COUNTY GOVERNMENT OF KAJIADO

THE COUNTY TREASURY

2025 COUNTY BUDGET REVIEW AND OUTLOOK PAPER

"Strengthening Economic Recovery for a Transformed and Sustainable Kajiado"

September, 2025

 To obtain copies of the document, please contact:

Kajiado County Treasury
P. O. Box 11 - 01100

KAJIADO, KENYA

Email: treasury@kajiado.go.ke

The document is also available on the County website: www.kajiado.go.ke

FOREWORD

The 2025 County Budget and Outlook Paper (CBROP) provides detailed review of the FY 2024/25 fiscal performance in relation to the revised budget appropriated in the same financial year. The review will also evaluate the implications of the fiscal performance on the fiscal objectives as stipulated in the Public Finance Management (PFM) Act, 2012 as well as the County Fiscal Strategy Paper (CFSP).

The total revised budget was Kshs.12.786 billion where recurrent and development expenditures was allocated Kshs.8.950 billion and Kshs.3.837 billion respectively. Analysis of fiscal performance showed that actual revenue recorded was Kshs.10.247 billion translating to 80.14 percent performance. Equitable share received was Kshs.9.009 billion which was 100 percent performance while conditional grants amounted to Kshs.319.59 million translating to 15.46 percent performance. Actual OSR realized amounted to Kshs.918.61 million indicating 53.7 percent performance.

On the other hand, the total actual expenditure totaled Kshs.10.246 billion against a revised target of Kshs.12.786 billion representing an absorption rate of 80.13 percent. Actual recurrent expenditure was Kshs.7.935 billion translating to an absorption rate of 88.67 percent while actual development expenditure was Kshs.2.310 billion indicating an absorption rate of 60.21 percent. Further, KSh.5.370 billion (99.58 percent) and KSh.2.565 billion (72.12 percent) was expended on personnel emoluments and operations & maintenance respectively.

The county focused on the following thematic areas in FY 2024/25 under review: Modulated Pastoralism, Livable Towns, Mainstreaming Climate Change, and Competitive Education. Others that are aligned to Bottom-Up Economic Transformative Agenda (BETA) include Healthcare and Institutional Support. This 2025 CBROP will be the basis for preparing the FY 2026/27-2028/29 Medium Term Expenditure Framework. It proposes a balanced budget of KSh.12.01 billion allocating KSh.8.28 billion to recurrent expenditure and KSh.3.72 billion to development expenditure.

Alais Kisota

CECM - FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The preparation of the 2025 CBROP adhered to the provisions of Section 118 of the Public Finance Management (PFM), Act 2012 and its Regulations. The Paper presents county's fiscal performance for the FY 2024/25, recent economic developments at the global, national and county scenes; and the proposed budget for the 2026/27 – 2028/29 Medium Term Expenditure Framework. The 2022 CBROP will guide the preparation of the 2026 County Fiscal Strategy Paper

This Paper was prepared through a consultative process. We thank H.E. Governor Joseph Ole Lenku and his Deputy Martin Moshisho for their leadership during the preparation of this Paper. Many thanks go to all the County Executive Committee Members for their support during the preparation process. Special acknowledgement goes to the CECM Finance and Economic Planning for his invaluable guidance as this document was being prepared. The County Assembly through the leadership of Hon. Speaker Mr. Justus Ng'osor has been instrumental in providing advice during the process.

We are grateful to the Sector Working Groups (SWGs) for the timely provision of data and information which informed the formulation of this CBROP. We acknowledge the Macro Working Group who ensured that this Paper adhered to the provisions of the PFM Act, 2012. Special thanks go to the core team of Budget and Economic Planning for coordinating and putting together this Paper.

Finally, we thank all stakeholders and the public for providing useful comments. We wish to inform the public that, the County Government of Kajiado will continue to engage the public and stakeholders in preparation of Medium Term Budgets, plans and policies.

Sankaire Tima

CHIEF OFFICER – FINANCE AND ECONOMIC PLANNING

Table of Content

List of Tables

ACRONYMS

BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper
CBR	Central Bank Rate
CFSP	County Fiscal Strategy Paper
CGK	County Government of Kajiado
CIDP	County Integrated Development Plan
ECDE	Early Childhood Development Education
e-CIMES	Electronic County Integrated Monitoring and Evaluation System
FMD	Foot and Mouth Disease
FY	Financial Year
GBV	Gender Based Violence
GDP	Gross Domestic Product
GoK	Government of Kenya
HMT	Health Management Team
ICT	Information Communication Technology
KDSP	Kenya Devolution Support Programme
KUSP	Kenya Urban Support Project
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NHIF	National Health Insurance Fund
ODF	Open Defecation Free
PFMA	Public Financial Management Act
PWD	Persons with Disability
RMLF	Road Maintenance Fuel Levy Fund
SBP	Single Business Permit
SCHMT	Sub-County Health Management Team
SDGs	Sustainable Development Goals
SSA	Sub-Saharan African

Legal Basis for the Preparation of 2025 County Budget Review & Outlook Paper (CBROP)

The CBROP is prepared in line with the Public Finance Management Act, 2012 Section 118. The Act stipulates that:

1. The County Treasury shall prepare and submit the Paper to the County Executive Committee for approval by 30th September of each financial year.

County Budget Review and Outlook Paper shall include:

a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
c) Information on any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

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

3. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall:
   a) Arrange for the Paper to be laid before the County Assembly; and
   b) Publish and publicize the paper as soon as practicable

1. INTRODUCTION

1.1 Objective of the 2025 County Budget Review and Outlook Paper

1. The County Budget Review and Outlook Paper (CBROP) is a backward-and-forward-looking budget document that provides a review of performance in the previous financial year; presents economic updates in the County Fiscal Policy earlier in the year and their implication for budget performance for the current year. It further provides revenue and expenditure projections for the coming financial year.

2. The 2025 CBROP therefore reviews the fiscal and non-fiscal performance of FY 2024/25 in relation to the revised budget and presents financial projections for the FY 2026/27 and the Medium Term Expenditure Framework (MTEF). It will also highlight the impact of fiscal performance on the financial objectives stipulated in the Public Finance Management Act, 2012 and the County Fiscal Strategy Paper (CFSP).

3. This 2025 CBROP is a key statutory document that will inform the formulation of the medium term policy priorities in the 2026 County Fiscal Strategy Paper. Additionally, it will review crucial macroeconomic indicators at the global, regional and national levels and their potential impact on the county's economy.

4. Further, the 2025 CBROP outlines the county's performance organized per priority or thematic areas as specified in the 2024 CFSP namely: Modulated Pastoralism, Livable Towns, Mainstreaming Climate Change, and Competitive Education. Others that are aligned to Bottom-Up Economic Transformative Agenda (BETA) include Healthcare and Institutional Support.

5. The other sections of the document are organized as follows: Chapter 2 gives a review of the fiscal performance during the FY 2024/25; Chapter 3 highlights the recent economic developments and the outlook; and Chapter 4 presents the proposed resource allocation framework for FY 2026/27 – 2028/29 Medium Term Expenditure Framework.

2. REVIEW OF COUNTY FISCAL PERFORMANCE FOR THE FY 2024/25

This section gives detailed information of the county's fiscal performance and it is organized into three sub-sections: overview, fiscal performance as well as the implications of fiscal performance.

2.0. Overview

6. This sub-section presents an overall assessment of the county's fiscal performance in relation to revised revenues and expenditures of previous financial year, FY 2024/25.

7. The total revised revenues for FY 2024/25 amounted to KSh.12.786 billion, an increase of KSh.1.2 billion (10.35 percent) from KSh.11.59 billion in FY 2023/24. It comprised of Equitable share KSh.9.01 billion; Grants KSh.2.07 and Own Source Revenue (OSR) KSh.1.71 billion inclusive of A-i-A of KSh.510 million (KSh.440 million, Kajiado County Facility Improvement Fund and KSh.70 million, Kajiado County Alcoholic Drinks Fund).

8. The total revised expenditure for FY 2024/25 totaled to KSh.12.786 billion. Similar to revenues, there was an increase of 10.35 percent from FY 2023/24. The expenditures consisted of: recurrent expenditure of KSh.8.95 billion and development expenditure of KSh.3.84 billion. Further, recurrent expenditure comprised of KSh.5.39 billion for Personnel Emolument (PE) and KSh.3.56 billion for Operations and Maintenance (O&M). In the same period, the actual expenditure realized amounted to KSh.10.25 billion in relation to 8.79 billion for FY 2023/24 translating to an increased growth of 16.61 percent.

2.1. FY 2024/25 Aggregate Fiscal Performance

9. Actual cumulative revenue registered totaled to KSh.10.247 billion compared to a revised target of KSh.12.786 billion, translating to 80.1 percent performance. Of these revenues, equitable share amounted to KSh.9.01 billion recording 100 percent performance against the target, grants received totaled to KSh.319.59, indicating 15.5 percent performance; and OSR including A-i-A was 918.61 million translating to 53.7 percent performance. Aggregate revenue performance for FY 2023/24 was KSh.9.14 billion indicating an improved performance of 12.1 percent. (Table 1).

10. On the other hand, the actual expenditure for FY 2024/25 amounted to KSh.10.246 billion against a target of KSh.12.786 billion showing an absorption rate of 80.1 percent. The county spent KSh.7.94 billion on recurrent expenditure and KSh.2.31 billion on development expenditure. Further, total expenditure spent on PE was KSh.5.37 billion while KSh.2.57 was used on O&M. Aggregate expenditure performance for FY 2023/24 amounted to KSh.8.79 billion indicating an increased growth of 16.59 percent.

Table 1: Aggregate Fiscal Performance FY 2023/24 – FY 2024/25

	FY 2023/24		FY 2024/25						
	Approved Estimates	**Actual Performance**	**Approved Estimates**	**Actual Performance**	**Deviation**	**Growth**	**% Growth**	**% Actual Performance**	**% to County Revenue/ Expenditure**
REVENUE SUMMARY									
GOK Transfer/Equitable Share (including Balance B/F)	8,332,649,396	7,636,306,298	9,009,030,696	9,009,030,696	-	1,372,724,398	17.98	100.00	87.92
Conditional Grants	1,386,369,886	455,931,669	2,067,443,650	319,590,700	1,747,852,950	(136,340,969)	(29.90)	15.46	3.12
Own Source Revenue and County Funds	**1,868,466,985**	**1,048,356,435**	**1,710,000,000**	**918,608,810**	**791,391,190**	**-129,747,625**	**(12.38)**	**53.72**	**8.96**
Own Source Revenue	1,621,247,688	678,403,673	1,200,000,000	591,142,965	608,857,036	(87,260,709)	(12.86)	49.26	5.77
County Funds	247,219,297	369,952,762	510,000,000	327,465,846	182,534,155	(42,486,917)	(11.48)	64.21	3.20
TOTAL	**11,587,486,267**	**9,140,594,402**	**12,786,474,346**	**10,247,230,206**	**2,539,244,140**	**1,106,635,804**	**12.11**	**80.14**	**100.00**
EXPENDITURE SUMMARY									
Compensation of Employees (PE	4,840,905,472	4,428,825,338	5,392,739,945	5,369,937,782	22,802,163	941,112,444	21.25	99.58	52.41
Operations and Maintenance	3,199,884,898	2,320,351,348	3,556,907,883	2,565,330,253	991,577,630	244,978,905	10.56	72.12	25.04
Development Expenditure	3,546,695,897	2,038,297,018	3,836,826,518	2,310,333,159	1,526,493,359	272,036,141	13.35	60.21	22.55
TOTAL	**11,587,486,267**	**8,787,473,704**	**12,786,474,346**	**10,245,601,194**	**2,540,873,152**	**1,458,127,490**	**16.59**	**80.13**	**100.00**

Source: Kajiado County Treasury

2.2. County Own Source Revenue Performance

11. Total Own Source Revenue (OSR) realized in the FY 2024/25 amounted to KSh.918.61 million against a revised target of KSh.1.71 billion recording a 53.7 percent performance. This included A-i-A of KSh.327.47 million against a set target of KSh.510 million registering a 64.2 percent performance. These were Kajiado County Facility Improvement Fund of KSh.316.40 million and Kajiado County Alcoholic Drinks Fund of KSh.11.07 million whose targets were KSh.440 million and KSh.70 million respectively. Underperformance in OSR was associated to weak business environment across the county.

12. Sectoral analysis on OSR indicate that the first three sectors that contributed the most to the realized OSR were: Health sector which had the highest contribution of KSh.340.09 million translating to 37.0 percent to the overall actual revenue realized; followed by ARUD sector KSh.269.74 million (29.4 percent) and GECA sector KSh.196.11 million (21.4 percent) (**Table 2**).

13. Departmental analysis revealed that the county department of Medical Services and Public Health; Lands, Physical Planning and Urban Development and Trade, Cooperative Development and Enterprise Development contributed the most to the actual revenues achieved with KSh.340.09 million, KSh.230.71 million and KSh.196.11 million respectively.

