COUNTY BUDGET REVIEW AND OUTLOOK PAPER
2025

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

SEPTEMBER 2025

FOREWORD

The Homa Bay County Budget Review and Outlook Paper (CBROP) 2025 has been prepared in compliance with Section 118 of the Public Finance Management Act (PFMA), 2012, and provides a critical budget process review blueprint that shapes our financial future while taking into account key lessons from our previous performance. This paper not only reviews the fiscal performance of the FY 2024/25 but also lays out the economic and financial projections that will steer our county's growth trajectory. This document therefore, sets the tone for effective budgeting, resource mobilization and allocation, and compliance with fiscal responsibility principles anchored on transparency, accountability and sustainable development being the key pillars of good governance.

The FY2024/25 presented great opportunities in the area of collaboration between the county government and key stakeholders who supported our sustained efforts in project implementation resulting in improved service delivery. The county revised budget stood at **KSh. 13,130,574,618,** which was a significant growth of 17.6% growth from the **KSh. 11,167,226,300** in FY 2023/24. The Planned resource envelope for the year comprised **KSh. 8,170,280,800** from the equitable share of revenue from the National Government, **KSh. 1,482,806,657** from our own sources (both ordinary and A-In-A), **KSh. 2,468,464,225** from loans and conditional grants, and the Share of Equalizations funds of **KSh. 260,206,608**.

The county's overall fiscal performance registered great improvement despite inevitable political, social, economic and environmental challenges that always characterize budget implementation. The actual equitable share of national revenue stood at **KSh. 8,170,280,800**, representing a turnout of 100% while the internal revenue sources generated **KSh. 1,730,042,142** (Consisting of Appropriation-In-Aid from Health **KSh. 1,339,368,103**; Ordinary OSR **KSh. 390,674,039**) against a target **KSh. 1,482,806,657**, representing a turnout of 117% of the target. Conditional grants received amounted to **KSh. 1,242,963,991** against a target of **KSh. 2,468,464,225**, represents a turnout of 50%.

During the FY2024/25, up to **KSh. 7,190,466,725** was utilized for recurrent expenses against an approved budget of **KSh. 7,939,423,075,** which represent 91% absorption rate while **KSh. 3,564,223,988** was used on development projects against a budgeted amount of **KSh. 5,191,151,543** which represents 68% absorption rate. The foregoing figures reflect our firm commitment to comply with the fiscal responsibility principles and ensuring that we maximize the value for money.

In the FY 2026/27, we project a total revenue of **KSh**. **12,774,411,176,** which will be applied as **KSh. 8,426,342,052 for** recurrent costs and **KSh. 4,348,069,124** for development programs. The forthcoming budget aims to achieve a strategic balance between sustaining current operations and carrying forward with the transformative Genowa development agenda that continues to uplift our county's socio-economic status. The CBROP 2025 therefore provides us with another opportunity to not only review our performance but to also renew our commitment to delivering meaningful, equitable and sustainable development to the citizens of our great county.

HON. SOLOMON OBIERO,
CECM - FINANCE AND ECONOMIC PLANNING
<u>COUNTY GOVERNMENT OF HOMA BAY</u>

ACKNOWLEDGEMENT

The County Budget Review and Outlook Paper (CBROP 2025) is a document that represents our commitment to fiscal responsibility principles as outlined in the Public Finance Management Act 2012 and provides us with an opportunity to take stock of our previous performance, monitor progress in the current year and plan for the future.

I wish to extend my sincere gratitude to Her Excellency, Hon. Gladys Nyasuna Wanga, E.G.H. the Governor of Homa Bay County, and His Excellency, Hon. Joseph Oyugi Magwanga, the Deputy Governor of Homa Bay County for their transformational leadership and steadfast commitment to good governance. Their visionary, inclusive and transformative management approach inspires us all to pursue excellence and accountability. The CBROP 2025 is a clear reflection reflects the relentless drive for progress, laying the groundwork for a brighter, more prosperous future for the people of Homa Bay County.

Additionally, special thanks to the County Executive Committee Member for Finance and Economic Planning, Hon. Solomon Obiero, for his strategic leadership in guiding the entire county treasury towards efficient, economical and effective management of our resources for sustainable development.

Finally, I wish to extend my sincere gratitude to all the County Executive Committee Members, the County Budget & Economic Forum (C-BEF), Chief Officers, Directors, and Technical Officers from all our county entities for their unwavering support towards the successful development of this critical policy document. In particular, I am indeed grateful to our staff from the Directorate of Economic Planning and Budget, for coordinating the technical efforts towards the development of the Homa Bay CBROP 2025.

LAWRENCE SMITH GWORO,
AG. CHIEF OFFICER - ECONOMIC PLANNING & BUDGET
COUNTY GOVERNMENT OF HOMA BAY

EXECUTIVE SUMMARY

The Homa Bay County Budget Review and Outlook Paper (CBROP) 2025 has been prepared in accordance with Section 118 of the Public Finance Management Act (PFMA), 2012. This document is a critical tool in the county's budget cycle as it evaluates the fiscal performance of the previous year 2024/25, monitors the current progress and provides projections for future economic growth outlook. It thus lays the foundation for transparent and accountable governance while ensuring that budgetary decisions reflect the county's development aspirations. Through this CBROP 2025, we strive to align our financial plans with the broader economic growth objectives of fostering inclusive governance, promoting fiscal discipline, and enhancing transformative service delivery to the people of Homa Bay County.

