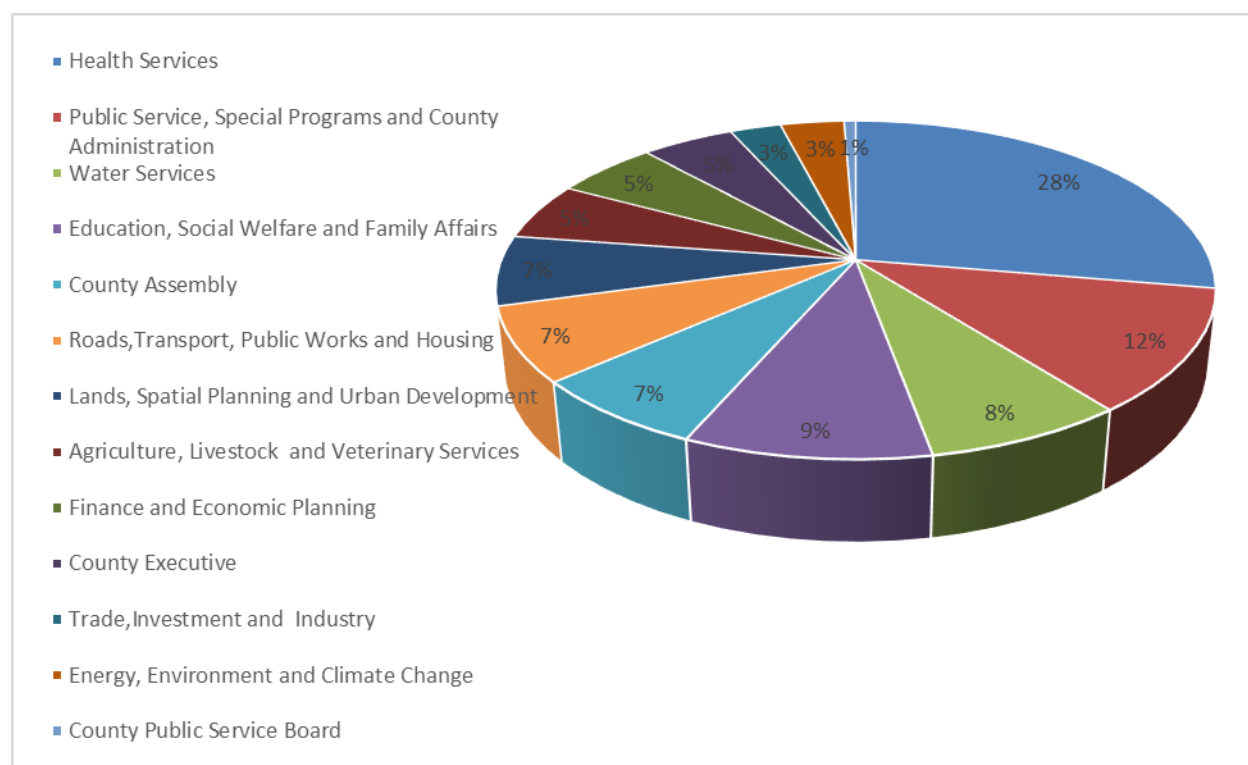
Table 6: Sector Ceilings (in kshs Millions) FY 2025/2026- FY 2027/2028

Department/Sector	Expenditure Type	Approved Budget 2023/24	Budget Estimates 2024/25		Projection 2025/26	Projection 2026/27	Projection 2027/28
			Approved	Supp 1			
Agriculture, Livestock and Veterinary Services	Recurrent	240	250	252	265	273	281
	Development	627	465	437	382	465	505
	Sector Total	867	715	689	647	738	786
Roads and Transport	Recurrent	226	226	235	222	229	236
	Development	376	547	362	614	654	604
	Sector Total	772	772	597	836	883	840
Trade, Investment and Industry	Recurrent	162	188	189	180	185	191
	Development	261	474	215	140	175	155
	Sector Total	423	662	404	320	360	346
Health Services	Recurrent	2,778	2,983	3,010	2,927	3,054	3,146
	Development	495	799	793	326	478	544
	Sector Total	3,274	3,782	3,803	3,253	3,532	3,690
Education, Social Welfare and Family Affairs	Recurrent	853	793	801	798	822	847
	Development	139	254	178	309	322	372
	Sector Total	992	1,047	980	1,107	1,144	1,219
Water Services	Recurrent	302	279	322	297	306	315
	Development	1,105	1,273	1,353	605	836	930
	Sector Total	1,408	1,552	1,675	902	1,142	1,245
Energy, Environment and Climate Change	Recurrent	94	97	97	93	96	99
	Development	228	507	458	305	255	255
	Sector Total	323	604	555	398	351	354
Lands, Spatial	Recurrent	290	330	357	334	344	354

Planning and Urban Development and Public Works and Housing	Development	646	920	808	453	651	662
	Sector Total	936	1,250	1,165	787	995	1,017
Finance and Economic Planning	Recurrent	687	677	708	643	662	682
	Development						
	Sector Total	687	677	708	643	662	682
County Executive	Recurrent	598	575	604	580	597	615
	Development						
	Sector Total	598	575	604	580	597	615
County Assembly	Recurrent	1,000	993	784	819	843	869
	Development						
	Sector Total	1,000	993	784	819	843	869
Public Service, Special Programs and County Administration	Recurrent	924	1,009	902	982	1,011	1,042
	Development	5	48	34	398	175	25
	Sector Total	928	1,057	936	1,379	1,186	1,067
County Public Service Board	Recurrent	79	72	74	73	75	77
	Development						
	Sector Total	79	72	74	73	75	77
Grand Total	Total	12,143	13,759	12,974	11,743	12,509	12,806
Recurrent total		8,260	8,473	8,335	8,212	8,498	8,753
Development Total		3,883	5,286	4,639	3,531	4,011	4,052
% of recurrent to total budget		68.03%	61.58%	64.24%	69.93%	67.94%	68.36%
% of development to total budget		31.97%	38.42%	35.76%	30.07%	32.06%	31.64%