14. Analysis of OSR streams indicate that Single Business Permits (SBPs) contributed the highest amount, Kshs.132.1 million to the total OSR during the period under review. The other key performing revenue streams included; Sand and Ballast fees amounting to Kshs.88.7 million Building Plan approval fee amounting to Kshs.66.98 million, Plot rates at Kshs.37.7 million and Mineral extraction royalties at Kshs.30.9 million (**Table 2**).

Table 2: County Own Source Revenue Performance, FY 2024/25 (KSh. Million)

Sector	Sub-Sector	Revenue Stream	Approved Supp I FY 2023/24		Approved Supp I FY 2024/25			
			Approved OSR Targets	Actual OSR Performance	Approved OSR Targets	Actual OSR Performance	% Performance against Approved Target	% Contribution to Overall Actual OSR
Agriculture, Rural and Urban Development	Agriculture, Livestock and Fisheries	Receipts from Sale of Agricultural Goods	40,994,000	27,023,165	37,563,844	20,071,852	53.4	2.2
		Other Cesses (Livestock Cess)	12,962,125	21,278,291	14,250,700	15,311,860	107.4	1.7
		Tender Documents Sale	115,170	0	115,170		-	-
		Slaughtering Fee	23,876,280	9,153,410	17,500,650	3,645,000	20.8	0.4
	Lands and Physical Planning	Land Rates	352,324,884	49,882,940	165,680,900	44,088,290	26.6	4.8
		Land Rates penalties	266,600	0	350,000		-	-
		Other Cesses-Lands/Change of user	9,727,168	0	2,350,700		-	-
		Plot Rents	25,347,282	24,275,290	51,500,600	17,899,328	34.8	1.9
		Sand, Gravel, and Ballast Extraction Fees	176,816,967	25,170,240	138,935,000	63,052,655	45.4	6.9
		Quarry Extraction Fees	45,858,141		30,500,000	25,019,499	82.0	2.7
		Mineral Royalties (Cement, Silica, etc.)	82,771,836	63,814,100	25,700,000		-	-
		Other Miscellaneous Receipts Lands	5,000,000		3,500,000		-	-
		Survey Fee	3,990,027		1,200,650		-	-
	Housing and Urban Development	Buildings Plan Approval Fee	310,933,008	82,630,104	216,933,008	80,647,186	37.2	8.8
SECTOR TOTAL			**1,090,983,488**	**303,227,540**	**706,081,222**	**269,735,670**	**38.2**	**29.4**
Energy,		Fees under Traffic Act	1,343,664	0	1,343,664		-	-

Infrastructure and ICT		Transit Toll Charges	1,420,524	29,262,826	34,729,966	13,173,699	37.9	1.4
		Other Revenues - Roads	2,625,480	-	1,500,000		-	-
	Roads, Public Works, Energy and Transport	Parking Fees - Local Authority Revenue	35,580,728	13,331,361	21,800,250	18,019,900	82.7	2.0
		Impounding Charges	959,760	780,000	959,760	100,500	10.5	0.0
		Enclosed Bus Park Fee	37,836,488	25,124,455	30,000,000	15,781,680	52.6	1.7
	ICT	Sign Boards & Advertisement Fee	35,086,976	53,825,000	68,086,976	54,536,630	80.1	5.9
SECTOR TOTAL			**114,853,620**	**122,323,642**	**158,420,616**	**101,612,409**	**64.1**	**11.1**
General Economic &	Trade and Enterprise Development	Single Business Permits	274,419,238	170,273,691	230,800,323	176,376,890	76.4	19.2
		SBP Penalties	1,222,920	0	1,222,920		-	-
		Weights & Measures Fees	7,776,280	0	7,776,280		-	-

Sector	Sub-Sector	Revenue Stream	Approved Supp I FY 2023/24		Approved Supp I FY 2024/25			
			Approved OSR Targets	**Actual OSR Performance**	**Approved OSR Targets**	**Actual OSR Performance**	**% Performance against Approved Target**	**% Contribution to Overall Actual OSR**
Commercial Affairs		Other Miscellaneous ReceiptsTrade	259,135	0	259,135		-	-
		Market Stalls Rent	2,700,000	3,806,492	2,700,000	1,089,300	40.3	0.1
		Market Shelters Fee/Barter Market	30,266,432	21,003,830	21,500,200	18,643,510	86.7	2.0
SECTOR TOTAL			**316,644,005**	**195,084,013**	**264,258,858**	**196,109,700**	**74.2**	**21.3**
Health	Medical Services and Public Health	Public Health fees and charges (HIF)	45,050,000	52,252,346	70,000,000	64,073,446	91.5	7.0
		General Hospital fees	158,410,116	174,516,237	370,000,000	252,323,053	68.2	27.5
		NHIF Reimbursements	43,759,181	143,184,179				

		Bed Occupancy	0	7,541,800	56,050,000	23,685,185		2.6
		Sewer Use Charge	825,395	0	825,395		-	-
		Burial Fees	48,727	0	48,727		-	-
SECTOR TOTAL			**248,093,419**	**377,494,562**	**496,924,122**	**340,081,684**	**68.4**	**37.0**
Education	Education	License Fees -Institutions and groups	485,640	0	485,640		-	-
SECTOR TOTAL			**485,640**	**0**	**485,640**	**-**	**-**	**-**
PAIR	County Treasury	Other Cesses	12,000,000	23,833,879	12,465,758		-	-
SECTOR TOTAL			**12,000,000**	**23,833,879**	**12,465,758**	**-**	**-**	**-**
Social Protection, Recreation and	Social Services	Liquor license	84,350,600	24,601,600	70,000,000	11,069,347		1.2
SECTOR TOTAL			**84,350,600**	**24,601,600**	**70,000,000**	**11,069,347**	**15.8**	**1.2**
Water, Environmental Protection and Natural Resources	Water Services	Water Kiosks Sales	863,784	1,791,200	863,784		-	-
	Environment	Garbage Dumping Fee	192,429	0	500,000		-	-
SECTOR TOTAL			**1,056,213**	**1,791,200**	**1,363,784**	**-**	**-**	**-**
TOTAL COUNTY OSR			**1,868,466,985**	**1,048,356,435**	**1,710,000,000**	**918,608,810**	**53.7**	**100.0**

Source: Kajiado County Treasury

2.3. Challenges in OSR Collections and Strategies to Optimize its Performance

15. The issues that contributed to underperformance in own source revenue included:

    i. Lack of revenue forecasting tool which uses a more scientific approach to make more accurate OSR projections.

    ii. Incomplete Valuation Roll: The potential for substantial ratable properties remains unachieved due to incomplete or an updated valuation roll that provides information of assed values of properties within specified towns/areas primarily for taxation purposes. iii. Absence of Tariff and Pricing Policy: There is a lack of clear policies to provide guidance for levying charges, fees and rates as per the Commission on Revenue Allocation guidelines.

    iv. Mobility Challenges: The vastness of the county makes it difficult to efficiently address revenue-related issues.

    v. Inadequate and/or an updated data of all businesses operating within the county. vi. Lack of compliance by rate payers

16. To address the under-performance in own source revenue (OSR), the county government will implement the following strategies:

    i. Implement a revenue forecasting tool which uses a more scientific approach to make more accurate OSR projections. The tool is under development by The National Treasury in collaboration with various stakeholders including the county governments. It is supported through KDSP II in actualization of Key Result Area (KRA) 1 on sustainable financing and expenditure management.

    ii. Adopt and implement the Integrated County Revenue Management System (ICSMS) which is in process of development by The National Treasury. The ICRMS is a unified, centralized management system targeted to enhance effectiveness and administration of OSR.

iii. Strengthen revenue administration for enhanced compliance through expansion of revenue base, leveraging on technology to revolutionize revenue processes and sealing revenue loopholes.

iv. Strengthen credit control and debt collection system to recover pending fees/charges/taxes. It will also enhance and regularly conduct compliance/enforcement checks and Rapid Response Initiatives (RRIs).

v. Development of County Valuation Roll: The county targets to complete the development of the county valuation roll to provide value of all properties as well as determine the amount of property charges/taxes that each landowner is required to pay within a specific area.

vi. Formulation of Kajiado County Tariff and Pricing Policy: the county will prepare and implement a Tariff and Pricing Policy to provide a basis for levying charges/fees/rates.

vii. Expand Revenue Base: Identify reforms aimed at broadening the revenue base to increase income.

viii. The county government will organize to conduct a mapping exercise to identify all business operating in the county and regularly update the data.

ix. Implement Effective Credit Control and Debt Collection Systems: Put in place efficient systems for credit control and debt collection to improve the recovery of fees and charges.

2.4. FY 2024/25 Expenditure Performance

17. The county government expended a total of KSh.10.246 billion in FY 2024/25 against a revised target of KSh.12.786 billion registering an absorption rate of 80.1 percent. The county government spent KSh.7.94 billion on recurrent expenditure comprising of KSh.5.37 billion on PE and KSh.2.57 billion on O&M. The actual development expenditure amounted to

KSh.2.31 billion against a target of KSh.3.84 billion indicating an absorption rate of 60.2 percent.

2.4.1. Sectoral Expenditure Performance

18. The county implements sectoral planning and budgeting with eight sectors organized as per Classification of Functions of Government (COFOG): Agriculture, Rural and Urban Development; Energy, Infrastructure and ICT; General Economic and Commercial Affairs; Health; Education; Public Administration and International Relations; Social Protection, Culture and Recreation Activities and Water Services, Environmental Protection and Natural Resources.

19. During the period under review, sectoral performance in terms of absorption were satisfactory. The sector with the highest absorption rate was Education, Youth and Sports with 97.2 percent absorption rate and Agriculture, Rural and Urban Development had the lowest at 41.6 percent absorption. **Table 3** shows sectoral expenditure performance.

Table 3: Sectoral Expenditure Analysis FY 2024/25

Sector	Sub-Sector		CFSP 2024 Ceilings	Approved Supp I Budget FY 2024/25	Actual Expenditure	Deviation from 2024 CFSP	% Deviation for 2024 CFSP	Absorption Rate
Agriculture, Rural & Urban Development	Agriculture, Livestock and Fisheries	P.E	166,207,214	186,028,540	186,028,538	19,821,326	11.93	100.0
		O.M	110,439,642	85,285,006	58,763,478	(25,154,636)	- 22.78	68.9
		DEV	177,024,795	394,689,474	91,033,442	217,664,679	122.96	23.1
		Sub-Total	**453,671,651**	**666,003,020**	**335,825,458**	**212,331,369**	**46.80**	**50.4**
	Lands and Physical Planning	P.E	88,068,439	88,028,706	88,028,704	(39,733)	- 0.05	100.0
		O.M	29,946,248	26,370,395	22,107,991	(3,575,853)	- 11.94	83.8
		DEV	0	31,000,000	-	31,000,000	-	-
		Sub-Total	**118,014,687**	**145,399,101**	**110,136,695**	**27,384,414**	**23.20**	**75.7**
	Housing and Urban Development	O.M	59,589,938	54,289,938	9,858,597	(5,300,000)	- 8.89	18.2
		DEV	180,626,011	408,427,873	90,000,000	227,801,862	126.12	22.0
		Sub-Total	**240,215,949**	**462,717,811**	**99,858,597**	**222,501,862**	**92.63**	**21.6**
	Kajiado Municipality	P.E	34,428,714	41,523,803	41,523,801	7,095,089	20.61	100.0
		O.M	31,956,651	30,668,199	22,964,246	(1,288,452)	- 4.03	74.9
		DEV	129,000,000	76,000,000	22,564,161	(53,000,000)	- 41.09	29.7
		Sub-Total	**195,385,365**	**148,192,002**	**87,052,208**	**(47,193,363)**	**- 24.15**	**58.7**
	Ngong	P.E	61,349,244	64,983,942	64,983,941	3,634,698	5.92	100.0

	Municipality	O.M	36,639,394	40,816,043	19,146,146	4,176,649	11.40	46.9
		DEV	169,500,000	225,000,000	2,995,511	55,500,000	32.74	1.3
		Sub-Total	**267,488,638**	**330,799,985**	**87,125,598**	**63,311,347**	**23.67**	**26.3**
	Kitengela Municipality	P.E	15,279,090	28,485,591	28,485,590	13,206,501	86.44	100.0
		O.M	24,450,312	19,874,241	10,767,864	(4,576,071)	- 18.72	54.2
		DEV	92,000,000	66,000,000	18,229,448	(26,000,000)	- 28.26	27.6
		Sub-Total	**131,729,402**	**114,359,832**	**57,482,902**	**(17,369,570)**	**- 13.19**	**50.3**