The CBROP is structured into five distinct sections. Section One provides background information, explaining the objectives and significance of the CBROP and offering an overview of its structure. The primary objective of the CBROP is to review fiscal performance over the past financial year, analyze its impact on the county's financial objectives set in the County Fiscal Strategy Paper (CFSP), and offer a forward-looking outlook for the county's fiscal policy. This document plays a vital role in guiding budgetary allocation and aligning resources to meet both current needs and future aspirations, all while adhering to the principles of fiscal responsibility.

Section Two offers a detailed review of the county's fiscal performance during the FY 2024/25. The county's revised budget for the fiscal year stood at **KSh. 13,130,574,618**, a 17.6% increase from the previous year's **KSh. 11,167,226,300**. The County revenue streams were primarily drawn from the equitable share of national revenue amounting to **8,170,280,800** (62.2%), internal revenue sources amounting to **KSh. 1,482,806,657** (11.3%), loans and conditional grants of **KSh. 2,468,464,225 (**18.8%), Share of equalization fund amounting to **KSh. 260,206,608** (2.0%) and **KSh. 748,815,212** (5.7%) as other balances including balance brought from the previous year and capitation.

The county achieved 100% of its equitable share revenue target (**KSh. 8,170,280,800**) and 117% of its own-source revenue target (**KSh. 1,730,042,142**), with notable contributions from health services, which generated **KSh. 1,339,368,103** as Appropriation-In-Aid (AIA). Despite these successes, development expenditure fell slightly short, achieving 68% (**KSh. 3,564,223,988)** of the budgeted Estimates of **KSh. 5,191,151,543.** Nevertheless, this performance demonstrates the county's commitment to fiscal discipline and efficiency in managing resources for the benefit of its citizens.

Section Three highlights recent economic developments and provides an up-to-date macroeconomic outlook for Homa Bay County. The global economic context, marked by challenges such as inflationary pressures, the Russia-Ukraine conflict, and tighter global financial conditions, continues to affect local economies, including Kenya. However, Kenya's economy remains relatively stable, with moderate growth projections of 5.2% for 2025 and 5.4% for 2026. The county's economic outlook is optimistic, driven by its strategic focus on diversifying sectors such as agriculture, rural development, education, health, and ICT. As the county navigates global uncertainties, these sectors will be pivotal in supporting sustained growth and improving the livelihoods of its residents.

Section Four outlines the medium-term fiscal framework, emphasizing the importance of revising the current budget to ensure that resources are optimally allocated to priority sectors. The county's projected budget Estimates for FY2026/27 is expected to be **KSh. 12,774,411,176** comprising of **KSh. 8,710,598,408** as Equitable Share, **KSh. 1,679,469,950** as Conditional grants, **KSh. 2,257,862,308** own source revenue and **KSh. 126,480,510** as Share of Equalization fund.

The overall expenditure is expected to be **KSh**. **12,774,411,176** with **KSh. 8,426,342,052** allocated to recurrent expenditure and **KSh. 4,348,069,124** set aside for development initiatives. This balanced budget approach is designed to maintain the momentum of ongoing development projects while sustaining the efficient operation of county services. The resource allocation framework is rooted in the county's commitment to driving growth, promoting equity, and ensuring that the benefits of development are equitably distributed across all wards in the county.

Finally, Section Five of the CBROP provides recommendations of the next steps towards achieving the financial objectives for FY 2026/27. The document therefore enforces calls for continued collaboration between county executive, the county assembly, and all other stakeholders to ensure that fiscal planning and execution remains responsive to emerging opportunities and challenges in both the micro and macro environment.

The CBROP 2025 emphasizes the county's commitment to fiscal prudence, transparency, and growth, while laying out a clear roadmap for the future. It provides the strategic direction needed to guide the county's budgeting process and ensure that resources are allocated in a manner that maximizes results for the citizens. This document will serve as a key reference point for financial planning while ensuring that the goals set for FY 2026/27 are achievable so that the people of Homa Bay County can continue to benefit from the endless potential within our borders.

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ABBREVIATIONS AND ACRONYMS

ABDP	Aquaculture Business Development Program
A-I-A	Appropriation in AID
ARUD	Agriculture, Rural and Urban Development
BETA	Bottom-Up Economic Transformation Agenda
CBEF	County Budget and Economic Forum
CBO	Community Based Organization
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CHP	Community Health Promoters
CIDP	County Integrated Development Plan
EIICT	Energy, Infrastructure and ICT
FBO	Faith Based Organization
FIF	Facility Improvement Fund
FY	Financial Year
GDP	Gross Domestic Product
GECA	General Economic and Commercial Affairs
GVA	Gross Value Added
HRIS	Human Resources Information System
ICT	Information, Communication and Technology
IFMIS	Integrated Financial Management and Information System
IMF	International Monetary Fund
KISIP	Kenya Informal Settlement Improvement Program
KUSP	Kenya Urban Support Program
LREB	Lake Region Economic Block
MSME	Micro, Small and Medium Enterprise
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NGO	Non-Governmental Organization
OSR	Own Source Revenue
PFMA	Public Finance Management Act
POS	Point of Sale
SWG	Sector Working Group
UHC	Universal Health Coverage

1.0 INTRODUCTION

1.1 Background

1. The County Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management Act (PFMA), 2012. The Act requires
   a) The County Treasury is required to:
      i. Prepare a CBROP for each financial year, and
      ii. Submit it to the County Executive Committee by September 30th of that year.
   b) In formulating the CBROP, the County Treasury must:
      i. Review the actual fiscal performance of the previous year against the budget appropriation,
      ii. Provide updated economic and financial forecasts, highlighting any changes from those in the latest County Fiscal Strategy Paper (CFSP).
      iii. Present information on any forecast adjustments compared to the CFSP, and how actual financial performance impacts compliance with fiscal responsibility principles or financial objectives for that year.
   c) The County Executive Committee must consider and approve the CBROP, with or without amendments, within fourteen days of its submission.
   d) Within seven days of approval by the County Executive Committee, the County Treasury must:
      i. Lay the CBROP before the County Assembly, and
      ii. Publish and publicize the paper as soon as practicable thereafter.