Source: County Treasury

Figure 7: Proportions of Medium Term Ceiling Projections per Sector



Source: Wajir County Treasury

101. The ceilings considered the priorities identified in the County Integrated Development Plan 2023-2027, County Annual Development Plan for the FY 2025/2026 and aligned with national priorities. It considers the ongoing flagship projects, ward-based projects, staff compensation and operations expenditures. The transformative agenda of The Governor to sustain county bursary scheme, county enterprise fund, enhanced emergency food programmes, alternative source of energy and upgrading of the Wajir County Referral hospital to level V formed the basis for sector ceiling. The introduction of new policies such as the upgrading of Wajir stadium, construction of governors residence, construction of ECD classrooms at all ECD Centres shifted resources to this priority areas.
102. The Sector Ceilings in Chapter 4 of this paper is informed by the baseline for the FY 2024/2025 budget and the Medium Term Expenditure Framework. Recurrent expenditure forms the highest proportion of sector ceilings at 69 per cent with compensation of employees accounting for the highest proportion at 38 per cent of the county resource in the first year and the medium term. This is above the legal limit of 35 per cent. The county government will put in place appropriate to ensure compliance with this fiscal responsibility

principle. Measures such as freeze on county public service employment and enhancement of own source revenue will be considered. Deliberate actions will be taken to ensure total recurrent does not go beyond the 70 per cent legal ceiling by reducing expenditures on non-essential items in the medium term..

I03. Development Expenditure ceilings are based on the programmes and projects identified in the CIDP 2023-2027 and FY 2025/2026 ADP with consideration of available resources for the county. The following criterion was used for development of ceilings for development expenditures;

- a) Programmes and Projects geared towards hunger and poverty reduction, enhance enterprise development, improve quality of life and improve county infrastructure in Roads, ICT and Energy.
- b) Counterpart funding towards projects funded by development partners to enhance donor confidence and improve resource mobilization.
- c) High priority community needs identified through public participation i.e. ward based priority projects;
- d) Programmes and Projects addressing Cross cutting issues such as Sustainable Development Goals (SDGs), Climate Change, Disaster Risk Reduction, community resilience, youth development, social protection, gender and disability mainstreaming;
- e) Payment of verified and approved pending bills will be given first priority in the county budget for the Financial Year 2025/2026

4.4 Finalization of Spending Plans

I04. In coming up with the budget, the departments shall direct resources to priority programmes and reduce spending on unproductive areas of the economy. The Macro Working group will rationalize all expenditures with special emphasis on vital uses of goods and high yield development programmes and projects.

I05. Particularly, the following costs will be maintained at lowest possible level to release funds for development projects;

1. Conferences, Seminars and workshops
2. Foreign and domestic travel costs
3. Purchase of furniture and computers
4. Non-essential refurbishments of offices and buildings

106. The Macro Working Group will ensure programmes and projects that contribute to the achievement of county strategic blueprint receive appropriate funding in the County Programme Based Budget. Addressing external shocks such as restoration of flood damages, possible drought and conflicts will also be prioritized in the finalization of county budget for the next fiscal year.

4.5 Details of Sector Priorities

4.5.1 Health Services

107. The sector is mandated to provide healthcare services. For the last three years the Sector has recorded improvement in maternal and child health and decline in infectious conditions. However, the burden of communicable and non-communicable diseases and maternal mortality are still major challenges for the Sector.

108. The financial year 2025/2026 and the medium term budget will therefore prioritize scaling up of policy interventions aimed at enhancing equitable access to high impact healthcare services as outlined in the third generation CIDP and other sector policies and plans. Priority will also be given to the implementation of the Sustainable Development Goals (SDGs) that calls for efforts to move beyond meeting basic human needs in order to promote dynamic, inclusive and sustainable development and wellbeing for all ages by 2030. The emphasis of the sector will therefore be geared towards the reduction of the health financial burden to the households and attainment of the highest standard of health care for sustained long-term growth and development. To achieve these, the sector will prioritise the upgrading of hospitals and the equipping of health facilities as well as the purchase of 3 ambulances in the FY 2025/26. Some of the major Priorities proposed for the FY2025/2026-2027/2028 are as follows:

- a. Scaling up Universal Health Coverage (UHC) in line with the BETA (bottom up economic transformation agenda) and the Governor's Flagship projects that include activities under the Social Health insurance, subsidies for the poor, elderly and vulnerable groups and reducing out of pocket/catastrophic health expenditures through reforming the provider payment mechanisms.
- b. Improving quality of healthcare through the revamping and expansion of health infrastructure, including: upgrading of Health facilities, Operationalizing the remaining closed facilities, expanding the categories of specialized medical equipment to include other components and areas not covered in National Equipment Support Program (NESP). In addition, the focus will also be on establishment of centres of excellence in health, health commodity storage

centres among other very important infrastructure.

- c. Building capacity in human resources for health at all levels of the healthcare system, including having sustainable strategy of ensuring continuous mentorship of Health Workforce on ever changing Health needs, emerging Issues and strengthening of the community health components
- d. Improving reproductive, maternal, neonatal, child and adolescent Health (RMNCAH) through increased immunization, improved nutrition, increased access to family planning services and improved quality of health services.
- e. Ending AIDS, TB, Malaria and NCDs as a public health threat by 2030 through cost effective and cost effective budgetary allocation based on the needs of the County. Wajir has high maternal HIV Transmission rate (33%)
- f. Strengthening health research for improved quality of healthcare.
- g. Increased quality of health services through availability of norms and standards, enhanced regulations and enacting Laws (CHS, Referral Services)

For the implementation and achievement of the proposed priorities the sector projected a ceiling of Kshs3,253 million for the FY2025/2026

4.5.2 Education

109. The sector includes the following sub-sectors: Vocational Training; Early Childhood Education; Gender & Women Empowerment; Culture, Social Welfare and Family Affairs; Youth, Sports & Talent. ECDE is the core mandate of the department intends to undertake Investment in ECD infrastructures & other learning materials, recruitment and Capacity Building & training of ECD Teachers and Provision of School Feeding Programme. The Sector will further Strengthen Quality Assurances and Standard Assessments, Integration of Religious and Secular, Education for Early Learners, Adoption of Digital Literacy in ECD Centres. improves inclusion and participation of learners with special needs in education and provision of SNE equipment, strengthen mainstreaming of cross –cutting issues in education e.g., HIV and AIDS, gender issues and life skills and Environment; enhance hygiene in schools through WASH program, Improve infrastructural development in basic education institutions. The flagship projects in the sector in the medium term including the construction of 100 ECD classrooms in the FY 2025/26 as well upgrading of Wajir stadium at a cost of kshs.350 million with an initial allocation of kshs 100 million in the Financial year 2025/26. In the execution of the above and the other functions assigned, the department is projected receive from county budget Kshs. 1,107 Million in the FY2025/2026 for both recurrent and development expenditures.