Sector	Sub-Sector		CFSP 2024 Ceilings	Approved Supp I Budget FY 2024/25	Actual Expenditure	Deviation from 2024 CFSP	% Deviation for 2024 CFSP	Absorption Rate
SECTOR TOTAL			**1,406,505,692**	**1,867,471,751**	**777,481,458**	**460,966,059**	**32.77**	**41.6**
Energy, Infrastructure & ICT	Roads, Public Works, Energy and Transport	P.E	113,579,725.00	153,076,701	153,076,699	39,496,976	34.77	100.0
		O.M	48,160,418	59,765,550	45,573,000	11,605,132	24.10	76.3
		DEV	488,565,455	869,076,319	578,905,553	380,510,864	77.88	66.6
		Sub-Total	**650,305,598**	**1,081,918,570**	**777,555,252**	**431,612,972**	**66.37**	**71.9**
	ICT	O.M	23,211,000	13,539,562	13,539,103	(9,671,438)	- 41.67	100.0
		DEV	10,000,000	-	-	(10,000,000)	- 100.00	-
		Sub-Total	**33,211,000**	**13,539,562**	**14,354,103**	**(19,671,438)**	**- 59.23**	**106.0**
SECTOR TOTAL			**683,516,598**	**1,095,458,132**	**791,909,355**	**411,941,534**	**60.27**	**72.3**
General Economic & Commercial Affairs	Trade and Enterprise Development	P.E	141,081,585.00	168,351,302	168,351,300	27,269,717	19.33	100.0
		O.M	57,459,396	48,167,143	32,949,821	(9,292,253)	- 16.17	68.4
		DEV	530,000,000	45,800,000	31,499,000	(484,200,000)	- 91.36	68.8
		Sub-Total	**728,540,981**	**262,318,445**	**232,800,121**	**(466,222,536)**	**- 63.99**	**88.7**
	Cooperative Development	O.M	21,326,590	12,171,090	7,287,760	(9,155,500)	- 42.93	59.9
		Sub-Total	**21,326,590**	**12,171,090**	**7,287,760**	**(9,155,500)**	**- 42.93**	**59.9**
	Tourism and Wildlife	O.M	4,301,742	33,177,212	19,760,324	28,875,470	671.25	59.6
		Sub-Total	**4,301,742**	**33,177,212**	**19,760,324**	**28,875,470**	**671.25**	**59.6**
SECTOR TOTAL			**754,169,313**	**307,666,747**	**259,848,205**	**(446,502,566)**	**- 59.20**	**84.5**
Health Sector	Medical Services	P.E	2,134,971,185	2,364,173,590	2,357,023,587	229,202,405	10.74	99.7
		O.M	367,986,833	860,543,093	461,400,148	492,556,260	133.85	53.6
		DEV	360,000,000	30,000,000	20,000,000	(330,000,000)	- 91.67	66.7
		Sub-Total	**2,862,958,018**	**3,254,716,683**	**2,838,423,735**	**391,758,665**	**13.68**	**87.2**
	Public Health and Sanitation	O.M	166,181,198	203,740,582	113,304,605	37,559,384	22.60	55.6
		DEV	100,000,000	88,100,000	46,316,629	(11,900,000)	- 11.90	52.6
		Sub-Total	**266,181,198**	**291,840,582**	**159,621,234**	**25,659,384**	**9.64**	**54.7**
SECTOR TOTAL			**3,129,139,216**	**3,546,557,265**	**2,998,044,969**	**417,418,049**	**13.34**	**84.5**
Education	Early	P.E	496,488,886	551,188,421	549,172,221	54,699,535	11.02	99.6

Sector	Childhood Development and Education	O.M	199,908,770	276,291,878	265,420,577	76,383,108	38.21	96.1
		DEV	80,000,000	131,700,000	117,460,198	51,700,000	64.63	89.2
		Sub-Total	**776,397,656**	**959,180,299**	**932,052,996**	**182,782,643**	**23.54**	**97.2**
	Technical Vocational Training	O.M	4,611,298	4,050,209	3,990,900	(561,089)	- 12.17	98.5
		DEV	20,000,000	-	-	(20,000,000)	- 100.00	-
		Sub-Total	**24,611,298**	**4,050,209**	**3,990,900**	**(20,561,089)**	- 83.54	**98.5**
SECTOR TOTAL			**801,008,954**	**963,230,508**	**936,043,896**	**162,221,554**	**20.25**	**97.2**
Public Administration and International Relations Sector	Executive Office of the Governor	P.E	113,136,068	73,974,246	73,974,245	(39,161,822)	- 34.61	100.0
		O.M	118,230,389	161,648,241	113,743,031	43,417,852	36.72	70.4
		Sub-Total	**231,366,457**	**235,622,487**	**187,717,276**	**4,256,030**	**1.84**	**79.7**
	Public Service & Citizen Participation	P.E	491,024,749	552,892,404	550,091,203	61,867,655	12.60	99.5
		O.M	342,308,619	261,772,526	178,839,839	(80,536,093)	- 23.53	68.3
		Sub-Total	**833,333,368**	**814,664,930**	**728,931,042**	**(18,668,438)**	**- 2.24**	**89.5**
	The County Treasury	P.E	402,317,245.00	496,277,015	486,665,014	93,959,770	23.35	98.1
		O.M	225,376,690	439,973,704	422,337,867	214,597,014	95.22	96.0
		DEV	1,090,221,126	925,192,191	900,687,273	(165,028,935)	- 15.14	97.4
Sector	**Sub-Sector**		**CFSP 2024 Ceilings**	**Approved Supp I Budget FY 2024/25**	**Actual Expenditure**	**Deviation from 2024 CFSP**	**% Deviation for 2024 CFSP**	**Absorption Rate**
		Sub-Total	**1,717,915,061**	**1,861,442,910**	**1,808,875,154**	**143,527,849**	**8.35**	**97.2**
	County Assembly	P.E	312,177,793	332,250,000	332,152,458	20,072,207	6.43	100.0
		O.M	560,234,804	531,189,476	493,839,500	(29,045,328)	- 5.18	93.0
		DEV	100,000,000	175,000,000	174,947,665	75,000,000	75.00	100.0
		Sub-Total	**972,412,597**	**1,038,439,476**	**1,000,939,623**	**66,026,879**	6.79	**96.4**
	County Public Service Board	P.E	55,677,358	66,279,328	66,279,328	10,601,970	19.04	100.0
		O.M	61,902,455	67,685,831	35,160,380	5,783,376	9.34	51.9
		Sub-Total	**117,579,813**	**133,965,159**	**101,439,708**	**16,385,346**	**13.94**	**75.7**
	County Attorney	P.E	25,671,489	33,572,470	33,572,468	7,900,981	30.78	100.0
		O.M	136,308,680	117,909,824	96,469,800	(18,398,856)	- 13.50	81.8
		Sub-Total	**161,980,169**	**151,482,294**	**130,042,268**	(10,497,875)	- 6.48	**85.8**
SECTOR TOTAL			**4,034,587,465**	**4,235,617,256**	**3,957,945,071**	**201,029,791**	**4.98**	**93.4**
Social Protection, Culture & Recreation Sector	Gender Affairs	P.E	53,397,473	79,136,703	78,011,503	25,739,230	48.20	98.6
		O.M	37,865,101	32,302,708	23,759,347	(5,562,393)	- 14.69	73.6
		Sub-Total	**91,262,574**	**111,439,411**	**101,770,850**	**20,176,837**	**22.11**	**91.3**
	Social Protection	O.M	32,326,565	37,843,865	23,130,486	5,517,300	17.07	61.1
		Sub-Total	**32,326,565**	**37,843,865**	**23,130,486**	**5,517,300**	**17.07**	**61.1**
	Arts & Culture	O.M	22,923,664	8,882,664	2,464,684	(14,041,000)	- 61.25	27.7
		Sub-Total	**22,923,664**	**8,882,664**	**2,464,684**	**(14,041,000)**	**- 61.25**	**27.7**
	Youth and	O.M	51,487,735	29,429,150	28,307,854	(22,058,585)	- 42.84	96.2

	Sports Development	DEV	10,000,000	-	-	(10,000,000)	- 100.00	-
		Sub-Total	**61,487,735**	**29,429,150**	**28,307,854**	(32,058,585)	- 52.14	**96.2**
SECTOR TOTAL			**208,000,538**	**187,595,090**	**155,673,874**	**(20,405,448)**	**- 9.81**	**83.0**
Water and Environmental Protection and Natural Resources Sector	Water Infrastructure	P.E	97,122,898	112,517,183	112,517,182	15,394,285	15.85	100.0
		O.M	55,839,531	57,751,638	25,493,105	1,912,107	3.42	44.1
		DEV	80,000,000	141,557,205	36,678,670	61,557,205	76.95	25.9
		Sub-Total	**232,962,429**	**311,826,026**	**174,688,957**	**78,863,597**	**33.85**	**56.0**
	Irrigation	O.M	10,332,642	9,958,990	8,173,200	(373,652)	- 3.62	82.1
		Sub-Total	**10,332,642**	**9,958,990**	**8,173,200**	**(373,652)**	**- 3.62**	**82.1**
	Environment and Natural Resources	O.M	44,066,459	31,809,125	6,776,600	(12,257,334)	- 27.82	21.3
		DEV	211,274,707	229,283,456	179,015,609	18,008,749	8.52	78.1
		Sub-Total	**255,341,166**	**261,092,581**	**185,792,209**	**5,751,415**	**2.25**	**71.2**
SECTOR TOTAL			**498,636,237**	**582,877,597**	**368,654,366**	**84,241,360**	**16.89**	**63.2**
	GRAND TOTAL	**P.E**	**4,801,979,155**	**5,392,739,945**	**5,369,937,782**	**590,760,790**	**12.30**	**99.6**
		O.M	**2,885,372,764**	**3,556,907,883**	**2,565,330,253**	**671,535,119**	**23.27**	**72.1**
		DEV	**3,828,212,094**	**3,836,826,518**	**2,310,333,159**	**8,614,424**	**0.23**	**60.2**
		TOTAL	**11,515,564,013**	**12,786,474,346**	**10,245,601,194**	**1,270,910,333**	**11.04**	**80.1**

Source: Kajiado County Treasury

2.4.2. Departmental Expenditure Performance

20. Departmental analysis indicates that most county departments/entities recorded satisfactory absorption rates. The departments with over 80 percent absorption rates included: The County Treasury; Education, Youth and Sports; The County Assembly; Trade, Investment and Enterprise Development; Public Service, Administration, Social Services and Inspectorate Services; Medical Services and Public Health; and Office of the Governor. Spending units which registered below 50 percent absorption rates were Landas, Physical Planning and Urban Development and Ngong Municipality.

21. Analysis of development expenditure during the period under review shows that the County Assembly had the highest absorption rate of 100 percent and Ngong Municipality has the lowest absorption rate of below 10 percent.

22. During the FY 2024/25, all the county spending units registered absorption rates of above 98 percent on Personnel Emoluments (PE). The County Treasury; and Gender, Culture, Tourism and Wildlife recorded absorption rates of 98.1 percent and 98.6 percent respectively.

23. On Operations & Maintenance (O&M), the County Department of Education, Youth and Sports recorded the highest absorption rate of 96.1 percent while the County Department of Water Services, Environment and Natural Resources recorded the lowest absorption rate of 36 percent.