2. The CBROP is typically submitted to the County Assembly by October 21st and made publicly available. It serves as a year-end report, reviewing the budget performance of the previous financial year, 20234/245, and offering insights into the successes and challenges of its implementation. Prepared roughly three months after the close of the fiscal year, it also provides an update on the county's fiscal position for the first quarter of the current financial year.

3. In February, the County Government issues the County Fiscal Strategy Paper, outlining financial projections for the coming year. Six months later, the CBROP evaluates the accuracy of those projections. The CBROP summarizes the county's revenue collection and sectoral program expenditures for FY2023/24, identifying any significant deviations and making recommendations for correction. It also

presents financial forecasts to establish the fiscal framework for the coming year and medium term.

4. A crucial function of the CBROP is to set the provisional sector ceilings for the next financial year, which guide sector hearings between November and January. These ceilings are finalized and published in February in the County Fiscal Strategy Paper.

5. The 2025 CBROP provides a review of the fiscal performance for FY 2024/25, updates on national macroeconomic and fiscal forecasts influencing the county's fiscal framework, deviations from the CFSP 2024, and indicative sector ceilings for the FY 2025/26 budget and the medium term. These ceilings initiate the budget preparation process for FY 2026/27, to be revised and confirmed in the CFSP 2025.

1.2 Objectives of the 2024 CBROP

6. The CBROP 2025 will serve the following purposes;

i. Providing an update on the county government's fiscal position for the first quarter of the current financial year 2025/2026 which provides the basis for revising the current budget and fiscal framework as contained in the 2025 CFSP.

ii. Providing an assessment of actual budget performance for the FY 2024/25 compared to the budgetary appropriation for that financial year and further shows how this has affected the economic performance of the county;

iii. Providing an updated economic and financial forecast with sufficient information to show changes from the forecasts in the 2024 County Fiscal Strategy Paper and giving reasons for any deviation from the county's financial objectives as set out in that CFSP together with the proposals to address the deviation and the time estimated for doing so.

iv. Finally, it will set indicative budget ceilings that will be distributed to different sectors for the next financial year 2026/27

1.3 Significance of CBROP

7. The paper is a policy document that links planning with budgeting. It is critical in the budget making process within the Medium-Term Expenditure Framework (MTEF). It ensures that the County Government reviews its previous year's performance as it also guarantees that the County Government makes forecasts based on both the County and the national economic outlook and their likely impact on the level of future revenues and prompts the County Government to set preliminary sector ceilings in light of this review of revenue.

1.4 Structure of the CBROP

8. This CBROP 2025 has been organized into five sections, namely;

i. Section one that provides the background information on CBROP, explains the objectives of the CBROP, explains the significance of CBROP and expounds on the structure of the document;

ii. Section two that provides a review of the county's fiscal performance during the FY 2024/25 and the effect of that performance on the financial objectives of the county set out in the CFSP 2025;

iii. Section three highlights the recent economic developments and the county's updated macroeconomic outlook;

iv. Section four presents the medium-term fiscal framework including the proposed resource allocation framework, the need to revise the current budget; and

v. Section five that provides the conclusion and recommends the next steps towards achieving the objectives of the FY 2026/27 Medium Term Expenditure Framework proposals.

2.0. REVIEW OF THE FY 2024/25 FISCAL PERFORMANCE

2.1 Overview of the budget FY 2024/25

9. The Homa Bay County Approved Supplementary II Budget for FY 2024/25 was Kshs.13.13 billion. It comprised Kshs.5.19 billion (40 per cent) and Kshs.7.94 billion (60 per cent) allocation for development and recurrent programmes respectively. The budget estimates represented an increase of Kshs.1.96 billion (18 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.51 billion and a recurrent budget of Kshs.7.66 billion. The budget was to be financed from various revenue sources, including the equitable share of revenue raised nationally KSh. 8,170,280,800 (62.2%) as equitable shares of revenue raised nationally, generate KSh. 1,482,806,657 (11.3%) from its own sources of revenue, and use a cash balance of KSh. 98,545,349.30 (0.7 %) from FY 2023/24. The County also expected to receive KSh. 2,468,464,225 (18.79%) in loans and conditional grants from various development partners.