4.5.3 Agriculture, Rural and Urban Development

- I10. The department has four section mandated to address food security in the county through crop farming and livestock production. The four sections include crop production services, livestock production services, veterinary services, irrigation services and Fisheries and Alternative Livelihoods.
- I11. In the medium term, the sector will focus on enhancing extension services to transfer skills across all the priority value chains through the agripreneur model, including the emerging value chains like apiculture, aquaculture and exotic breeds for chicken. The sector will prioritize establishment of large scale commercially oriented farms in the main farming zones of Griftu, Habaswein & Arbajahan that will be used to offer practical lessons to famers, boost the extension services and increase productivity.
- I07. To up-scale services at the ward level for all the agricultural related disciplines, the sector will support small holder farmers with credit services by linking them with ward-based SACCOs and FPOs. This will improve production and enhance extension services. The department will also provide incentives including quality farm inputs, build capacities of farmers to manage both pre and post-harvest losses, embrace value addition and adoption of climate smart technology and acquisition of farm machinery and land preparation.
- I08. In the livestock sub-sector, priority will shift towards epidemiology and disease surveillance, targeted vaccination and treatment of diseases. Other interventions include setting up of investigative veterinary laboratory, Livestock movement control, setting up of tannery, sustainable rangeland management, introduction of improved livestock breeds and alternative livelihood, livestock insurance as well as change in livestock farming practices.
- I09. The irrigation sub-sector will focus on Investment in water harvesting infrastructure and adoption of Technological, Innovation and Management Practices, TIMPs. In order to finance priorities under Agriculture, Livestock and Veterinary Services, the sector is projected to receive an allocation of Ksh 647 million both for recurrent and development expenditures
- I10. The Land sub-sector is concerned with productive and sustainable use of land through spatial and physical planning, and strengthening institutional and policy framework for urban management. In the medium term, the department is prioritizing the county spatial plan with support from the national government and development partners; development of informal settlements, supporting other county services with the geospatial resource centre; improving governance of the municipality by building the capacity of the board; and

undertaking urban plans for towns that are not planned. The sub-sector will prioritize the development of urban infrastructure at Kshs. 50 million, the undertaking of cadastral survey at Kshs. 50 million as well as transfer to Wajir municipality of Kshs. 172 development expenditure and Kshs 223 million for recurrent expenditure. The sub-sector is projected to receive a total allocation of Ksh 619 million for the FY 2025/2026

4.6.4 Energy, Infrastructure and ICT

- 111 This sector is mandated with the responsibility of managing county roads, transport, public works and housing services as well as energy infrastructure improvement and Information Communication Technology (ICT) to ensure enhanced access to services. The Sector will prioritize the development of County Roads as well as the development of renewable energy and automation at the county and sub-county headquarters.
- 112 The Roads and Transport, Housing and public works sub-sector will prioritize the improvement of county roads to all weather roads standards, maintenance of county assets such as vehicles, plants and equipment and improvement of government housing and buildings. Some of the proposed priorities for FY 2025/2026 include: upgrading of 0.5 km Wajir Town Roads to Bitumen Standards, Graveling of 60km County Roads, Construction of 30 Drifts and drainage system along the County Roads, opening of access roads and Bush Clearing of 900km Across all 30 Wards, Grading of 1800km of sub county roads. The Housing and Public works sub-sector will prioritize deployment of Appropriate Building Technology (ABT) for construction of public utilities such as schools and health facilities. This will offer job opportunities to locals, transfer of knowledge as well as reduce the cost of construction for these utilities. The priority is to train artisans on ABT and operationalize all ABT centers across the county. ICT sub-sector will prioritize automation of county government operations including connection of LAN and WAN in the county to improve ICT installations. The flagship projects in the sector include the construction of governors and Deputy governor's residence at an initial cost of Kshs. 150 million. The county also plans to procure motor vehicles for county department at a cost of Kshs. 100 million. The sub-sector is projected to receive total allocation of Ksh 836 million for the next fiscal year.

- I13 Energy sub sector prioritizes installation of hybrid wind/solar system to government institutions and maintenance of solar streetlight. To this end, the sub-sector is estimated to receive an allocation of Ksh 124 Million for the next financial year

4.5.4 General Economic-Commercial and Labor Affairs

- I14 The sector is mandated to promote investment in agro-processing and light industries, Micro, Small and Medium Enterprises (MSMEs), promote saving culture through Cooperative development and growth, provide seed capital to traders and increase the contribution of manufacturing to Gross County Product from 2% to 3%, in the medium term.
- I15 To enhance development of small and medium enterprises within the county with increased private sector participation in increasing Gross County Product (GCP). The sector is further concerned with the revitalization of the dormant cooperative sub-sector to increase savings and access to credit and markets. The county will pursue to take advantage of its comparative advantage in the livestock sub-sector by supporting agro-based small industries.
- I16 The sector plans to undertake improving market infrastructure within the county, develop County Aggregation and Industrial Park and empowerment of cottage industries and cooperative societies. The sector will prioritise the enterprise development fund at kshs. 100 million. The sector is projected to receive Kshs. 320 million for FY 2025/2026

4.5.6 Environmental protection, Water and Natural Resources

- I17 The sector aims to enhance water access, improve water quality and water governance as well as protection of the environment and its natural resource while combating the effect of climate change in the county.
- I18 To enhance water access and availability, the water sub-sector will prioritize construction of water pans, Equipping and exploitation of ground water, construction of water works, Solarization and maintenance of boreholes. The department will enhance strengthening of sector coordination through WEESCORDS meetings. The sub-sector plans to prioritise the drilling of boreholes at kshs. 100 million, the construction of water works at kshs. 135 million, purchase of borehole spare parts and generators at 90 million as well as transfer to Wajwasco at kshs 80 million for development and 145 million for recurrent.

- I 19 Environment sub-sector in the medium term will prioritize afforestation, conservation and climate change adaptation programs through Climate Change Fund and Financing Locally Led Climate Action (F-LLoCA) Project. The sub sector aims at enhancing community resilience and adaptations towards the effect of climate change.
- I 20 Wajir Water and Sanitation Project funded by the World Bank, as well as Horn of Africa ground Water Project will address maintenance of water infrastructure and management. The sector is projected to receive a budget of 1,080 million for the FY 2025/2026 for both recurrent and development expenditures.