Table 4: Departmental Expenditure Analysis

County Department/Entity		CFSP 2024 Ceiling	Approved Supp I Budget FY 2024/25	Actual Expenditure	Deviation from 2024 CFSP	% Deviation from 2024 CFSP	Absorption Rate
Executive Office of the Governor & Deputy Governor	PE	113,136,068	73,974,246	73,974,245	(39,161,822)	- 34.61	100.0
	OM	141,441,389	175,187,803	127,282,134	33,746,414	23.86	72.7
	DEV	10,000,000	-	-	(10,000,000)	- 100.00	-
	Sub-Total	**264,577,457**	**249,162,049**	**201,256,379**	**(15,415,408)**	**- 5.83**	**80.8**
County Public Service Board	PE	55,677,358	66,279,328	66,279,328	10,601,970	19.04	100.0
	OM	61,902,455	67,685,831	35,160,380	5,783,376	9.34	51.9
	Sub-Total	**117,579,813**	**133,965,159**	**101,439,708**	**16,385,346**	**13.94**	**75.7**
Medical Services and Public Health	PE	2,134,971,185	2,364,173,590	2,357,023,587	229,202,405	10.74	99.7
	OM	534,168,031	1,064,283,675	574,704,753	530,115,644	99.24	54.0
	DEV	460,000,000	118,100,000	66,316,629	(341,900,000)	- 74.33	56.2
	Sub-Total	**3,129,139,216**	**3,546,557,265**	**2,998,044,969**	**417,418,049**	**13.34**	**84.5**
	PE	97,122,898	112,517,183	112,517,182	15,394,285	15.85	100.0

County Department/Entity		CFSP 2024 Ceiling	Approved Supp I Budget FY 2024/25	Actual Expenditure	Deviation from 2024 CFSP	% Deviation from 2024 CFSP	Absorption Rate
Water, Environment and Natural Resources	OM	99,905,990	89,560,763	32,269,705	(10,345,227)	- 10.35	36.0
	DEV	291,274,707	370,840,661	215,694,279	79,565,954	27.32	58.2
	Sub-Total	**488,303,595**	**572,918,607**	**360,481,166**	**84,615,012**	**17.33**	**62.9**
Roads, Public Works, Transport and Energy	PE	113,579,725	153,076,701	153,076,699	39,496,976	34.77	100.0
	OM	48,160,418	59,765,550	45,573,000	11,605,132	24.10	76.3
	DEV	488,565,455	869,076,319	578,905,553	380,510,864	77.88	66.6
	Sub-Total	**650,305,598**	**1,081,918,570**	**777,555,252**	**431,612,972**	**66.37**	**71.9**
Public Service, Administration,	PE	491,024,749	552,892,404	550,091,203	61,867,655	12.60	99.5
	OM	374,635,184	299,616,391	201,970,325	(75,018,793)	- 20.02	67.4

Social Services and Inspectorate Services	**Sub-Total**	**865,659,933**	**852,508,795**	**752,061,528**	**(13,151,138)**	**- 1.52**	**88.2**
The County Treasury	PE	402,317,245	496,277,015	486,665,014	93,959,770	23.35	98.1
	OM	225,376,690	439,973,704	422,337,867	214,597,014	95.22	96.0
	DEV	1,090,221,126	925,192,191	900,687,273	(165,028,935)	- 15.14	97.4
	Sub-Total	**1,717,915,061**	**1,861,442,910**	**1,809,690,154**	**143,527,849**	**8.35**	**97.2**
Lands, Physical Planning and Urban Development	PE	88,068,439	88,028,706	88,028,704	(39,733)	- 0.05	100.0
	OM	89,536,186	80,660,333	31,966,588	(8,875,853)	- 9.91	39.6
	DEV	180,626,011	439,427,873	90,000,000	258,801,862	143.28	20.5
	Sub-Total	**358,230,636**	**608,116,912**	**209,995,292**	**249,886,276**	**69.76**	**34.5**
County Assembly	PE	312,177,793	332,250,000	332,152,458	20,072,207	6.43	100.0
	OM	560,234,804	531,189,476	493,839,500	(29,045,328)	- 5.18	93.0
	DEV	100,000,000	175,000,000	174,947,665	75,000,000	75.00	100.0
	Sub-Total	**972,412,597**	**1,038,439,476**	**1,000,939,623**	**66,026,879**	**6.79**	**96.4**
Education, Vocational Training, Youth and Sports	PE	496,488,886	551,188,421	549,172,221	54,699,535	11.02	99.6
	OM	256,007,803	309,771,237	297,719,331	53,763,434	21.00	96.1
	DEV	110,000,000	131,700,000	117,460,198	21,700,000	19.73	89.2
	Sub-Total	**862,496,689**	**992,659,658**	**964,351,750**	**130,162,969**	**15.09**	**97.1**
Gender, Culture, Cooperative Development, Tourism and Wildlife	PE	53,397,473	79,136,703	78,011,503	25,739,230	48.20	98.6
	OM	86,417,097	86,533,674	53,272,115	116,577	0.13	61.6
	Sub-Total	**139,814,570**	**165,670,377**	**131,283,618**	**25,855,807**	**18.49**	**79.2**
Agriculture, Livestock and Fisheries	PE	166,207,214	186,028,540	186,028,538	19,821,326	11.93	100.0
	OM	120,772,284	95,243,996	66,936,678	(25,528,288)	- 21.14	70.3
	DEV	177,024,795	394,689,474	91,033,442	217,664,679	122.96	23.1
	Sub-Total	**464,004,293**	**675,962,010**	**343,998,658**	**211,957,717**	**45.68**	**50.9**
Trade and Enterprise Development	PE	141,081,585	168,351,302	168,351,300	27,269,717	19.33	100.0
	OM	57,459,396	48,167,143	32,949,821	(9,292,253)	- 16.17	68.4
	DEV	530,000,000	45,800,000	31,499,000	(484,200,000)	- 91.36	68.8
	Sub-Total	**728,540,981**	**262,318,445**	**232,800,121**	**(466,222,536)**	**- 63.99**	**88.7**
Kajiado Municipality	PE	34,428,714	41,523,803	41,523,801	7,095,089	20.61	100.0
	OM	31,956,651	30,668,199	22,964,246	(1,288,452)	- 4.03	74.9
	DEV	129,000,000	76,000,000	22,564,161	(53,000,000)	- 41.09	29.7
	Sub-Total	**195,385,365**	**148,192,002**	**87,052,208**	**(47,193,363)**	**- 24.15**	**58.7**
Ngong Municipality	PE	61,349,244	64,983,942	64,983,941	3,634,698	5.92	100.0
	OM	36,639,394	40,816,043	19,146,146	4,176,649	11.40	46.9
	DEV	169,500,000	225,000,000	2,995,511	55,500,000	32.74	1.3
County Department/Entity		**CFSP 2024 Ceiling**	**Approved Supp I Budget FY 2024/25**	**Actual Expenditure**	**Deviation from 2024 CFSP**	**% Deviation from 2024 CFSP**	**Absorption Rate**

	Sub-Total	**267,488,638**	**330,799,985**	**87,125,598**	**63,311,347**	**23.67**	**26.3**
Kitengela Municipality	PE	15,279,090	28,485,591	28,485,590	13,206,501	86.44	100.0
	OM	24,450,312	19,874,241	10,767,864	(4,576,071)	- 18.72	54.2
	DEV	92,000,000	66,000,000	18,229,448	(26,000,000)	- 28.26	27.6
	Sub-Total	**131,729,402**	**114,359,832**	**57,482,902**	**(17,369,570)**	**- 13.19**	**50.3**
Office of the County Attorney	PE	25,671,489	33,572,470	33,572,468	7,900,981	30.78	100.0
	OM	136,308,680	117,909,824	96,469,800	(18,398,856)	- 13.50	81.8
	Sub-Total	**161,980,169**	**151,482,294**	**130,042,268**	**(10,497,875)**	**- 6.48**	**85.8**
GRAND TOTAL	PE	**4,801,979,155**	**5,392,739,945**	**5,369,937,782**	**590,760,790**	**12.30**	**99.6**
	OM	**2,885,372,764**	**3,556,907,883**	**2,565,330,253**	**671,535,119**	**23.27**	**72.1**
	DEV	**3,828,212,094**	**3,836,826,518**	**2,310,333,159**	**8,614,424**	**0.23**	**60.2**
	Totals	**11,515,564,013**	**12,786,474,346**	**10,245,601,194**	**1,270,910,333**	**11.04**	**80.1**

Source: Kajiado County Treasury

2.4.3. Programme and Sub-Programme Expenditure Analysis

24. During the period under review, the county government prepared and implemented the Programme Based Budget (PBB) as required by law. It is in line with this background that, the government prepared a programme and sub-programme based expenditure analysis for the FY 2024/25 as presented in **Table 5** below:

Table 5: Programme and Sub-Programme Expenditure Analysis FY 2024/25

Sector	Sub-Sector	Programme	Sub-Programme	Approved Supp 1 Budget FY 2024/25	Actual Expenditure	Absorption Rate
Agriculture, Rural & Urban Development	Agriculture, Livestock and Fisheries	General Administration, Planning and Support Services	General Administration, Planning and Support Services	204,659,797	198,535,580	**97.0**
		Sub-Total P1		**204,659,797**	**198,535,580**	**97.0**
		Crop Development	Crop Development and management	336,949,875	84,831,815	**25.2**
			AMS	5,126,066	3,645,403	**71.1**
			ATC	4,655,866	3,469,849	**74.5**
			Plant Disease Control	3,845,499	1,615,499	**42.0**
			Agri-business and Market Development	3,935,499	3,189,599	**81.0**
		Sub-Total P1		**354,512,805**	**96,752,165**	**27.3**
		Livestock Recourses Management and Development	Animal Husbandry Management	6,994,089	3,490,428	**49.9**
			Livestock Market Development	10,383,624	4,998,997	**48.1**
			Demonstration farm Kajiado	23,122,440	2,145,707	**9.3**
			Veterinary Services	2,882,463	1,297,313	**45.0**

			Animal Disease Control	42,780,188	26,447,522	**61.8**
		Sub-Total P2		**86,162,804**	**38,379,967**	**44.5**
		Fisheries	Fisheries	20,667,614	2,157,746	**10.4**
		Sub-Total P3		**20,667,614**	**2,157,746**	**10.4**

Sector	**Sub-Sector**	**Programme**	**Sub-Programme**	**Approved Supp 1 Budget FY 2024/25**	**Actual Expenditure**	**Absorption Rate**
	Sub-Sector Total			**666,003,020**	**335,825,458**	**50.4**
	Lands and Physical Planning	General Administration, Planning and Support Services	General Administration, Planning and Support Services	97,151,931	95,720,942	**98.5**
		Sub-Total P1		**97,151,931**	**95,720,942**	**98.5**
		Land Policy and Planning	Physical Planning	6,660,000	5,561,849	**83.5**
			Land Survey and Mapping	36,850,000	4,777,304	**13.0**
			Land Administration	4,737,170	4,076,600	**86.1**
		Sub-Total P2		**48,247,170**	**14,415,753**	**29.9**
	Sub-Sector Total			**145,399,101**	**110,136,695**	**75.7**
	Housing and Urban Development	Urban Development and Management	Urban Development	457,710,311	96,611,398	**21.1**
			Housing	5,007,500	3,247,199	**64.8**
		Sub-Total P2		**462,717,811**	**99,858,597**	**21.6**
	Sub-Sector Total			**462,717,811**	**99,858,597**	**21.6**
	Kajiado Municipality	General Administration, Planning and Support Services	General Administration, Planning and Support Services	63,355,740	57,452,705	**90.7**
		Sub-Total P1		**63,355,740**	**57,452,705**	**90.7**
		Urban Infrastructural development	Urban Infrastructural development	64,732,800	24,676,511	**38.1**
		Sub-Total P2		**64,732,800**	**24,676,511**	**38.1**
		Environmental Management and Public Health	Environmental Management and Public Health	20,103,462	4,922,992	**24.5**
		Sub-Total P3		**20,103,462**	**4,922,992**	**24.5**
	Sub-Sector Total			**148,192,002**	**87,052,208**	**58.7**
	Ngong Municipality	General Administration, Planning and Support Services	General Administration, Planning and Support Services	91,986,007	77,124,705	**83.8**
		Sub-Total P1		**91,986,007**	**77,124,705**	**83.8**
		Urban Infrastructural development	Urban Infrastructural development	211,548,194	319,600	**0.2**
		Sub-Total P2		**211,548,194**	**319,600**	**0.2**
		Environmental Management and Public Health	Environmental Management and Public Health	27,265,784	9,681,293	**35.5**

		Sub-Total P3		**27,265,784**	**9,681,293**	**35.5**
	Sub-Sector Total			**330,799,985**	**87,125,598**	**26.3**
	Kitengela Municipality	General Administration, Planning and Support Services	General Administration, Planning and Support Services	42,514,832	37,249,934	**87.6**
		Sub-Total P1		**42,514,832**	**37,249,934**	**87.6**
		Urban Infrastructural development	Urban Infrastructural development	58,680,000	19,207,968	**32.7**
		Sub-Total P2		**58,680,000**	**19,207,968**	**32.7**
		Environmental Management and Public Health	Environmental Management and Public Health	13,165,000	1,025,000	**7.8**
		Sub-Total P3		**13,165,000**	**1,025,000**	**7.8**
	Sub-Sector Total			**114,359,832**	**57,482,902**	**50.3**
SECTOR TOTAL				**1,867,471,751**	**777,481,458**	**41.6**

Sector	Sub-Sector	Programme	Sub-Programme	Approved Supp 1 Budget FY 2024/25	Actual Expenditure	Absorption Rate
Energy, Infrastructure & ICT	Roads, Public Works, Energy and Transport	General Administration, Planning and Support Services	General Administration, Planning and Support Services	171,912,701	169,720,909	**98.7**
		Sub-Total P1		**171,912,701**	**169,720,909**	**98.7**
		Public Works and Infrastructure	Roads	790,696,269	572,755,607	**72.4**
			Energy	35,586,000	26,184,516	**73.6**
			Fire Fighting	5,300,000	3,213,250	**60.6**
			Transport	4,023,600	2,668,990	**66.3**
			Public Works	74,400,000	3,011,980	**4.0**
		Sub-Total P2		**910,005,869**	**607,834,343**	**66.8**
	Sub-Sector Total			**1,081,918,570**	**777,555,252**	**71.9**
	ICT	Information, Communication and Technology	Information, Communication and Technology	13,539,562	13,539,103	**100.0**
		Sub-Total P2		**13,539,562**	**13,539,103**	**100.0**
	Sub-Sector Total			**13,539,562**	**13,539,103**	**100.0**
SECTOR TOTAL				**1,095,458,132**	**791,094,355**	**72.2**
General Economic & Commercial Affairs	Trade and Enterprise Development	General Administration, Planning and Support Services	General Administration, Planning and Support Services	187,064,569	180,780,680	**96.6**
		Sub-Total P1		**187,064,569**	**180,780,680**	**96.6**
		Trade Development	Trade Development	43,503,974	21,071,440	**48.4**
			Enterprise Development	31,749,902	30,948,001	**97.5**
		Sub-Total P2		**75,253,876**	**52,019,441**	**69.1**
	Sub-Sector Total			**262,318,445**	**232,800,121**	**88.7**