2.2 County Revenue Performance Review

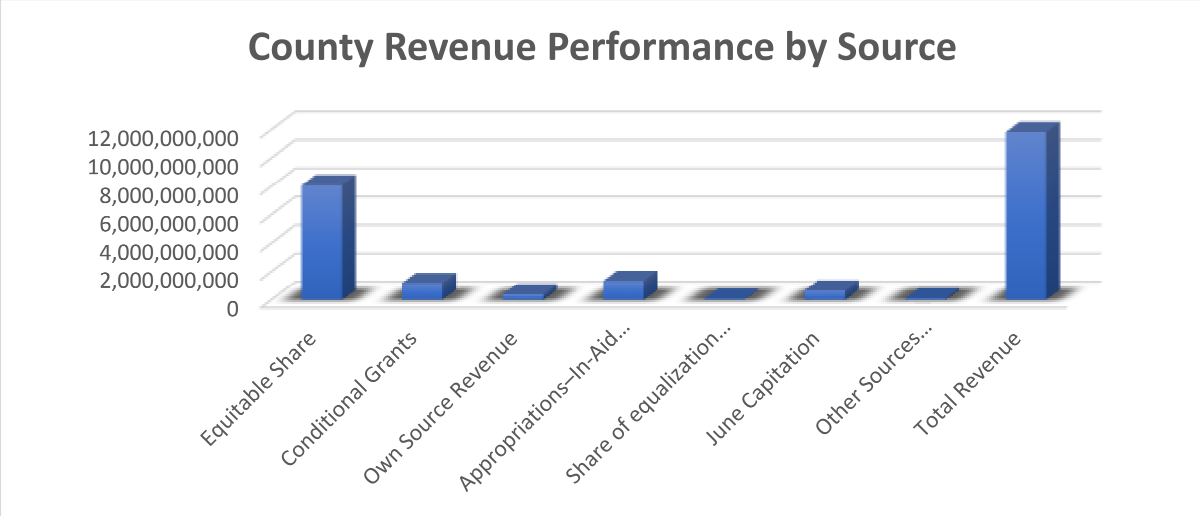
10. In the FY 2024/25, the County received KSHs 11,825,990,578 comprising KSHs 8,072,988,344 as equitable share of the revenue raised nationally, Kshs. 1,176,132,896 as additional allocations/conditional grants, a cash balance of Kshs. 98,545,349.30 from FY 2023/24 and raised Kshs. 1,730,042,142 as own-source revenue (OSR). The raised OSR includes Kshs. 1,339,368,103 as Appropriation in Aid/Facility Improvement Fund (AIA/FIF) and Kshs. 390,674,039 as ordinary own source revenue.

Table 1 County Revenue Performance by Source FY 2024/25

Revenue Category	Approved Estimates FY2024/25	Annual Receipt FY2024/25	(%) realised
Equitable Share	8,170,280,800	8,170,280,800	100%
Conditional Grants	2,468,464,225	1,242,963,991	50%
Own Source Revenue	501,737,917	390,674,038.65	78%
Appropriations-In-Aid (Health Sector)	981,068,740	1,339,368,103	137%
Share of equalization fund	260,206,608	123,569,225	47%
June 2023/24 Capitation	650,270,979	650,269,863	100%
Other Sources (Including Bal. B/F)	98,545,349	98,545,349	100%
Total Revenue	**13,130,574,618**	**12,015,671,370**	**92%**

Source: County Treasury, 2025

Figure 1: County Revenue Performance by Source FY 2024/25



Source: County Treasury, 2025.

2.2.1 Equitable Share of Revenue

11. The County Government of Homa Bay received the Equitable share of Revenue KShs 8,170,280,800 representing 76.0% of the total received resource envelope.

12. The County Government continues to record an overreliance on exchequer releases, a trend that is being addressed through enhancement of own source revenue collections. The delays in disbursement of exchequer continue to negatively impact service delivery and county government operations including payment of staff salaries as well as execution of county development agenda.

13. The Controller of Budget approved withdrawals of Kshs.10.75 billion from the CRF account in FY 2024/25, which comprised Kshs.3.56 billion (33.1 per cent) for development programmes and Kshs.7.19 billion (66.9 per cent) for recurrent programmes.

14. Analysis of the recurrent exchequers released indicates that Kshs.5.88 billion was towards employee compensation and Kshs.1.31 billion for operations and maintenance expenditure. As of the closure of FY 2024/25, the County Government's cash balance in the CRF account was Kshs.104.16 million.

2.2.2 Own Source Revenue (OSR)

15. In the period under review, the County generated a total of KSh. 1,729,883,471 from its own source of revenue against a target of KSh. 1,482,806,657. The Health Sector Appropriation in Aid (AIA)/Facility Improvement Fund (FIF) amounted to KSh 1,339,368,104 that is (77%) of the overall OSR in the reporting period while KSh. 390,515,368 (23%) was generated from Ordinary Own Source Revenue.

16. The top performing ordinary revenue streams includes Singles Business Permits, Natural Resources fees, Bus Parking fees and Market Dues contributing to 65.9 % of the total OSR.