4.5.7 Social Protection, Culture and Recreation

- I 21 The Sector is concerned with strengthening child protection initiatives, promotion of culture and heritage as well as sport promotion. The sector will prioritize development of sports and arts talent through tournaments, regular arts events, and upgrading and operationalization of sports and arts facilities. In Culture, Social Services and Family affairs, the priority is to document and gazette cultural and historic sites for preservation of the local culture; hold the annual Quran competition to foster integration and harmony in the county; and sustain the disability fund that is meant to economically empower the persons living with disabilities.
- I 22 In the Gender and Women Empowerment programme, priority will ensure that girls remain in school throughout the learning period by providing sanitary towels to all school-going girls that need them. The department also plans to sustain the funding for Wajir disability fund at a cost of kshs. 40 million as well as organize Qur'anic competition in all the sub-counties. The Department is also planning to operationalize a safe rescue and rehabilitation centre for girls and women that undergo traumatic experiences such as FGM and GBV in the medium term; and will continue working with the justice sector to ensure safety and security of school-going girls. The Sector is projected to receive Kshs. 179 million annually in FY 2025/2026 and in the medium term.

4.5.8 Public Administration, Fiscal and Intergovernmental Relations

- I 23 The Sector is concerned with the coordination of the implementation of the county strategic blueprint in the medium term. The sector will provide leadership and necessary approvals to undertake planned programmes and projects by all other sectors. The sector

will also be involved intergovernmental coordination to enhance relation between county and national government. In the medium term, the department will undertake cabinet meetings, approval of policies and plans as well providing leadership in the running of the county affairs.

- I24 The sector will also prioritize the preparation of financial statement and expenditure controls. In the medium term, the Department will also operationalize County Integrated Monitoring and Evaluation System (CIMES) as well as capture all the programmes, projects and indicators in the e-CIMES platform in addition to operationalizing the County Statistical Unit (CSU) tasked with the preparation of the County Statistical Abstract (CSA) and other county statistics.
- I25 The County Assembly is concerned with representation, oversight and legislation. The county assembly will prioritize effective oversight of the implementation of the planned programmes and projects in the medium term. Setting up policy and legislative framework for the provision of essential service remain a top priority for the sector.
- I26 The Sector aim is to manage the county human resource, enhance community stakeholder engagement, protect the vulnerable members of the society during emergencies, improve governance and reduce conflict within the county. The Department will prioritize the management of the county payroll, supporting the most vulnerable members of the society, inculcating performance management within the county operations as well as improve intergovernmental relations and donor relation. The sector will undertake donor round tables to mobilize resource for disaster response and other county programmes.
- I27 In the medium term, the sector is focused on building resilience of the communities by working together with the National Government and partners. The focus shall be in strengthening coordination mechanisms across all the critical areas of Disaster Risk Management (DRM), Administration, Peace and Conflict Resolution, Intergovernmental Relations, Service Delivery, and Governance and Ethics. The public involvement in government programs will also be streamlined by implementing the relevant policies and laws to facilitate civic education and public participation mechanisms. In the medium term, the Sector is projected to receive Kshs. 3,477 million for FY 2025/2026.

CHAPTER FIVE: CONCLUSION AND NEXT STEPS

CHAPTER FIVE: CONCLUSION AND NEXT STEPS

The CFSP 2025 identifies key and critical sector specific priorities and the strategies to be to ensure implementation of the proposed projects and programmes. The paper also sets the ceilings for the sectors in the medium term. The sectors are advised to utilize the allocated resources prudently and ensure that all efforts are directed towards eradicating poverty, eliminating extreme hunger, improving key county infrastructure, resilience building, and social protection to vulnerable groups, and improving quality of life for the county residents.

The County Government will utilize the County Integrated Monitoring and Evaluation System to track the implementation of projects and programmes, and strengthen the county's capacity to deliver services to its residents. The County Monitoring and Evaluation activities will be guided by the County Monitoring and Evaluation Policy.

To ensure there is credible data for informed decision making, the County Government will prioritize development of County Statistical Abstract 2025. Similarly, the County will develop County SDGs Indicator Framework to guide development of Voluntary Local Reports for assessing localization of the SDG Agenda. The Sector Working Groups are advised to come up with budget proposals in line with the strategic priorities while observing the sector ceilings in this paper.

Proper implementation of the budget is critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including county government departments, sector working groups, civil societies, communities, County Assembly and development partners to get things done. This means providing for continuous consultations with each other, finding solutions and encouraging innovation to build a sustainable County. The county executive will provide the platforms for consultations and build consensus with the various stakeholders.

The sector working groups are advised to come up with budget proposals in line with the strategic priorities while observing the sector ceilings in this paper. The adjusted timelines for the budget cycle should also be adhered to by all stakeholders.

ANNEXES

ANNEX I: FY 2025/26 MTEF Budget Adjusted Timelines

NO	ACTIVITY	RESPONSIBILITY	TIMEFRAME/ DEADLINE
1.	Develop and issue circular on Budget preparation and MTEF guidelines.	C.E.C Finance & Planning	30 th August, 2024
2.	Submission of the County Annual Development Plan to the County Assembly	C.E.C Finance & Planning	30 th August, 2024
3.	Launch of Sector Working Groups	All departments coordinated by County Treasury	6 th September, 2024
4.	Submission of Departmental Public Expenditure Reviews to County Treasury	All Accounting Officers	20 th September, 2024
5.	Preparation of Draft County Budget Review and Outlook Paper (CBROP)	Macro Working Group	25 th September, 2024
6.	Presentation of County Budget Review and outlook Paper (CBROP) to County Executive Committee for approval	Macro Working Group	30 th September, 2024
7.	Capacity building for Budget Execution and Programme Based Budget (PBB)	County Treasury in collaboration with National treasury	September – December, 2024
8.	Submission of County Budget Review and Outlook Paper (CBROP) to the County Assembly	Macro Working Group	10 th October, 2024
9.	Circulation of approved CBROP to County Executive and Accounting Officers	County Treasury.	18 th October, 2024
10.	Draft Sector reports by SWG's	All departments – County Treasury to co-ordinate	10 th January, 2025
11.	Submission of final Sector Working Groups reports	Sector Working Groups/ County Treasury	24 th January, 2025