Sector	Sub-Sector	Programme	Sub-Programme	Approved Supp 1 Budget FY 2024/25	Actual Expenditure	Absorption Rate
	Cooperative Development and Management	Cooperative Development	Cooperative Development	12,171,090	7,287,760	**59.9**
		Sub-Total P3		**12,171,090**	**7,287,760**	**59.9**
	Sub-Sector Total			**12,171,090**	**7,287,760**	**59.9**
	Tourism and Wildlife	Local Tourism promotion and Wildlife Management	Local Tourism promotion and Wildlife Management	33,177,212	19,760,324	**59.6**
		Sub-Total P4		**33,177,212**	**19,760,324**	**59.6**
	Sub-Sector Total			**33,177,212**	**19,760,324**	**59.6**
SECTOR TOTAL				**307,666,747**	**259,848,205**	**84.5**
Health Sector	Medical Services and Public Health	General Administration, Planning and Support Services	General Administration, Planning and Support Services	2,990,860,727	2,588,727,792	**86.6**
		Sub-Total P1		**2,990,860,727**	**2,588,727,792**	**86.6**
		Curative and Rehabilitative	Hospital Services	37,751,180	26,549,062	**70.3**
			Health Products and Technologies	220,276,176	218,149,581	**99.0**
			Emergency Response Services	5,828,600	4,997,300	**85.7**
		Sub-Total P2		**263,855,956**	**249,695,943**	**94.6**
		Promotive and Preventive	Reproductive Maternal Neo-natal Child & Adolescent Health-RMNCAH	63,358,727	48,165,391	**76.0**
			Communicable and Non-communicable Diseases	4,609,000	3,338,640	**72.4**
			Primary Health Care Services	185,086,800	90,604,916	**49.0**
			Disease Surveillance and Response	2,462,786	1,606,906	**65.2**
			Environmental Health and Sanitation Services	36,323,269	15,905,381	**43.8**
		Sub-Total P3		**291,840,582**	**159,621,234**	**54.7**
SECTOR TOTAL				**3,546,557,265**	**2,998,044,969**	**84.5**
Education Sector	Early Childhood Development and Education	General Administration, Planning and Support Services	General Administration, Planning and Support Services	815,327,799	798,257,059	**97.9**
		Sub-Total P1		**815,327,799**	**798,257,059**	**97.9**
		Early Childhood Development and Education	Early Childhood Development and Education	143,852,500	133,795,937	**93.0**
		Sub-Total P2		**143,852,500**	**133,795,937**	**93.0**
	Sub-Sector Total			**959,180,299**	**932,052,996**	**97.2**

	Technical Vocational Training	Technical and Vocational Training	Technical and Vocational Training	4,050,209	3,990,900	**98.5**
		Sub-Total P3		**4,050,209**	**3,990,900**	**98.5**
	Sub-Sector Total			**4,050,209**	**3,990,900**	**98.5**
SECTOR TOTAL				**963,230,508**	**936,043,896**	**97.2**
Public Administration and International Relations Sector	Executive Office of the Governor	General Administration, Planning and Support Services	General Administration, Planning and Support Services	131,408,660	117,334,971	**89.3**
		Sub-Total P1		**131,408,660**	**117,334,971**	**89.3**
		Coordination Devolution Services	County Executive Committee Affairs	31,510,000	28,519,239	**90.5**
			Intergovernmental Relations	27,517,999	17,193,815	**62.5**
			County Advisory Service	20,765,828	9,724,002	**46.8**
			Special Programs	24,420,000	14,945,249	**61.2**
		Sub-Total P2		**104,213,827**	**70,382,305**	**67.5**
	Sub-Sector Total			**235,622,487**	**187,717,276**	**79.7**
	Public Service & Citizen Participation	General Administration, Planning and Support Services	General Administration, Planning and Support Services	616,782,580	570,800,491	**92.5**
		Sub-Total P1		**616,782,580**	**570,800,491**	**92.5**
		Public Service and Administration	County Administration	7,552,545	6,733,472	**89.2**
			County Inspectorate	5,913,116	4,188,558	**70.8**
		Sub-Total P2		**13,465,661**	**10,922,030**	**81.1**
		Human Resource Management and Development	Human Resource Management and Development	171,588,203	139,373,593	**81.2**
		Sub-Total P3		**171,588,203**	**139,373,593**	**81.2**
		Citizen Participation	Citizen Participation	12,828,486	7,834,928	**61.1**
		Sub-Total P4		**12,828,486**	**7,834,928**	**61.1**
	Sub-Sector Total			**814,664,930**	**728,931,042**	**89.5**

Sector	**Sub-Sector**	**Programme**	**Sub-Programme**	**Approved Supp 1 Budget FY 2024/25**	**Actual Expenditure**	**Absorption Rate**
	The County Treasury	General Administration, Planning and Support Services	General Administration, Planning and Support Services	1,716,116,320	1,681,464,789	**98.0**
		Sub-Total P1		**1,716,116,320**	**1,681,464,789**	**98.0**
		Public Finance Management	Budget Coordination and Management	17,008,494	16,471,500	**96.8**
			Accounting Services	12,460,000	8,973,875	**72.0**
			Supply Chain Management	31,700,000	27,310,339	**86.2**

Sector	Sub-Sector	Programme	Sub-Programme	Approved Supp 1 Budget FY 2024/25	Actual Expenditure	Absorption Rate
			Internal Audit	8,250,002	7,270,492	**88.1**
			Revenue Collection	53,283,094	50,245,952	**94.3**
		Sub-Total P2		**122,701,590**	**110,272,158**	**89.9**
		Economic Policy Coordination	Economic Planning	10,200,000	8,928,600	**87.5**
			Monitoring and Evaluation	12,425,000	9,024,607	**72.6**
		Sub-Total P3		**22,625,000**	**17,953,207**	**79.4**
	Sub-Sector Total			**1,861,442,910**	**1,809,690,154**	**97.2**
	County Assembly	General Administration, Policy and Coordination	Directorate of Administration Liaison and Support Services (County Assembly Headquarters)	516,652,700	505,719,774	**97.9**
			Office of the Clerk	32,216,867	29,358,290	**91.1**
			Directorate of Finance & Compliance	12,240,000	10,948,700	**89.5**
			Directorate of Administration Liaison & Support Services	242,371,900	242,308,868	**100.0**
			County Assembly Service Board	133,058,009	113,722,654	**85.5**
		Sub-Total P1		**936,539,476**	**902,058,286**	**96.3**
		Legislation, Representation and Oversight	Office of the Speaker	18,500,000	17,342,009	**93.7**
			Directorate of Legislation and Procedures	83,400,000	81,539,328	**97.8**
		Sub-Total P3		**101,900,000**	**98,881,337**	**97.0**
	Sub-Sector Total			**1,038,439,476**	**1,000,939,623**	**96.4**
	County Public Service Board	General Administration, Planning and Support Services	General Administration, Planning and Support Services	133,965,159	101,439,708	**75.7**
		Sub-Total P1		**133,965,159**	**101,439,708**	**75.7**
	Sub-Sector Total			**133,965,159**	**101,439,708**	**75.7**
	County Attorney	General Administration, Planning and Support Services	General Administration, Planning and Support Services	151,482,294	130,042,268	**85.8**
		Sub-Total P1		**151,482,294**	**130,042,268**	**85.8**
	Sub-Sector Total			**151,482,294**	**130,042,268**	**85.8**
SECTOR TOTAL				**4,235,617,256**	**3,958,760,071**	**93.5**
Social Protection, Culture & Recreation Sector	Gender Affairs	General Administration, Planning and Support Services	General Administration, Planning and Support Services	97,147,221	92,961,160	**95.7**
		Sub-Total P1		**97,147,221**	**92,961,160**	**95.7**
		Gender Mainstreaming	Gender Mainstreaming	14,292,190	8,809,690	**61.6**
Sector	**Sub-Sector**	**Programme**	**Sub-Programme**	**Approved Supp 1 Budget FY 2024/25**	**Actual Expenditure**	**Absorption Rate**

		Sub-Total P2		**14,292,190**	**8,809,690**	**61.6**
	Sub-Sector Total			**111,439,411**	**101,770,850**	**91.3**
	Social Protection	Social Services	Social Protection	2,837,315	1,719,500	**60.6**
			Disability Mainstreaming	21,390,773	10,555,886	**49.3**
			Control of Alcohol and Substance Abuse	12,049,804	10,531,100	**87.4**
			Community Organisation and Coordination	1,565,973	324,000	**20.7**
		Sub-Total P3		**37,843,865**	**23,130,486**	**61.1**
	Sub-Sector Total			**37,843,865**	**23,130,486**	**61.1**
	Arts & Culture	Arts & Culture	Cultural Heritage	5,680,373	1,581,084	**27.8**
			Cultural Activities	3,202,291	883,600	**27.6**
		Sub-Total P4		**8,882,664**	**2,464,684**	**27.7**
	Sub-Sector Total			**8,882,664**	**2,464,684**	**27.7**
	Youth and Sports Development	Sports Training and Competitions	Sports Training and Competitions	29,429,150	28,307,854	**96.2**
		Sub-Total P5		**29,429,150**	**28,307,854**	**96.2**
	Sub-Sector Total			**29,429,150**	**28,307,854**	**96.2**
SECTOR TOTAL				**187,595,090**	**155,673,874**	**83.0**
Water and Environmental Protection and Natural Resources Sector	Water Infrastructure	General Administration, Planning and Support Services	General Administration, Planning and Support Services	133,270,791	117,840,928	**88.4**
		Sub-Total P1		**133,270,791**	**117,840,928**	**88.4**
		Water Services	Water Services	168,919,087	53,257,385	**31.5**
			Storm Water Management	6,236,148	3,053,144	**49.0**
			Sanitation Services	3,400,000	537,500	**15.8**
		Sub-Total P2		**178,555,235**	**56,848,029**	**31.8**
	Sub-Sector Total			**311,826,026**	**174,688,957**	**56.0**
	Irrigation	Irrigation	Irrigation	9,958,990	8,173,200	**82.1**
		Sub-Total P2.4 (Agric)		**9,958,990**	**8,173,200**	**82.1**
	Sub-Sector Total			**9,958,990**	**8,173,200**	**82.1**
	Environment and Natural Resources	Environment and Natural Resources	Environmental Management and Protection	12,851,125	2,333,600	**18.2**
			Natural Resources	6,900,000	1,553,640	**22.5**
			Climate Change	241,341,456	181,904,969	**75.4**
		Sub-Total P3		**261,092,581**	**185,792,209**	**71.2**
	Sub-Sector Total			**261,092,581**	**185,792,209**	**71.2**

SECTOR TOTAL			**582,877,597**	**368,654,366**	**63.2**
GRAND SECTOR TOTAL			**12,786,474,346**	**10,245,601,194**	**80.1**

Source: Kajiado County Treasury

2.4.4. Grants and County Established Funds Analysis

25. During the period under review the county government budgeted for grants and county funds amounting to KSh.2.07 billion and KSh.1.06 billion respectively. Received grants amounted to KSh.319.59 while county funds were disbursed to respective county departments from the County Revenue Fund (CRF).

2.4.5. Pending Bills Analysis

26. The pending bills for the county government amounted to KSh.2,646.0 million as at 30th June, 2025 for both the County Executive and the County Assembly. The total amount for the County Executive was KSh.2,545.7 million comprising of KSh.1,087.5 million for recurrent expenditure and KSh.1,458.2 million for development expenditure. On the other hand, the amount for the County Assembly was 100.2 million consisting of KSh.30.6 million for recurrent expenditure and KSh.69.6 million for development expenditure (County Governments Budget Implementation Review Report FY 2024/25 August, 2025, Office of Controller of Budget). The county government as so far settled pending bills amounting to KSh.1,052.2 million for county executive and KSh.168.6 million for County Assembly.