Table 2: Own Source Revenue Performance by Stream

REVENUE STREAMS		ACTUAL REVENUE FY 2022/23 (JULY 2022 - JUNE 2023)	ACTUAL REVENUE FY 2023/24 (JULY 2023 - JUNE 2024)	ACTUAL REVENUE FY 2024/25 (JULY 2024 - JUNE 2025)
1	Land Rates	5,996,073	8,347,826	8,854,170
2	Land Transfers/Sales/Change of Use	138,530	1,456,500	654,500
3	Lease Charges/Consent/Transfers	1,598,552	2,305,925	2,875,187
4	Land/Ground rents	2,444,825	2,246,590	1,187,800
5	Approval plans/Transfers/Certificates	2,449,634	7,279,879	5,808,203
6	Housing Fees (Rents)	1,582,609	1,122,700	840,400
7	House/Kiosk Rents	4,614,290	10,532,780	9,202,720
8	Site Value Rates	4,090	35,200	-
9	Search and clearance certificates	23,600	131,000	271,300
10	Survey/Subdivision Fees	359,620	521,000	49,500
SUB-TOTAL		**19,211,823**	**33,979,400**	**29,743,780**
1	Single Business Permit	61,770,496	99,333,166	101,876,640
2	Market Dues	24,955,898	40,648,114	39,252,776
3	Weight and Measures Fees	501,310	593,020	492,360
4	Advertising /Billboard	9,313,233	10,543,053	22,578,503
5	Liquor Licensing	350,500	11,146,336	6,246,309
SUB-TOTAL		**96,891,437**	**162,263,689**	**170,446,588**
1	Slaughterhouse Fees	1,686,094	1,755,505	1,692,470
2	Stock Auction Fees (Cattle/Goat/sheep)	4,063,130	6,328,220	5,970,810
3	Stock Movement Fees	379,910	61,485	62,946
4	Other Agric. Cess Income	24,331,008	12,146,048	25,537,614
5	Tractor Hire Services	121,250	971,810	403,530
6	Veterinary Charges	263,725	1,333,117	1,318,831
SUB-TOTAL		**30,845,117**	**22,596,185**	**34,986,201**
1	Bus Park Fees	29,359,416	46,784,631	47,707,690
2	Taxi /Motorbike Fees	1,838,575	7,121,839	6,941,212
3	Hire of Machineries, Equip & Wayleave charges	186,000	237,000	1,607,250
SUB-TOTAL		**31,383,991**	**54,143,470**	**56,256,152**
1	Landing Fees	53,285	111,050	22,000
2	Bricks/Sand/Murram/Stones	31,579,853	56,105,447	68,628,581

3	Fish Cess	7,004,275	9,122,382	5,268,087
SUB-TOTAL		**38,637,413**	**65,338,879**	**73,918,668**
1	Water Charges	20,885	592,684	577,117
2	Noise Pollution Fees	193,490	413,320	477,600
3	Conservancy Fees/Wildlife Grants	144,060	87,480	3,330
SUB-TOTAL		**358,435**	**1,093,484**	**1,058,047**
1	Fines & Penalties	2,974,124	2,324,577	3,827,385
2	Fire Inspection Fees	361,060	801,811	653,600
SUB-TOTAL		**3,335,184**	**3,126,388**	**4,480,985**
1	Hire of Stadium, park & open spaces	0	1,723,716	852,400
SUB-TOTAL			**1,723,716**	**852,400**
1	Miscellaneous Incomes	12,143,630	14,997,967	18,772,547
SUB-TOTAL		**12,143,630**	**14,997,967**	**18,772,547**
	ORDINARY OSR TOTALS	**232,807,030**	**359,263,178**	**390,515,368**
1	FIF & Billed NHIF/SHA	626,646,993	841,232,651	1,339,368,104
SUB-TOTAL		**626,646,993**	**841,232,651**	1,339,368,104
	GRAND TOTAL (KSH)	**859,454,023**	**1,200,495,829**	**1,729,883,471**

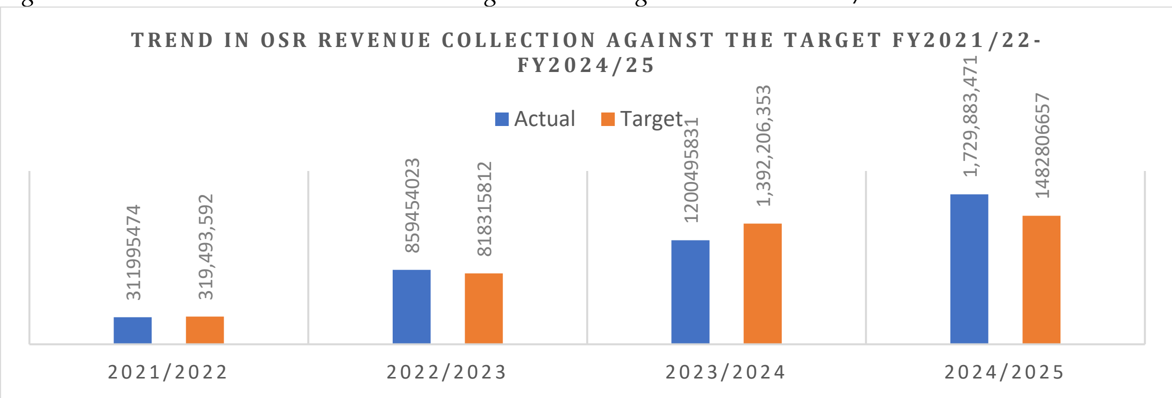
Source: County Treasury, 2025.

17. The government has specifically embarked on Own Source Revenue generation and collection as a key priority area and a Revenue Management Board was formed to review systems and processes in this area to ensure optimal collections and address all revenue collections related challenges.

18. The County Government of Homa Bay will continue to embrace the cashless collection through the use of technologically enhanced methods of revenue collection while also ensuring minimal downtimes in the collection machines (POS), use of mobile telephone Applications and enhanced supervision of collectors.