NO	ACTIVITY	RESPONSIBILITY	TIMEFRAME/ DEADLINE
12.	Development of County Fiscal Strategy Paper (CFSP)	County Treasury.	12 th February, 2025
13.	Submission of County Fiscal Strategy Paper (CFSP) to C.E.C for approval.	County Treasury.	20 th February, 2025
14.	Submission of County Fiscal Strategy Paper (CFSP) to County Assembly	County Treasury.	27 th February, 2025
15.	Develop and issue final guidelines on preparation of 2022/23 Medium Term Budget	County Treasury.	28 th February, 2025
16.	Submission of departmental budget proposals to county treasury	All Departments	5 th March,2025
17.	Consolidation of final draft budgets	County Treasury.	18 th March, 2025
18.	Submission of Draft Budget Estimates to County Executive Committee for approval	County Treasury.	21 st March,2025
19.	Submission of Draft Budget Estimates to County Assembly	County Treasury.	15 th April, 2025
20.	Report on Draft Budget Estimates from County Assembly	County Assembly	8 th May, 2025
21.	Consolidation of final budget estimates	County Treasury	15 th May,2025
22.	Preparation and submission of budget statement to the County Assembly	County Treasury	2 nd June, 2025
23.	Approval of the Budget & Appropriation Bill by the County Assembly	County Assembly	13 th June,2025
24.	Appropriation Bill Passed	County Assembly	30 th June,2025
25.	Finance Bill Passed	County Assembly	31 st July,2025
26.	Submission of Vote on Account to County Assembly (if applicable)	County Assembly	30 th June, 2024

ANNEX 2: County Government Fiscal Projections (in Kenya Shillings) FY2025/2026 MTEF

	2022/23 FY	2023/24 FY	2024/25 FY		2025/26 FY		2026/27FY		2027/28FY	
	Actual	Actual	Budget	CFSP 2024	CFSP 2025	CBROP 2024	CFSP 2025	CBROP 2024	CFSP 2025	CBROP 2024
TOTAL REVENUE & GRANTS	10,910,069,958	10,201,573,671	12,822,795,945	12,394,741,455	11,743,049,729	11,814,000,000	12,509,135,637	11,922,000,000	12,805,558,040	12,028,000,000
Unspent Bal b/f \Previous FY	698,916,355	1,001,160,705	936,621,902	0	0	0	0	0	0	0
Revenue (Total)	11,608,986,313	11,202,734,376	13,759,417,847	12,394,741,455	11,743,049,729	11,814,000,000	12,509,135,637	11,922,000,000	12,805,558,040	12,028,000,000
Equitable Share Allocation	9,474,726,151	9,065,360,000	10,214,592,219	9,993,492,852	10,336,261,439	10,325,000,000	11,258,789,400	10,325,000,000	11,593,184,400	10,531,000,000
Local Revenue	46,790,000	164,953,671	200,000,000	200,000,000	260,000,000	225,000,000	280,000,000	250,000,000	280,000,000	250,000,000
Grant income	1,388,553,807	971,260,000	2,408,203,726	2,201,248,603	1,146,788,290	1,264,000,000	970,346,237	1,347,000,000	932,373,640	1,247,000,000
Conditional Grants (GOK)		9,421,475	564,071,378	531,393,517	286,927,318	312,000,000	286,927,318	312,000,000	286,927,318	312,000,000
Conditional Grants and Proceed from Loans		1,102,947,805	1,844,132,348	1,669,855,086	859,860,972	952,000,000	683,418,919	1,035,000,000	645,446,322	935,000,000
Grant Total)	10,910,069,958	10,201,573,671	12,822,795,945	12,394,741,455	11,743,049,729	11,814,000,000	12,509,135,637	11,922,000,000	12,805,558,040	12,028,000,000
Total Expenditure	9,970,230,000	11,036,900,000	13,759,417,847	12,394,741,455	11,743,049,729	11,814,000,000	12,509,135,637	12,018,114,073	12,805,558,040	12,053,104,770
Recurrent	7,592,230,000	7,788,900,000	8,473,388,095	8,180,096,052	8,212,049,729	8,269,000,000	8,498,411,221	8,275,657,573	8,753,363,557	8,271,352,477
Recurrent as % of CG Total Revenue	76%	71%	62%	66%	70%	70%	68%	69%	68%	69%
Personnel Emolument	4,003,000,000	4,185,870,000	4,377,202,254	4,540,812,746	4,456,812,745	4,184,696,000	4,491,812,745	4,229,542,960	4,531,812,745	4,374,838,389
Operations & Maintenance	3,589,230,000	2,603,500,000	3,103,575,971	3,639,283,306	3,755,236,984	4,084,304,000	4,006,598,476	4,046,114,613	4,221,550,813	3,896,514,088
Trasfer to CA		999,530,000	992,609,870							
Personnel Emoluments as % of CG	34%	37%	32%	37%	38%	35%	36%	35%	35%	36%

Revenue										
Development	2,378,000,000	3,248,000,000	5,286,029,752	4,214,645,403	3,531,000,000	3,545,000,000	4,010,724,416	3,742,456,500	4,052,194,483	3,781,752,293
Development as % of CG Total Revenue	20%	29%	38%	34%	30%	30%	32%	31%	32%	31%
Unspent Bal Current FY	1,638,756,313	936,621,902	0	0	0	0	0	0	0	0

ANNEX 3: MTEF Sector Programme Ceilings (Kshs.) - FY2025/2026MTEF

I. Recurrent

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
County Assembly	Legislative and oversight services	Legislative and oversight services	999,537,966	992,609,870	784,444,072	818,780,526	843,343,942	868,644,261
County Executive	Coordination and Supervisory Services	Coordination and Supervisory Services	597,805,662	575,324,269	603,931,889	580,000,000	597,400,000	615,322,000
Total			597,805,662	575,324,269	603,931,889	580,000,000	597,400,000	615,322,000
Finance and Economic Planning	Public Finance Management	County Accounting Services	249,724,863	233,774,418	238,504,000	230,000,000	236,900,000	244,007,000
		Financial Reporting	3,824,760	3,164,350	4,664,350	5,000,000	5,150,000	5,304,500
		County Procurement Services	46,632,800	58,162,800	67,262,800	18,000,000	18,540,000	19,096,200
		Asset management	3,230,000	2,164,000	5,039,000	5,000,000	5,150,000	5,304,500
		County Audit Services	6,950,000	11,062,261	9,712,261	10,000,000	10,300,000	10,609,000
		County Revenue management	36,031,600	28,025,100	32,825,100	20,000,000	20,600,000	21,218,000