2.4.6. Fiscal Responsibility Principles

27. In accordance to the Constitution, the PFM Act, 2012, the PFM Regulations, 2015 and in keeping in line with prudent as well as transparent management of public resources, the county government adhered to the fiscal responsibility principles outlined in the 2025 CFSP and as stipulated in Section 107(2) as follows:

i. The County Government of Kajiado (CGK) allocation to recurrent expenditure was lower than the county's total revenue. During the period under review, the county allocated a total of KSh.8.950 billion to recurrent expenditure against the total county revenue of Kshs.12.786 billion. The actual recurrent expenditure was Kshs.7.935. In FY

2026/27, the county will allocate KSh.8.28 billion against the total county revenue of KSh.12.01 billion and is projected not to exceed the county government's total revenue over the medium term;

ii. In FY2024/25, the CGK allocated 30.01 percent of the total county's budget to development expenditure. The county has allocated 36.0 percent of its total revenue to development expenditure for FY 2025/26 and is expected to remain at a minimum of 30 percent over the medium term.

iii. The CGK share of wages and benefits to revenue in FY 2024/25 stood at 42.1 percent which is above the statutory requirement of 35 percent of the total county government's total revenue. Concerning this, the CGK has put measures in place to be implemented over the medium term to ensure that expenditure on wages and benefits does not exceed 35 percent of the total county government's total revenue.

iv. The fiscal responsibility principle set out in Section 107(2) (d) of the PFM Act, 2012 stipulates that over the medium term, the county government's borrowings shall be used only for the purposes of financing development expenditure. On this, the County Executive Committee member for finance did not raise any loan on behalf of the CGK. In line with this, fiscal responsibility principle on maintaining county debt at a sustainable level (Section 107(2) (e)) does not apply to the FY 2024/25 budget. The county also managed the fiscal risks prudently during the period under review.

v. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases and taking into account any tax reforms that may be made in the future, the CGK tax rates/charges and fees have remained stable and predictable. This is according to Section 107(2) (g) of the PFM Act, 2012. The CGK has continued to employ the use of technology to seal revenue leakages through automation of revenue streams. The county also prepared the Finance Act, 2025 which sets out the revenue raising measures for the county government as well as guide in Own Source Revenue collection.

2.4.7. Expenditure Challenges and Proposed Solutions

28. The CGK experienced a number of expenditure challenges while implementing the FY 2024/25 budget, explaining the achieved overall absorption rate of 80.13 percent instead of 100 percent. These included:

    i. Shortfall/under-performance in Own Source Revenue (OSR): The underperformance of OSR implies that the county government was not able to implement all planned activities due to budget deficits.
    ii. Large payment arrears/pending bills;
    iii. Delay in disbursement of equitable share from the national government affected service delivery and also lead to low absorption rates.
    iv. Emergence of stalled projects hence unrealized intended project objectives

29. The county will execute the following proposed solutions in order to minimize expenditure challenges and enhance county's absorption rate:

    i. The county government will enhance revenue collection strategies to realize set OSR targets and fully implement approved programmes. ii. The county government will set aside adequate budget to settle pending bills;
    iii. Timely disbursement of funds from the national government;
    iv. The county government will prioritize allocation of sufficient resources to stalled projects so as to achieve the intended project objectives

3. RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

3.0. Overview

30. This section reviews recent economic developments at the global, regional, national, and county levels. It further analyses key macroeconomic indicators particularly inflation and interest rates that have a significant impact on overall economic performance. In addition, it

highlights the projected growth outlook alongside the policy interventions expected to support it, while outlining the potential risks that may affect these projections.

3.1.Economic Outlook: Global, Regional and National

3.1.1 Global and Major Economies Outlook

31. Global growth is expected to remain modest with a projected growth of approximately 3.0 percent in 2025 and 3.1 percent in 2026. This reflects a gradual easing of inflation burdens, some improvement in global trade flows, and more stable financial markets, but is tempered by risks such as geopolitical shocks, debt vulnerabilities, and climate related shocks.

	Growth (%)			
	Actual		Projections	
Economy	2023	2024	2025	2026
World	3.5	3.3	3.0	3.1
Advanced Economies	1.8	1.8	1.5	1.6
Of which: USA	*2.9*	*2.8*	*1.9*	*2.0*
Euro Area	*0.5*	*0.9*	*1.0*	*1.2*
Japan	*1.4*	*0.2*	*0.7*	*0.5*
Emerging and Developing Economies	4.7	4.3	4.1	4.0
Of which: China	*5.4*	*5.0*	*4.8*	*4.2*
India	*9.2*	*6.5*	*6.4*	*6.4*
Sub-Saharan Africa	3.6	4.0	4.0	4.3
Of which: South Africa	0.8	0.5	1.0	1.3
Nigeria	2.9	3.4	3.4	3.2

Source: IMF World Economic Outlook, July 2025

32. In advanced economies, is expected to remain relatively modest at 1.5 percent in 2025 and 1.6 percent in 2026. In the United States, growth is projected at around 1.9 percent in 2025 and 2.0 percent in 2026, showing slower momentum compared to earlier years due to tighter monetary policy and reduced fiscal stimulus and supported by resilient demand. Euro area economies are likely to see moderate growth of 1.0 percent in 2025 and 1.2 percent in 2026, constrained by structural and geopolitical challenges and supported by easing inflation and improving real incomes.

33. Emerging markets and developing economies are projected to grow moderately by 4.1 percent in 2025 and 4.0 percent in 2026. This growth is supported by stronger growth in South Asia

and Sub-Saharan Africa as well as a steady growth in Middle East and Central Asia. However, China and Latin America are projected to report slower growth. China's growth profile remains a key upside/downside factor for the world economy. China will continue to expand at a pace materially above advanced economy, supporting demand for commodities and regional trade. However, the durability of China's recovery depends on the pace of domestic policy support and structural adjustments, and it remains a significant source of uncertainty for commodity-exporting economies.

3.1.2 Sub-Saharan Africa Outlook

34. Sub-Saharan Africa is expected to grow at 4.0 percent in 2025 and 4.3 percent in 2026. Agricultural resilience, commodity exports, and recovery in some services sectors are contributing positively. However, this growth is fragile in many countries, vulnerable to climate shocks such as droughts, high borrowing costs, and tightening of external financing conditions.

3.1.3 Kenya Economic Outlook

35. Kenya's economy has maintained a resilient growth over the past three years outperforming global and regional averages. The economy grew by 4.7 percent in 2024, down from 5.7 percent in 2023, reflecting a moderate easing in expansion. The growth in 2024 was supported by growth in all sectors except construction, mining and quarrying sectors.

36. The first quarter of 2025 showed a GDP growth rate of 4.9 percent year-on-year, matching the growth in Q1 2024. Kenya's economic growth in 2025 is projected at 5.2 percent, with a modest further rise to 5.4 percent in 2026 under baseline assumptions of stable inflation, favourable weather, and continued strength in agriculture and services.

3.1.4 Kenya Sectoral Performance

37. The following sectoral developments during 2024–Q1 2025:

Sectors	Annual Growth Rates		Quartely Growth Rates		
	2023	2024	2023 Q1	2024 Q1	2025 Q1
1. Primary sector	**5.7**	**3.9**	**5.4**	**4.5**	**6.2**
1.1. Agriculture, Forestry and Fishing	6.6	4.6	6.5	5.6	6.0
1.2 Mining and Quarrying	(6.5)	(9.2)	(10.6)	(16.1)	10.0
2. Secondary Sector (Industry)	**2.6**	**1.5**	**2.1**	**1.5**	**2.6**
2.1. Manufacturing	2.2	2.8	2.1	1.9	2.1
2.2. Electricity and Water supply	3.2	1.9	3.8	2.8	3.6
2.3. Construction	3.0	(0.7)	1.4	0.4	3.0
3. Tertiary sector (Services)	**6.8**	**6.1**	**6.6**	**6.8**	**4.8**
3.1. Wholesale and Retail trade	3.3	3.8	3.7	3.6	5.4
3.2. Accomodation and Restaurant	33.6	25.7	46.3	38.1	4.1
3.3. Transport and Storage	5.5	4.4	6.8	4.1	3.8
3.4. Information and Communication	10.3	7.0	10.4	9.2	5.8
3.5. Financial and Insurance	10.1	7.6	4.7	9.6	5.1
3.6. Public Administration	5.0	8.2	8.4	7.5	6.5
3.7. Others	6.1	5.2	5.7	5.8	4.4
of which: Professional, Admin & Support Services	9.4	9.4	8.6	9.4	4.6
Real Estate	7.3	5.3	6.6	6.9	5.3
Education	2.9	3.9	3.6	2.4	2.9
Health	4.5	6.3	4.8	5.4	4.8
Taxes less subsidies	3.2	4.4	2.7	2.9	5.7
Real GDP	**5.7**	**4.7**	**5.4**	**4.9**	**4.9**

Source: Kenya National Bureau of Statistics (KNBS)

38. Activities in the agriculture, forestry and fishing sub-sector expanded by 6.0 percent in the first quarter of 2025 compared to a growth of 5.6 percent in a similar quarter in 2024. This performance was driven by favourable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in production of sugarcane, milk deliveries and increased coffee exports. The sub-sector's performance was further supported by improved external demand of cut flowers and vegetables. However, the sub-sector's performance was somewhat curtailed by a decline in tea production.

39. The mining and quarrying sub-sector grew by 10.0 percent in the first quarter of 2025, which was an improvement from the contraction of 16.1 percent in the similar quarter in 2024. 34

    This reflected increased activity and renewed investment following a period of subdued performance in the previous year.

40. In the first quarter of 2025, the industry sector recorded a growth of 2.6 percent, improving from 1.5 percent in the same quarter of 2024. This growth was driven by improved performance across manufacturing, electricity and water supply, and construction.

41. The manufacturing sub-sector grew by 2.1 percent in the first quarter of 2025 compared to a growth of 1.9 percent in the first quarter of 2024. This growth was supported by both food and non-food manufacturing activities. In food manufacturing, the sub-sector benefitted from strong increases in coffee auctions, milk deliveries, sugar production, and soft drinks output. Non-food manufacturing also performed well, with increased production in cement and galvanized sheets.

42. The electricity and water supply sub-sector grew by 3.6 percent, compared to 2.8 percent in the first quarter of 2024, largely due to a rise in total electricity generation. Renewable energy sources contributed significantly, with solar and wind generation increasing. Growth in the subsector was curtailed by an increase in thermal power generation while hydro and geothermal generation declined. Construction sub-sector grew by 3.0 percent in the first quarter of 2025, up from 0.4 percent in the first quarter of 2024, driven by increased consumption of key inputs such as cement, iron and steel. However, imported bitumen volumes declined, suggesting a potential slowdown in road construction activities.

43. The services sector recorded a growth of 4.8 percent in the first quarter of 2025, a slowdown from the 6.8 percent growth posted in the corresponding quarter of 2024. The transportation and storage sub-sector expanded by 3.8 percent, slightly lower than the 4.1 percent growth in the first quarter of 2024, supported by increased land transport and port activities. Accommodation and food service sub-sectors grew by 4.1 percent in the first quarter of 2025, a slowdown, compared to a growth of 38.1 percent in the first quarter of 2024. The number of visitor arrivals via the two major airports, the Jomo Kenyatta International Airport (JKIA) and

Moi International Airport (MIA) increased by 0.5 percent in the first quarter of 2025 compared to a 10.4 percent growth in the first quarter of 2024.

44. The information and communication sub-sector grew by 5.8 percent in the first quarter of 2025, compared to 9.2 percent growth in the corresponding quarter of 2024. This performance was supported by an increase in the volume of outgoing domestic voice traffic, use of domestic short messaging services and mobile money transactions. Similarly, the total utilized international bandwidth increased in the first quarter of 2025, mainly attributed to the launch

of an additional internet service provider in the country. The financial and insurance subsector recorded a slower growth of 5.1 percent in the first quarter of 2025 compared to 9.6 percent growth in the corresponding quarter of 2024. Despite the overall slowdown, the subsector remained buoyed by increased activity in financial transactions and improved credit conditions.

45. Leading indicators of economic activity in the second and third quarters of 2025 point to improved performance. This performance will be driven by strong performance in agriculture, supported by favourable weather and increased access to subsidized inputs, alongside easing monetary policy aimed at boosting private sector credit. Key service sub-sectors such as tourism, Information Communication and Technology (ICT), and finance are anticipated to contribute significantly, with tourism rebounding and digital economy initiatives gaining momentum. Construction is expected to have a strong growth boosted by increased activities in major public works due to repayments of pending bills. This is evident by the increase in consumption of cement, ballast and sand in the second quarter of 2025. Additionally, the ongoing works in affordable housing continue to attract investment and create jobs.

3.1.5 Monetary and Financial Performance

46. Short-term government borrowing rates eased significantly in 2025 following the loosening of monetary policy. The 91-day Treasury Bill rate dropped to 8.0 percent in August 2025 from 15.9 percent in August 2024, while the 182-day rate fell to 8.1 percent from 16.7 percent over the same period. Similarly, the 364-day Treasury Bill rate declined to 9.6 percent from 16.9 percent. The decline in government domestic borrowing rates has reduced debt servicing costs and reflects the broader monetary policy stance of lowering yields to stimulate credit growth.