Trend in the OSR Collection

Figure 2 Trend in OSR Revenue Collection against the Target FY2021-FY2024/25



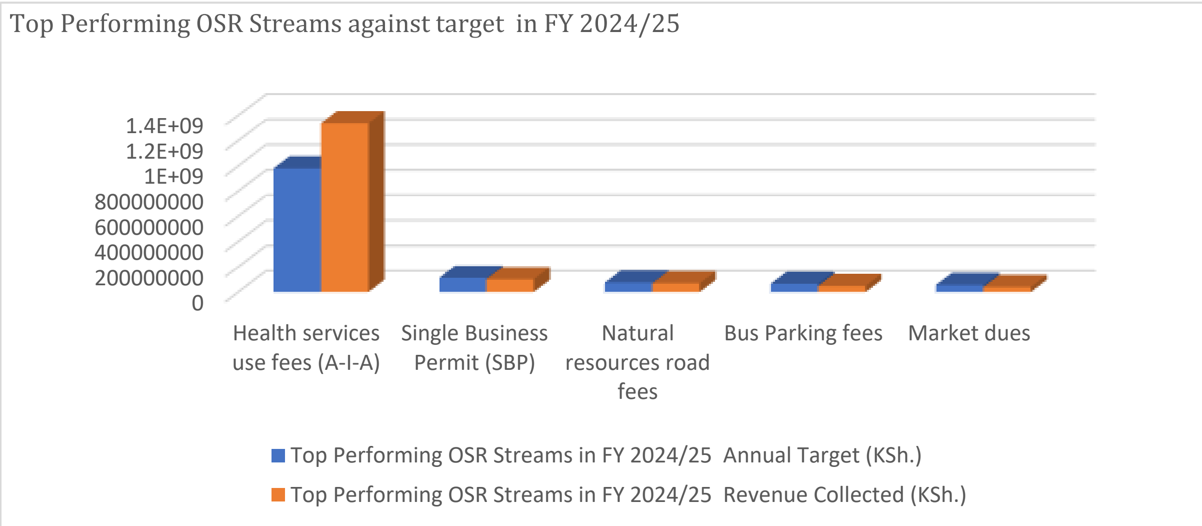
Source: County Treasury, 2025

Table 3: Top Performing Own Source Revenue Streams in the FY 2024/25

Top Performing OSR Streams in FY 2024/25			
OSR Stream	**Annual Target (KSh.)**	**Revenue Collected (KSh.)**	**Performance (%)**
Health services use fees (A-I-A)	981068740	1,339,368,104	136
Single Business Permit (SBP)	112,270,450	101,876,640	90
Natural resources road fees	75,302,450	68,628,581	91
Bus Parking fees	65560560	47,707,690	72.5
Market dues	55,800,030	39,252,776	73

Source: County Treasury, 2025

Figure 3: Own Source Revenue Performance against Target (FY 2024/25)



2.2.3 Conditional Grants Source:

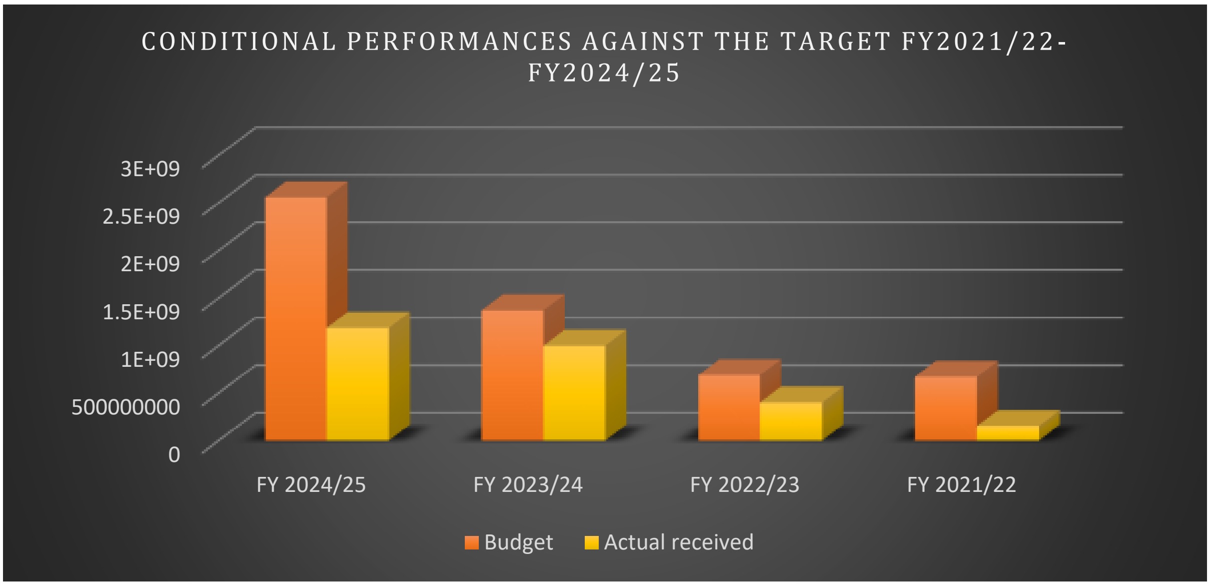
19. In the year under review the county expected to receive KSh. 2,560,464,225 as condition allocation from national government compared to Kshs. 1,372,154,137 for FY 2023/24 presenting an increase of Kshs. 1,188,310,088. From the budgeted the county only received grants amounting to KSh. 1,242,963,991 resulting in a deficit of KSh. 1,236,500,234.