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
		County Budget Management	12,076,600	16,594,600	19,844,600	15,000,000	15,450,000	15,913,500
	General Administration and Personnel	General Administration and Personnel	304,696,575	300,352,685	303,123,103	310,000,000	319,300,000	328,879,000
	Economic Planning Services	Economic Planning and Statistics	14,933,688	11,960,000	15,360,000	15,000,000	15,450,000	15,913,500
		County Statistical Services	6,163,290	8,399,480	6,599,480	9,000,000	9,270,000	9,548,100
		Monitoring and Evaluation	2,790,000	3,590,000	4,590,000	6,000,000	6,180,000	6,365,400
Total			687,054,176	677,249,694	707,524,694	643,000,000	662,290,000	682,158,700
Agriculture, Livestock and Veterinary Services	General Administration and Personnel	General Administration and Personnel	184,449,841	205,716,162	209,364,501	214,000,000	220,420,000	227,032,600
	Livestock Resources Management and Development	Livestock Production Services	15,770,200	5,486,393	4,473,840	6,000,000	6,180,000	6,365,400
		Veterinary Services	12,771,320	22,619,517	22,519,517	28,000,000	28,840,000	29,705,200
	Crop Development & Management	Crop Production Services	21,205,900	8,239,453	9,436,900	10,000,000	10,300,000	10,609,000
	Irrigation management services	Irrigation Services	3,220,800	5,400,553	4,598,000	4,000,000	4,120,000	4,243,600
	Alternative Livelihood Services	Alternative Livelihood Services	2,924,040	2,668,680	1,428,000	3,000,000	3,090,000	3,182,700
Total			240,342,101	250,130,758	251,820,758	265,000,000	272,950,000	281,138,500
Health Services	General Administration and personnel Services	General Administration and personnel Services	1,823,709,217	1,811,896,358	1,831,766,159	1,900,500,000	1,957,515,000	2,016,240,450

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
	Preventive and promotive Services	Primary Health care	39,800,320	164,081,540	169,081,540	100,000,000	123,000,000	126,690,000
		Special program	7,000,000	7,000,000	7,000,000	7,000,000	7,210,000	7,426,300
		Health Research services	2,600,000	2,636,000	2,636,000	4,000,000	4,120,000	4,243,600
		Reproductive, Maternal Neo-natal Child Adolescence Health	67,106,650	27,543,892	16,343,892	40,000,000	41,200,000	42,436,000
	Currative, Rehabilitative and referall Services	Currative and Rehabilitative Services	559,791,093	658,746,000	659,746,000	605,000,000	623,150,000	641,844,500
		Wajir County Referral Hospital	235,266,000	271,612,692	278,612,692	230,000,000	256,900,000	264,607,000
		County Emergency Referral Services	43,091,872	39,978,510	44,978,510	40,000,000	41,200,000	42,436,000
	Total		2,778,365,152	2,983,494,992	3,010,164,794	2,926,500,000	3,054,295,000	3,145,923,850
Roads and Transport	Road Transport Services	Maintenance & Rehabilitation of County Roads and Bridges	15,441,996	8,140,000	12,140,000	8,000,000	8,240,000	8,487,200
	Transport Management Services	Transport Services	110,880,000	87,100,000	92,100,000	80,000,000	82,400,000	84,872,000
	General Administration and Support Services	General Administration and Support Services	125,966,380	130,410,000	130,410,000	134,000,000	138,020,000	142,160,600
Total			247,396,380	225,650,000	234,650,000	222,000,000	228,660,000	235,519,800
Water Services	Water Services	General Administration and Support Services	95,400,205	111,360,484	111,360,484	114,000,000	117,420,000	120,942,600
		Water System Rehabilitation &	42,491,532	19,261,266	48,351,266	28,000,000	28,840,000	29,705,200

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
		maintenance						
		Water Infrastructure Development	8,855,800	8,814,250	16,474,250	10,000,000	10,300,000	10,609,000
		WAJWASCO	155,579,130	139,370,000	145,770,000	145,000,000	149,350,000	153,830,500
Total			302,326,667	278,806,000	321,956,000	297,000,000	305,910,000	315,087,300
Energy, Environment and Climate Change	General Administration and Support Services	General Administration and Support Services	72,139,420	70,000,000	70,000,000	75,000,000	77,250,000	79,567,500
	Environmental Conservation Services	Environmental Conservation	3,677,600	7,200,000	7,200,000	10,000,000	10,300,000	10,609,000
		Climate Change	12,235,782	14,296,482	14,296,482	0	0	0
	Energy Services	Energy and Mining Services	4,537,600	3,940,000	3,940,000	4,000,000	4,120,000	4,243,600
	Natural Resources Services	Natural Resources management	1,683,200	1,700,000	1,700,000	4,000,000	4,120,000	4,243,600
Total			94,273,602	97,136,482	97,136,482	93,000,000	95,790,000	98,663,700
Public Service, Special Programs and County Administration	General Administration and Support Services	General Administration and Support Services	496,080,099	616,384,831	616,384,831	620,000,000	638,600,000	657,758,000
	Human Resource Management	Human Resource Management	245,391,316	118,860,000	71,360,000	120,000,000	123,600,000	127,308,000
	Decentralised Units and inspectorate Services	Decentralised Units and inspectorate Services	27,644,000	9,810,000	11,810,000	12,000,000	12,360,000	12,730,800
		Town Administration services	4,369,600	8,164,000	5,164,000	10,000,000	10,300,000	10,609,000