47. Inflation has remained within the Central Bank's target band of 5.0 ± 2.5 percent, supported by favorable food supply, stable fuel prices, and easing non-core inflation. Year-on-year inflation stood at 4.5 percent in August 2025, almost unchanged from 4.4 percent in August 2024. Core inflation rose modestly to 3.0 percent in August 2025 from 2.2 percent the previous year, driven by processed food prices, while non-core inflation eased to 9.2 percent from 10.3 percent, reflecting lower energy prices. This overall stability underscores the effectiveness of prior monetary tightening and improved food production conditions.

48. The Kenya Shilling remained broadly stable against the US Dollar, averaging KSh.129.2 per USD in August 2025 compared to KSh.129.3 in August 2024. However, it depreciated against other major currencies, falling by 3.8 percent against the Sterling Pound (to KSh.173.7) and 5.6 percent against the Euro (to KSh.150.4). Stability against the US Dollar was supported by strong inflows from exports and diaspora remittances, while adequate foreign exchange reserves—at USD 11.9 billion in June 2025, covering 5.2 months of imports—provided a buffer against short-term shocks.

49. The Central Bank of Kenya eased its monetary policy stance during 2025. The Central Bank Rate (CBR) was reduced from 13.0 percent in August 2024 to 9.5 percent in August 2025, while the Cash Reserve Ratio (CRR) was lowered to 3.25 percent in February 2025 from 4.25 percent. Interbank rates adjusted accordingly, falling to 9.5 percent in August 2025 from 13.0 percent a year earlier, staying within the CBK's prescribed policy corridor. These measures aimed at stimulating private sector credit uptake and anchoring inflation expectations.

50. Commercial banks' average lending and deposit rates followed the policy easing trend. The average lending rate fell to 15.2 percent in July 2025 from 16.8 percent in July 2024, while the average deposit rate declined to 8.1 percent from 11.3 percent over the same period. The narrowing in deposit rates compared to lending rates widened the average interest rate spread to 7.2 percent, up from 5.6 percent in the previous year.

51. Credit to the private sector showed only modest recovery despite lower interest rates. Annual private sector credit growth stood at 2.2 percent in June 2025, down from 4.0 percent in June 2024. Some sub-sectors—finance and insurance, trade, mining and quarrying, and business services—saw reduced credit uptake due to the lingering effects of earlier exchange rate volatility on foreign currency loans. Nevertheless, monthly credit flows improved significantly, rising to KSh.10.7 billion in June 2025 from KSh.2.5 billion in June 2024, supported by easing policy, CRR reductions, and resilience in economic activity.

52. Broad money supply (M3) expanded by 7.5 percent in the year to June 2025, compared to 6.8 percent in the year to June 2024. The growth was largely driven by Net Domestic Assets, especially increased credit to the government, which rose by 18.6 percent. In contrast, Net

Foreign Assets growth slowed to 17.7 percent from 53.2 percent, reflecting reduced holdings by commercial banks. The overall monetary expansion indicates supportive liquidity conditions, in line with accommodative monetary policy and improving domestic credit flows.

3.2.County Economic Performance and Development

53. The County Government of Kajiado has continued to implement strategic programmes and interventions under the 2023–2027 County Integrated Development Plan (CIDP), with the overarching goal of ***strengthening economic recovery for a transformed and sustainable county***. During the review period of FY 2024/25, the County registered notable achievements across the key thematic areas of modulated pastoralism, livable towns, mainstreaming climate change, competitive education, and other priority sectors such as healthcare and institutional support.

Modulated Pastoralism

54. The County sustained its commitment to improving pastoral and agro-pastoral livelihoods through rangeland management, livestock productivity, and livelihood diversification. In the period under review, 4,100 acres of land were reseeded, 630 soil conservation structures (range pits) developed, and 4,000 acres cleared of invasive species (Ipomea) to enhance pasture regeneration. Livestock productivity was boosted through vaccination campaigns against PPR in Kajiado West conducted in collaboration with WWH and the National government. Additionally, the government distributed 12 Sahiwal cattle breeds and the construction of seven new cattle crushes.

55. Farmers were also supported with pasture seeds and training, with over 3,700 farmers reached, while 4,500 households embraced beekeeping as an alternative livelihood source. The milk value chain was strengthened through operationalization of the Lenkism cooler and procurement of Bissil cooler which is awaiting installation, and rehabilitation of the Torosei livestock market in collaboration with SACDEP which is ongoing. These interventions contributed to improved household incomes and greater resilience in pastoral communities.

56. To support agricultural activities within the county, 9.5 tonnes of assorted Drought Tolerant Crop (DTC) seeds were procured and distributed to farmers. In addition, 2000 litres of assorted

agrochemicals were distributed to farmers. There was an increased uptake of farm technologies with 2767 farmers against a target of 3200 farmers adopting farm technologies while 13% of farmers used quality farm inputs against a target of 10%.

57. To support cooperative societies, 1204 cooperative members and 96 cooperative leaders were trained. 31 new societies were registered and one dormant society was revived. In addition, 50 cooperatives were audited where 47 were compliant and one conflict resolution was done. To support alternative livelihoods, 150 beadwork practitioners were trained on content creation, web design and value addition to boost their earnings and enhance market access for their products.

58. Implemented school shamba system in Five (5) schools whereby fencing, installation of 1 plastic tank, and drip irrigation was done for each: Lele primary school- Matapato North Ward; Olturoto primary school in Kaputie North ward; Entonet primary school in Entonet Lenkisim; Oloosuyian primary school Ildamat ward, and Entasopia primary school in Magadi ward- Ongoing.

Livable Towns

59. Kajiado County recorded significant progress in creating livable and inclusive urban centers. In road infrastructure, new roads were opened, gravelled, and tarmac works implemented to enhance road network connectivity. Drainage systems were expanded through the construction of 798.6 meters of stormwater channels and 120 bridges and footbridges. Waste management and sanitation also received attention, with the zoning of four towns—Namanga, Oloitoktok, Kimana, and Mashuuru—for solid waste collection, and licensing of 30 garbage collectors. Urban services were further enhanced through the installation of 120 new streetlights and 7 high mast lights. In addition, the county is operationalizing three municipalities; namely Kajiado, Ngong and Kitengela to enhance the management of the urban centres. In addition, the county is overseeing the establishment of more municipalities in key urban centres including Loitokitok, Poka (Mashuuru) and Namanga centres.

60. In Ngong Municipality, key urban infrastructure was enhanced including installation of 3 high mast lights and construction of 1.2 km of tarmac road in Gichagi informal settlement. In addition, municipal clean-up campaigns were conducted in Kiserian, Ngong and Rongai towns. In addition, 5 kms of new roads were surveyed and mapped while one urban public open space was secured and reclaimed. The municipality also sensitized grievances redness committee on informal settlement, mapping and survey. To boost cleanliness in the urban centres, 70 mazingira unit casuals were engaged and 500 trees planted and nurtured. In conjunction with the national government, an affordable housing project was initiated and is ongoing in Vet Farm.

61. In Kitengela municipality, four municipal clean-up campaigns were conducted and 50 mazingira unit casuals were engaged. 20% of road reserves were secured. 1000 trees were planted and nurtured.

62. In Kajiado Municipality, one informal settlement (Majengo) was developed and upgraded through construction of 3 high mast lights, 1.2 km of road, footpath and drainage system. Two clean-up campaigns were conducted in Kajiado town and 500 trees were planted and nurtured.

Mainstreaming Climate Change

63. In addressing the challenges posed by climate variability, the County intensified investments in water infrastructure, conservation, and climate-smart initiatives. During the year, 18 water sources were solarized, and three springs protected. Stormwater management was enhanced through the construction of sand dams, gabions, check dams, and gully rehabilitation measures. The FLLoCA programme delivered 15 solarized water projects and the establishment of three tree nurseries. Environmental conservation efforts saw the protection and afforestation of Entarara and Oldonyo Orok forests, restoration of four degraded landscapes, and geo-referencing of 40 quarry sites for improved regulation. Collectively, these interventions strengthened the county's adaptive capacity and promoted sustainable use of natural resources.

Competitive Education

64. The County continued to expand access and quality of education with a focus on both infrastructure and human capital development. In FY 2024/25, 19 new Early Childhood Development and Education (ECDE) classrooms were constructed. In addition, education infrastructure was developed including the completion of Kisaju Dipak Girls dormitory and a Junior Secondary School science laboratory at Magadi Primary.

65. The County further embraced digital learning by distributing 1,019 digital materials and rolling out e-learning platforms in 823 ECDE centers. To enhance equity in education and retain learners in education institutions, bursaries were awarded to 6,484 secondary students, 2,296 trainees in Vocational Training Centres (VTCs), and 2,144 university students. In addition, 579 students across secondary, vocational, and university levels benefited from full scholarships. These efforts underscore the County's priority of building a competitive and skilled human resource base.

Other Priorities

Healthcare

66. The County made substantial progress in strengthening the health system and advancing Universal Health Coverage by implementing a number of strategies.

67. Health Sector Policy and Reforms was enhanced through development of the following policies/plan/Act: The Kajiado County Child Care Policy; The Kajiado County Food and Nutrition Policy; The Kajiado County Nutrition Action Plan and The Kajiado County Child Care Facilities Act (2024); and The Kajiado Public Health and Sanitation Act.

68. In order to improve health infrastructure, the Sector commissioned seven health facilities. And implemented various Partnership-Driven Infrastructure Initiatives through collaborations with Safaricom Foundation, Turid Katharina and Signe Sovde (Norway), Shree Abjibapa Chhatri & Hanumanji Temple Trust and Shree Cutchhi Leva Patel Charitable Trust Nairobi; Kenya Good Neighbors and KOICA Kenya.

69. On Reproductive Maternal Neonatal Child Health (RMNCH) Services, the county recorded the following outputs: 77.43 percent of children < 1 year fully immunized; 48.6 percent of pregnant women who completed at least 4 ANC visits; 77.26 deliveries conducted by skilled attendant; 100 percent as the proportion of health facilities offering BeOMC services; 35 proportion of women of Reproductive age receiving family planning against a target of 55 percent; and 30.1 as the proportion of mothers who received Postnatal Care within 48 hours of delivery.

70. On Communicable Disease Control and Non- Communicable Disease Control, the department attained an 86-TB treatment success rate (all forms of TB); 95 treatment success rate of RRTB and/or MDR-TB; 94 percent of all people diagnosed with HIV infection that receive sustained antiretroviral treatment; 96 percent of all people receiving antiretroviral therapy that have viral suppression; and two (2) malaria case management skills conducted. On the prevention of Neglected Tropical Diseases (NTDs), 38 percent of households had access to insecticide-treated bed nets; 80 percent of distributed drugs were consumed by the targeted population.

71. In order to enhance environmental health, 15 villages were registered as ODF; 73 percent of food handlers were issued with medical certificates and acquired relevant vaccinations; 882 schools were inspected for routine sanitation improvement; 20,377 school going children dewormed. On promotion of Primary Health Care, 92 percent of CHPs received performancebased stipends and 5 Primary Health Care (PCN) networks were established. On health insurance, the number of households registered and enrolled under the Social Health Insurance Fund (SHIF) in order to increase access to UHC is at 40.1 percent.

Institutional Support

72. The County sustained reforms aimed at improving governance, policy frameworks, and public service delivery. Key milestones included the enactment of the County Water Policy (2023), the Rainwater Harvesting Act, and the drafting of a Forest Management and Conservation Policy. The County also improved public financial management through timely budget monitoring, execution and compliance with audit requirements. Resource mobilization was

enhanced through strategic partnerships, particularly in ICT, water, and infrastructure, which continue to support countywide development.

3.3.County Economic Growth Outlook and Policies

73. In the medium term, Kajiado County expects to benefit from Kenya's improving macroeconomic environment. These national trends create a favourable backdrop for the county's transformative priorities: Modulated Pastoralism; Livable Towns; Mainstreaming Climate Change; Competitive Education; with continued support for healthcare and institutional capacity.

74. To translate this national momentum into county-level growth, Kajiado will adopt several policy measures. These include:

    i. Allocating at least 30 percent of its annual budget to development expenditure, consistent with past commitments, so that strategic priority programmes in pastoralism, water infrastructure, urban planning, education, health, and climate resilience are fully funded.

    ii. Strengthening revenue mobilisation via broadening the own-source revenue base, automating revenue collection systems, sealing collection loopholes, and improving enforcement to reduce leakages.

    iii. Promoting Public-Private Partnerships (PPPs) to leverage private capital for infrastructure, markets, town water supply, livestock markets, cooling and cold chains in the horticulture sector, and urban services. Collaboration with national and international development partners will also be pursued to tap concessional finance and grants.

    iv. Operationalise the Kajiado County Investment Authority to mobilize PPP projects, produce standard concession documents, and run investor events and engagements. The county will use the authority to coordinate technical assistance and concessional financing.

    v. Revenue administration modernisation: complete automation of revenue collection and management system, GIS-linked property/land valuation roll and routine controls, accountability measures and strengthened enforcement and compliance. Automation reduces leakages and improves forecasting.