Table 4: Conditional Grants Performance FY2024/25

Project	Printed Estimates FY 2024/25	FY 2023/24 Balances b/f FY2024/25	Revised Estimates II FY2024/25	Actual Receipts FY2024/25	(%) performance
National Agriculture and Rural Inclusive (NARIG)	0	953,633	953,633	0	0%
National Value Chain Development Project (NAVCDP)	151,515,152	132,415,406	283,930,558	86,525,422	30%
Kenya Agricultural Business Development Programme (KABDP)	10,918,919	0	10,918,919	0	0%
Aquaculture Business Development Programme (ABDP)	12,909,422	0	12,909,422	0	0%
DANIDA	21,383,750	0	10,383,750	10,383,750	100%
Community Health Promoters (CHP) - Arrears FY 2023/24	0	0	26,419,251	0	0%
Community Health Promoters (CHP)	88,620,000	0	88,620,000	0	0%
Financing Locally-Led Climate Actions Programme- CCRI&CCRIG) IDA & KFW	251,984,144	173,687,741	573,687,741	21,300,000	4%
Financing Locally-Led Climate Actions Programme-CCIS	11,000,000	11,000,000	22,000,000	11,000,000	50%
Kenya Informal Settlements Improvement Programme (KISIP) II - AFD and IDA WB	987,020,992	178,577,134	1,165,598,126	857,020,992	74%
Kenya Urban Support Programme (UIG) -	35,000,000	0	35,000,000	32,309,300	92%
Kenya Urban Support Programme (UDG)	37,861,088	0	37,861,088	0	0%
Kenya Urban Support Programme (UDG)	16,800,000	0	16,800,000	0	0%
Kenya Devolution Support Programme (KDSP II)	37,500,000	0	37,500,000	0	0%
County Aggregated Industrial Park (CAIP)	0	51,618,579	156,881,737	163,368,421	68%
Road Maintenance Levy	177,974,496	0		61,056,106	100%
Grand Total	**1,829,487,963**	**548,252,493**	**2,479,464,225**	**1,242,963,991**	**50%**

Source: County Treasury, 2025

Figure 4: Conditional Performances against the target FY2021/22-FY2024/25



Source: County Treasury, 2025

20. The County Government is setting up the Debt Management and External resource mobilization unit in efforts aimed at raising funds from the Stock market and bringing on board additional donor funds and grants. Efforts will be made to ensure strict compliance with donor funding conditions such as enhancing allocations towards counterpart funding to facilitate disbursements by development partners. More importantly, the new administration will work to ensure ease of doing business and prudent utilization of conditional grants and loans and proper implementation of donor funded projects.

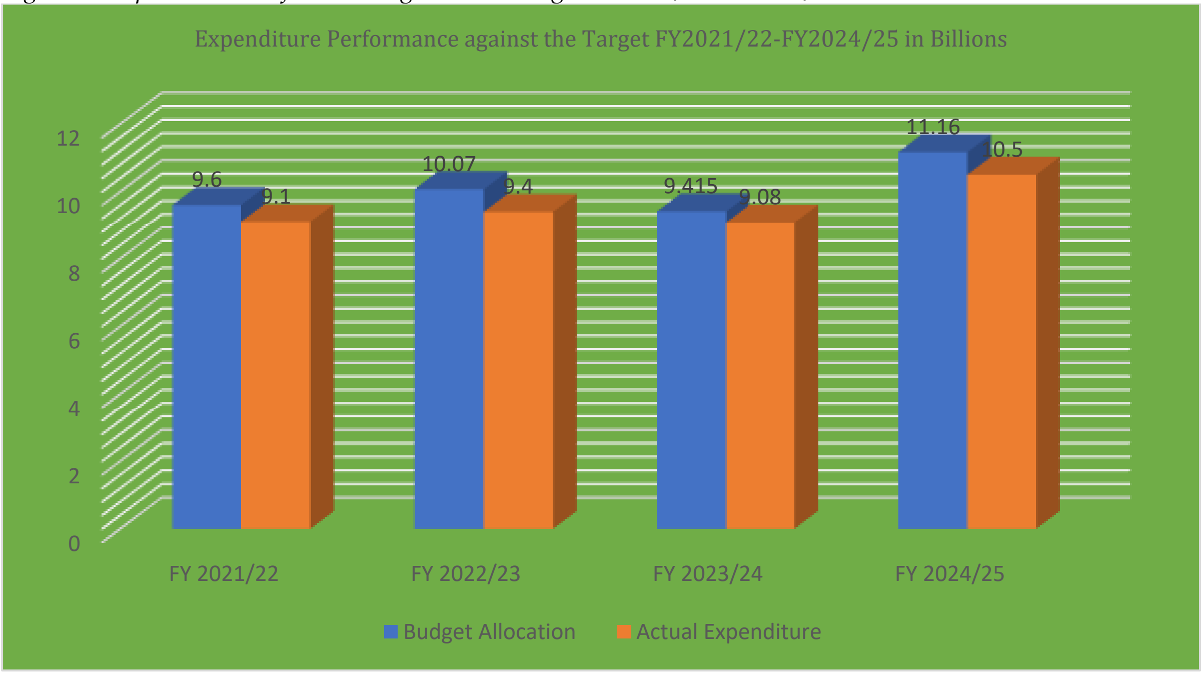
2.2.4 Other Receipts

21. During the financial year under review, the County had budgeted with a cash balance of KSh. 98,545,349.30 from the previous FY 2023/2024, being late exchequer receipts. This cash balance brought forward was appropriated in the supplementary budget and approved for expenditure by the County Assembly.