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
	Public Participations and Civic Education	Public Participations and Civic Education	3,860,000	3,350,000	3,350,000	4,500,000	4,635,000	4,774,050
	Peace and Conflict Resolution	Peace and Conflict Resolution	9,944,830	15,175,000	27,815,000	15,000,000	15,450,000	15,913,500
	Disaster management and Humantatian Coordination	Disaster management and Humantatian Coordination	111,773,000	179,070,000	106,570,000	135,000,000	139,050,000	143,221,500
	Efficiency Monitoring	Efficiency Monitoring	9,336,000	6,168,000	7,568,000	7,219,474	7,436,058	7,659,140
	Strategic Delivery	Strategic Delivery	5,140,000	880,000	880,000	4,000,000	4,120,000	4,243,600
	Governance and Ethics	Governance and Ethics	3,256,400	3,966,400	3,966,400	4,000,000	4,120,000	4,243,600
	Intergovernmantaland Donor Relations	Intergovernmantaland Donor Relations	7,084,000	47,597,800	47,597,800	50,000,000	51,500,000	53,045,000
Total			923,879,245	1,009,426,031	902,466,031	981,719,474	1,011,171,058	1,041,506,190
Education, Social Welfare and Family Affairs	Childhood Education Development Services	Early Childhood Education Support services	186,020,200	177,880,792	184,678,600	180,000,000	185,400,000	190,962,000
	Vocational and Technical Training Development Services	Vocational and Technical Training Services	13,428,000	9,919,113	11,710,000	10,000,000	10,300,000	10,609,000
	Sport Development	Sport Promotion services	11,675,000	8,815,513	15,356,400	10,000,000	10,300,000	10,609,000
	Gender, Culture and	Culture, Social Services and Family	58,713,300	62,468,113	60,509,000	62,000,000	63,860,000	65,775,800

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
	Social services	Affairs						
		Child Protection	-	28,300,000	22,300,000	21,000,000	21,630,000	22,278,900
		Gender and Women Empowerment	77,180,656	3,410,000	3,410,000	5,000,000	5,150,000	5,304,500
	General Administration and Support Services	General Administration and Support Services	505,991,592	502,397,529	503,533,000	510,000,000	525,300,000	541,059,000
Total			853,008,748	793,191,060	801,497,000	798,000,000	821,940,000	846,598,200
Trade, Investment and Industrialization	Enterprise Development Services	Trade Development Services	12,160,000	15,429,728	16,429,728	4,000,000	4,120,000	4,243,600
		Investment and Industry	3,000,000	2,400,000	2,400,000	4,000,000	4,120,000	4,243,600
	Cooperatives Support Services	Cooperatives Support Services	4,000,000	2,200,000	2,200,000	4,000,000	4,120,000	4,243,600
	ICT and Innovation Services	ICT and Innovation Services	5,372,860	19,785,360	17,910,000	8,000,000	8,240,000	8,487,200
	General Administration and Personell Services	General Administration and Personell Services	137,954,887	148,238,593	150,113,954	160,000,000	164,800,000	169,744,000
Total			162,487,747	188,053,681	189,053,682	180,000,000	185,400,000	190,962,000
Lands, Spatial Planning, Urban Development and Public Works and Housing	Land Policy and Physical Planning	Urban Physical Planning	21,060,000	34,295,492	46,590,000	18,000,000	18,540,000	19,096,200
		General Administrative and Support Services	35,398,725	35,404,766	36,210,258	40,000,000	41,200,000	42,436,000
	Public Works and Housing	Government Buildings	2,030,000	1,600,000	2,100,000	8,000,000	8,240,000	8,487,200
		Public works	3,670,000	1,300,000	1,300,000	5,000,000	5,150,000	5,304,500

Vote	Programme	Subprogramme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp 1			
	Urban Development Services	Wajir Municipality	220,211,079	222,450,000	231,450,000	223,000,000	229,690,000	236,580,700
		Urban Development services	7,965,000	35,000,000	39,000,000	40,000,000	41,200,000	42,436,000
Total			290,334,804	330,050,258	356,650,258	334,000,000	344,020,000	354,340,600
CPSB		County Public Service Board	78,784,872	72,265,000	73,815,000	73,049,729	75,241,221	77,498,457
Grand Total Recurrent			8,260,489,118	8,473,388,095	8,335,110,659	8,212,049,729	8,498,411,221	8,753,363,558

2. Development

Vote	Programmes	Sub-programme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp I			
Agriculture, Livestock and Veterinary Services	Livestock Resources Management and Development	Livestock Production Services	13,000,000	6,000,000	6,000,000	5,000,000	15,000,000	20,000,000
		Veterinary Services	46,720,800	4,500,000	4,500,000	10,000,000	25,000,000	35,000,000
	Crop Development & Management	Crop Production Services	546,672,737	422,906,842	395,406,842	287,000,000	300,000,000	320,000,000
	Irrigation management services	Irrigation Services	20,350,000	31,129,900	31,129,900	80,000,000	125,000,000	130,000,000
	Alternative Livelihood Services	Alternative Livelihood Services						
Total			626,743,537	464,536,742	437,036,742	382,000,000	465,000,000	505,000,000

Vote	Programmes	Sub-programme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp I			
Health Services	Preventive and promotive Services	Primary Health Care	113,720,143	102,331,030	98,331,030	134,000,000	120,000,000	130,000,000
		Reproductive, Maternal Neo-natal Child Adolescence Health		2,000,000		15,000,000	20,000,000	20,000,000
	Currative, Rehabilitative and referall Services	Currative, Rehabilitative Services	158,380,800	453,105,161	453,105,161	177,000,000	218,000,000	264,000,000
		Wajir County Referral Hospital	223,280,825	241,294,438	241,294,438		120,000,000	130,000,000
Total			495,381,768	798,730,629	792,730,629	326,000,000	478,000,000	544,000,000
Roads and Transport	Road Transport Services	Maintenance & Rehabilitation of County Roads and Bridges	266,250,000	360,337,318	253,000,000	364,000,000	454,000,000	404,000,000
		Design & Construction of County Roads and Bridges	109,860,872	186,500,000	109,320,000	150,000,000	200,000,000	200,000,000
		Transport Services	-	-		100,000,000	-	-
Total			376,110,872	546,837,318	362,320,000	614,000,000	654,000,000	604,000,000
Water Services	water services	Water System Rehabilitation & maintenance	124,646,000	213,788,643	313,788,643	325,000,000	484,000,000	430,000,000
		Water Infrastructure Development	299,350,000	293,582,180	273,582,180	200,000,000	232,000,000	250,000,000
		WAJWASCO	681,200,000	765,899,998	765,899,998	80,000,000	120,000,000	250,000,000