75. Recognizing risks and opportunities, the county will emphasize projects that can quickly absorb funds and generate employment to the county residents. These align with the county's strategic priorities under the CIDP (2023-2027) and are intended to capture rising demand in local markets and capitalize on trade improvements, favourable weather, and expanding urbanization.

76. Fiscal discipline remains central. The county will ensure that personnel emoluments stay within thresholds prescribed by the Public Finance Management Act, prioritise high-impact social and investment expenditures, and limit non-core expenditure.

77. The county will also maintain efforts to clear verified pending bills in a timely manner and to strengthen procurement, project selection, monitoring and evaluation systems, including using electronic procurement (e-GP) and tracking (e-CIMES).

78. The county will build buffers for droughts, climate shocks, and inflation surges to ensure continuity of services in worst-case scenarios through effective operationalization of the county emergency fund and other stakeholders.

3.4.Risks to the Outlook

79. The outlook for both Kenya generally and Kajiado County in particular is subject to several internal and external risks that could derail growth or reduce its inclusiveness and stability.

i. **Weather and climate shocks** remain a significant risk. Kajiado is especially vulnerable to droughts, erratic rainfall and pasture loss, which could compromise agriculture and pastoralist incomes, reduce food security, and increase costs of water supply. Conversely, excessive rainfall in some areas could lead to flooding, infrastructure damage, disease outbreaks, and disruptions in urban centres.

ii. **Slow transmission of monetary easing**: Although the Central Bank has lowered the policy rate to 9.50 percent (as of August 2025), private sector credit growth is still weak. If commercial banks do not reduce lending rates or ease credit conditions, the county's businesses, especially SMEs, may not fully benefit. Delays in lending can also undermine investment in housing, agri-value chains, and urban infrastructure.

iii. **Fiscal pressures and constraints**: National debt service obligations remain high, and revenue shortfalls could lead to reduced allocations from national to counties or restrict new grants. This may force the county to re-prioritise or delay projects. Any lag in national disbursements can also cause cancellations or slow implementation of county plans.

iv. **External shocks** such as rising global energy prices, trade disruptions, tariff escalations, or weaker demand in export markets (for horticulture, tea, tourism) could hurt county revenues and increase input costs. Exchange rate volatility could increase costs of imported inputs and amplify inflationary pressures locally.

v. **Inflation spikes and cost-of-living pressures**: While general inflation has been moderate in mid-2025, food, transport, electricity and fuel price risks remain. Increases in these could erode household purchasing power, especially among pastoralist and low income communities, and raise operational costs for county programmes.

vi. **Institutional and implementation risks**: Weaknesses in project preparation, procurement delays, limited technical capacity, and delays in approvals can slow or undermine the delivery of critical infrastructure and services. Strengthening financial management, monitoring & evaluation systems, and ensuring accountability in contract execution are vital to reduce these risks.

4. RESOURCE ALLOCATION FRAMEWORK

4.0. Overview

80. This chapter highlights the implementation of FY 2025/26 budget, the fiscal policy that will be in place in the FY 2026/27 and Medium-Term Budget and the Medium-Term Budget Framework for FY 2026/27.

4.1. Implementation of the FY 2022/23 Budget

81. The implementation of the FY 2025/26 budget officially commenced in July 2025, with a projected revenue of Kshs.13.775 billion comprising: Kshs.8.894 billion from the equitable share (64.6 percent); Kshs.1.2 billion from Own Source Revenue (OSR) (8.71 percent); Kshs.480 million from Appropriation in Aid (3.48 percent); and Kshs.3.201 billion from conditional grants (23.2 percent).

82. The expenditure estimates for this fiscal year amount to Kshs.13.775 billion, with Kshs.8.888 billion for recurrent expenditure (64 percent) and Kshs.4.893 billion allocated for development expenditure (36 percent). Further, Kshs.5.272 billion (38 percent) of the recurrent expenditure is allocated for Personnel Emoluments (PE), while Operations and Maintenance (O&M) has been allocated Kshs.3.609 billion (26 percent).

83. The county government's fiscal policy position in the FY 2025/26 and over the Medium-Term targets to support the county's thematic areas/transformative development agenda, linked to CIDP III and the MTP IV. To realize this, the county government will execute strategies aimed to boost county revenue mobilization as well as expenditure reforms to strengthen expenditure while safeguarding priority government programmes.

84. In addition, the FY 2025/26 will see the implementation of several expenditure reforms including: transitioning from cash basis to accrual basis of accounting to improve cash management and enhance financial and fiscal reporting; implementation of Public Investment Management; Assets and Liabilities Management Reforms; continuous operationalization of municipalities; and management of pending bills.

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

85. The fiscal policy in the FY 2026/27 and over the medium term aims at supporting the priority programmes under the Bottom - Up Economic Transformation Agenda (BETA) and the county strategic areas of development through a growth-oriented fiscal consolidation plan.

86. The fiscal consolidation plan targets to reduce the stock of pending bills and implement austerity measures, without compromising service delivery to citizens. Fiscal consolidation

will be supported by continued efforts to enhance domestic revenue mobilization, reprioritize and rationalize expenditure while safeguarding priority programmes and social spending. Further, to enhance the implementation of programmes and projects, the government will scale up the use of Public Private Partnerships framework and the engagement of stakeholder partnerships for development.

87. In addition, the government will improve the roll out an end to-end e-procurement system by capacity building users in County Departments and Agencies with an aim of maximizing value for money and increase transparency in procurement.

88. In order to entrench the adopted Zero-Based Budgeting approach in preparing budgets, the county will capacity build users on the Budget Costing Tool developed by the National Treasury in the IFMIS Budget Module. The tool has incorporated standardized costing methodologies to streamline calculation of budget baselines and prioritization to give credible base for preparation of budget estimates.

4.3. FY 2026/27 and Medium Term Budget Framework

89. The FY 2026/27 and Medium-Term Budget Framework will continue to focus on the implementation of the priorities of the county government development agenda and BETA. The strategic priority of focus is Modulated Pastoralism; Livable Towns; Competitive Education; Mainstreaming Climate Change; as well as Universal Health Coverage and Institutional Support.

90. Since the government is operating under a constrained fiscal environment, it will adopt Zero Based Budgeting Approach to guide the prioritization and allocation of the scarce resources to Projects and Programmes. CDA will therefore be required to re-evaluate all the existing/planned activities, projects, and programmes to be funded in the FY 2026/27 and medium-term budget.

91. Therefore, the principles of efficiency, effectiveness and economy of public spending shall strictly be enforced by ensuring low-priority expenditures give way to high-priority servicedelivery programmes.

92. Further, Sector Working Groups (SWGs) are expected to eliminate wasteful expenditures and pursue priorities. SWGs are also expected to ensure that all expenditure items in the FY 2026/27 Budget are justified and emphasis is placed on allocating the limited resources based on programme efficiency and requirement rather than incremental budgeting.

93. The following will therefore serve as the criteria to guide prioritization and final allocation of resources:

i. Programmes linkage to county transformative agenda and BETA priorities;
ii. Linkage of the programme with the priorities of Medium-Term Plan IV of the Vision 2030; iii. Completion of ongoing projects, stalled projects and payment of verified pending bills;
iv. Degree to which a programme addresses job creation and poverty reduction;
v. Degree to which a programme addresses the core mandate of the CDAs;
vi. Programmes that support mitigation and adaptation of climate change;
vii. Cost effectiveness, efficiency and sustainability of the programme; and viii. Requirements for furtherance and implementation of the Constitution.

94. By adhering to these comprehensive criteria, the county government aims to ensure that its resource allocation aligns with its development priorities, fosters economic growth, and efficiently addresses critical challenges and opportunities within the region.

4.4. Fiscal Projections for FY 2026/27

95. The total projected revenue for FY 2026/27 is Kshs.12.01 billion comprising of Kshs.8.98 billion from equitable share, Kshs.1.2 billion from own source revenue, Kshs.485 million on A-i-A and Kshs.1.338 billion from conditional grants.

96. The total estimated expenditure for FY 2026/27 is Kshs.12.01 billion. This comprises of Kshs.5.556 billion of personnel emoluments (46.28 percent), Kshs.2.728 billion of Operations & Maintenance (22.7 percent) and Kshs.3.722 billion of development expenditure (31 percent).

97. The medium-term expenditure framework for 2026/27 - 2028/29 has been established to provide direction for both resource mobilization and allocation. The allocation of resources to the county's eight sectors will be determined and finalized during sector-specific reviews, with the ultimate budget ceilings being presented in the 2026 County Fiscal Strategy Paper (CFSP).

Table 6: Medium Term Expenditure Framework FY 2026/27 - 2028/29

Revenue Summary	**Approved Budget FY 2025/26**	**Projections for FY 2026/27**	**Projections for FY 2027/28**	**Projections for FY 2028/29**
Equitable share	8,894,254,886	8,983,197,435	9,073,029,409	9,163,759,703
OSR & AIA	1,680,000,000	*1,685,200,000.00*	*1,690,460,000.00*	*1,695,780,760.00*
Own Source Revenue	*1,200,000,000*	*1,200,000,000*	*1,200,000,000*	*1,200,000,000*
A-I-A	***480,000,000***	***485,200,000.00***	***490,460,000.00***	***495,780,760.00***
HIF	*440,000,000*	*444,400,000.00*	*448,844,000.00*	*453,332,440.00*
Alcoholic Drinks Control Fund	*40,000,000*	*40,800,000.00*	*41,616,000.00*	*42,448,320.00*
Conditional grants	[1]3,201,214,384.00	1,338,626,554.55	*1,365,399,085.64*	*1,392,707,067.35*
Total Revenue	**13,775,469,270**	**12,007,023,989.41**	**12,128,888,494.85**	**12,252,247,530.65**
Expenditure Summary				
PE	5,272,596,814	5,556,566,621	5,612,132,287	5,668,253,610
OM	3,609,468,570	2,728,279,932	2,878,089,659	2,908,319,661
DEV	4,893,403,886	3,722,177,437	3,638,666,548	3,675,674,259
Total Expenditure	**13,775,469,270**	**12,007,023,989**	**12,128,888,495**	**12,252,247,531**

Source: Kajiado County Treasury

5. CONCLUSION AND WAY FORWARD

98. The Kenyan economy has demonstrated remarkable resilience over the past three years. Despite the domestic and external economic challenges, the economy remained strong and resilient. In 2025 and 2026, the economy is projected to pick, with real GDP projected at around 5.3 percent. The growth outlook will be largely driven by: a strong agricultural productivity; a recovery in industrial activities; and robust services sector.

[1] The allocation of FY 2025/26 conditional and unconditional grants included FY 2024/25 balance brought forward

99. In 2025 and 2026, the county's economy is expected to maintain its resilience and improve its fiscal space, despite the fiscal challenges of revenue shortfalls, accumulating pending bills, and increasing demands for priority funding. The resilience will be backed by implementing fiscal consolidation strategy aimed at enhancing ORS, reducing pending bills, and prudent expenditure management.

100. Further, the government will prioritize the completion and activation of ongoing or stalled programs and projects as aligned in the CIDP III and 2026/27 Annual Development Plan. Consequently, these identified programs and projects, which align with the county's thematic and priority areas, will be given precedence during resource allocation process. This allocation will be informed by departmental reports furnished by Sector Working Groups (SWGs), offering comprehensive insights into program and project activities and their current status.

101. Taking into account the constrained fiscal environment, the government will entrench the Zero-Based Budgeting Approach to guide the prioritization and allocation of the scarce resources to projects and programmes in the FY 2026/27. CDAs are therefore, required to reevaluate all the existing or planned activities, projects, and programmes to be funded in the FY 2026/27 and Medium-Term budget. SWGs are required to eliminate wasteful expenditures and pursue priorities which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery.

102. In a concerted effort to control expenditure growth, SWGs will conduct thorough and prudent analyses of all proposed sectoral and departmental budgets for the fiscal year 2026/27 and the medium-term period. This 2025 CBROP will serve as the basis for the development of the 2026 County Fiscal Strategy Paper (CFSP) and FY 2026/27 and Medium-Term Budget that will be guided by the Budget Calendar.

103. The Budget calendar for FY 2026/27 is guided by the timelines provided in the PFM Act, 2012 and has the following critical steps:

i. Issuance of the Budget Circular for the preparation of FY 2026/27 and Medium-Term

Budget on 28th August 2025; ii. Preparation and submission of 2026/27 Annual Development Plan by 1st September 2025; iii. The 2025 CBROP will be submitted to the CEC for approval by 30th September 2025 and later submitted to the County Assembly;

iv. The 2026 County Fiscal Strategy Paper will be presented to the CEC for approval together with the Medium-Term Debt Management Strategy and subsequently to the County

Assembly by 28th February, 2026;

v. The Budget Estimates, Appropriation Bill, 2026 and Finance Bill, 2026 will be submitted to the CEC by 21st April, 2026 and later to the County Assembly by 30th April, 2026; and

vi. Approval and assent of both the Appropriation Bill, 2026 and Finance Bill, 2026 by 30th June, 2026.