Vote	Programmes	Sub-programme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp I			
Total			1,105,196,000	1,273,270,821	1,353,270,821	605,000,000	836,000,000	930,000,000
Energy, Environment and Climate Change	Environmental Conservation Services	Environmental Conservation Services	205,000,000	428,744,880	431,154,880	180,000,000	200,000,000	200,000,000
	Energy Services	Energy and Mining Services	23,308,800	73,308,800	23,308,800	120,000,000	50,000,000	50,000,000
	Natural Resources management	Natural Resources management		4,500,000	3,500,000	5,000,000	5,000,000	5,000,000
Total			228,308,800	506,553,680	457,963,680	305,000,000	255,000,000	255,000,000
Public Service, Special Programs and County Administration	Decentralised Units and inspectorate Services	Decentralised Units and inspectorate Services	4,500,000	16,800,000	7,800,000	25,000,000	20,000,000	20,000,000
	Kenya Devolution Support Programme	Kenya Devolution Support Programme				352,500,000	150,000,000	0
	Public Participations and Civic Education	Public Participations and Civic Education		10,000,000	5,000,000	20,000,000	5,000,000	5,000,000
	Peace and Conflict Resolution	Peace and Conflict Resolution		21,000,000	21,000,000			
Total			4,500,000	47,800,000	33,800,000	397,500,000	175,000,000	25,000,000
Education, Social Welfare and Family	Childhood Education Development Services	Early Childhood Education services	110,650,000	140,404,229	155,404,229	188,000,000	200,000,000	200,000,000

Vote	Programmes	Sub-programme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp I			
Affairs	Vocational and Technical Training Development Services	Vocational and Technical Training Services	3,884,900	7,000,000	7,000,000	9,000,000	10,000,000	10,000,000
	Sport Development Gender, Culture and Social services	Sport Promotion services	9,200,000	85,500,000	-	100,000,000	100,000,000	150,000,000
		Culture, library, Social Services and Family Affairs		4,000,000	4,000,000	6,000,000	6,000,000	6,000,000
		Gender and Women Empowerment	15,750,000	16,956,500	11,956,500	6,000,000	6,000,000	6,000,000
Total			139,484,900	253,860,729	178,360,729	309,000,000	322,000,000	372,000,000
Trade, Investment and Industrialization	Enterprise Development Services	Trade Development Services	5,000,000	7,500,000	7,500,000	115,000,000	130,000,000	120,000,000
		Investment and Industry	250,000,000	450,686,870	200,686,870	10,000,000	20,000,000	10,000,000
	Cooperatives Support Services	Cooperatives Support Services	4,000,000	2,700,000	2,700,000	5,000,000	5,000,000	5,000,000
	ICT and Innovation Services	ICT infrastructure Services	2,000,000	13,500,000	4,500,000	10,000,000	20,000,000	20,000,000
Total			261,000,000	474,386,870	215,386,870	140,000,000	175,000,000	155,000,000
Lands, Spatial Planning, Urban Development	Land Policy and Physical Planning	Urban Physical Planning	46,500,000	23,000,000	16,000,000	75,000,000	200,000,000	100,000,000
		Kenya Informal Settlement Improvement	198,000,000	537,477,229	537,477,229	-	-	261,893,885

Vote	Programmes	Sub-programme	FY 2023/24	FY 2024/25		FY 2025/26	FY 2026/27	FY 2027/28
				Approved	Supp I			
t and Public Works	Urban Development Services Public Works and Housing	Project						
		Wajir Municipality	167,554,472	217,894,053	192,894,053	172,500,000	300,724,416	200,300,598
		Urban Development	-	30,000,000		50,000,000	50,000,000	50,000,000
		Public Works and Housing	233,748,517	111,681,681	61,881,681	155,000,000	100,000,000	50,000,000
Total			645,802,989	920,052,963	808,252,963	452,500,000	650,724,416	662,194,483
Grand Total Development			3,882,528,866	5,286,029,752	4,639,122,434	3,531,000,000	4,010,724,416	4,052,194,483

ANNEX 4: Own Source Revenue Collection (Kshs.) for First Half 2024/2025

REVENUE STREAM	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTALS
Stock Auction fees	616,200	535,800	591,740	604,800	569,450	762,960	3,680,950
Stock Export fees	208,400	259,550	69,200	127,320	-	-	664,470
Slaughter fees	199,050	230,150	234,000	227,850	215,300	240,200	1,346,550
Hides &Skin	-	-	-	-	-	-	-
Arabic Gum	-	-	-	-	-	-	-
Miraa Cess	3,801,000	3,639,000	3,565,700	3,660,000	3,139,500	3,921,700	21,726,900
Single Business Permit(SBP)	89,340	168,000	354,500	87,300	100,500	44,500	844,140
Septic Tank	-	-	8,000	180,000	-	-	188,000
Conservancy	28,200	-	188,000	7,800	-	-	224,000
Land Rent	367,764	266,223	457,915	676,497	565,213	103,500	2,437,112
House Rent	1,440,576	420,000	-	776,500	356,800	726,062	3,719,938
peging fees/site visit	-	-	38,600	-	22,380	14,400	75,380
Stall rent	44,000	71,600	94,000	78,000	-	-	287,600
Building Materials	255,500	596,000	456,000	296,000	397,000	518,000	2,518,500
Market gate fees(fresh produce)	-	-	7,000	-	-	-	7,000
Scrap metal	6,500	-	-	12,800	-	3,200	22,500
Cereals	233,700	315,600	175,850	220,600	162,900	289,900	1,398,550
Development permission	-	-	-	-	-	-	-
Allotment(for schools)	-	-	-	-	-	-	-
Charcoal	-	-	-	-	-	-	-
Hire of County Assets	554,600	675,800	-	165,600	-	410,000	1,806,000
Cost sharing	2,201,730	2,552,665	2,632,072	3,015,225	2,745,118	-	
Medical Certificate	28,000	54,500	20,996	28,720	36,000	1,000	169,216
School registration	-	-	-	34,000	-	-	34,000

REVENUE STREAM	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTALS
Approval of Building Plan	-	-	-		-	-	-
Advertisement	-	-	-		-	-	-
Sale of tender documents	-	-	-		-	-	-
Veterinary department	9,400	19,400	14,400	14,200	9,100	9,700	76,200
Transport/parking fee	-	-	-		-	-	-
Misc/commission		5,854,839		1,158,830	640244	848322	8,502,235
FIF	8,119,000	2,306,000	1,419,266	11,846,042	7,008,625	10,629,497	
MONTHLY TOTALS	18,399,960	17,978,127	10,409,239	23,218,084	15,981,130	18,730,941	50,242,241