2.3 County Expenditures Performance Review

22. The actual expenditure during the FY 2024/25 amounted to KSh. 10.75 billion which represented 81.9% of the total revised expenditure target of KSh. 13,130,574,618 for the year under review. Out of this total, it comprised Kshs. 3.56 billion for development programmes and Kshs. 7.19 billion for recurrent programmes. Expenditure on development programmes represented an absorption rate of 68.7 per cent, while recurrent expenditure represented 90.6 per cent of the annual recurrent expenditure budget.

Figure 5: Expenditure Performance against the Target FY2021/22-FY2024/25.



Source: County Treasury, 2025.

Table 5: Breakdown of Recurrent and Development Expenditure by Spending Entities

Programme	Sub- Programme	Revised Budget Estimates II FY 2024-20245 (KSh)-	Actual Expenditure (KSh)	Absorption (%)
Department of Finance and Economic Planning				
General administration and support services	Staff Remuneration and Welfare Support Services	375,893,111	375,893,111	100
	General Logistics, Coordination and Asset Management Services	248,791,402	69,269,169	27.8
	Sub total	**624,684,513**	**445,162,280**	**71.3**
Planning, budgeting and development coordination services	Economic planning and development services	10,453,000	5,322,530	**50.9**
	Resource allocation services	13,393,200	10,157,919.00	**75.8**
	Public Participation Facilitation services	13,673,285	2,969,278	21.7
	Sub total	**37,519,485**	**18,449,727**	**49.2**
	Internal Revenue Generation Services	28,486,600	12,500,038	43.9
	Sub total	**28,486,600**	**12,500,038**	**43.9**
	Accounting and Financial Reporting Services	8,606,200	7,330,176	**85.2**
	Supply Chain Management	5,092,861	3,566,855	
	Audit and Advisory Services	7,072,885	6,043,604	**85.4**
Financial management services	Emergency Management Services	390,539,879	164,052,652	42
	Sub total	**411,311,825**	**180,993,287**	44
	GRAND TOTAL	**1,102,002,423**	**657,105,332**	**59.6**
County Public Service Board				
	Policy and Planning Services	0		-

Policy, Planning and Administration Services	Administrative Support Services	67,262,743	59,848,978	89
	Facility Improvement & Capacity Strengthening Services			-
	Sub total	**67,262,743**	**59,848,978**	**89**
Personnel Sourcing and Management Services	Recruitment, Selection and Deployment Services	1,094,660	250,000	**22.8**
	Capacity Development Services	0	0	-
	Sub total	**1,094,660**	**250,000**	**22.8**
	GRAND TOTAL	**68,357,403**	**60,098,978**	**87.9**
County Assembly Service Board				
Legislative Services	Members welfare Support services	238,066,059	229,148,139.00	100
	Legislative development and approval services	150,418,918	120,242,968.00	100
	Sub total	**388,484,977**	**349,391,107.00**	**100**
Oversight and Control Services	Capacity building services	57,217,580	51,964,200.00	100
	Report writing services	36,000,000	57,999,800.00	100
	Public participation and education services	20,000,000	13,227,643.00	100
	Sub total	**113,217,580**	**123,191,643.00**	**100**
Ward Representation Services	Staff welfare support services	59,712,348	56,966,767.00	100
	Ward operations and maintenance	17,284,320	13,046,798.00	100
	Sub total	**76,996,668**	**70,013,565.00**	**100**
Policy, Planning and Administrative Support Services	Administrative support services	170,809,343	211,561,275.00	100
	Financial management Services	176,190,000	171,540,979.00	100
	Assembly infrastructure development Services	271,500,333	119,301,431	44
	Sub total	**618,499,676**	**502,403,685.00**	**81.23**
	GRAND TOTAL	**1,197,198,902**	**1,045,000,000**	**87.29**
Homa Bay Municipal Board				
Policy, Planning, General Administration and Support Services	Financial management Services	5,678,048	2,290,640	-
	Administration and Support Services	22,945,272	22,945,272	100
	Sub total	**28,623,320**	**25,235,912**	**88.2**
Urban development services	Land Use Planning and Management	37,861,088		-
	Neighborhood Planning and Development Services	4,000,000	243,471	6.1
	Provision for pending bills	3,058,480	3,058,480	100
	Environmental Management Services	5,000,000	5,000,000	100
	Sub total	**49,919,568**	**8,301,951**	16.6
	GRAND TOTAL	**78,542,888**	**33,537,863**	**42.7**
Office of The Deputy Governor and Department of Agriculture, Livestock, Fisheries and Food Security				
	General Administration and Support Services	234,742,815	225,795,151	96.2
	Sub total	**234,742,815**	**225,795,151**	**96.2**
Crop, Land and Agribusiness Development Services	Crop Development Services	21,499,430	21,499,430	-
	Sub Sector Infrastructure Development Services	5,000,000	0	-

	Farm Input Access Services	43,000,000	42,545,258	98.9
	National Agriculture Rural Inclusive Growth	953,633	-	-
	Agriculture Sector Development Support Programme	10,918,919	-	-
	National Value Chain Project	288,930,558	95,181,981	32.9
	Sub total	**370,302,540**	**159,226,670**	**0**
Livestock Development Programme	Livestock Improvement and Development	1,000,000	1,000,000	100
	Livestock Infrastructure Development Services	22,605,379	22,405,452	99.1
	Livestock Health and Disease Management	0	0	-
	Sub total	**23,605,379**	**23,405,452**	**99.2**
	GRAND TOTAL	**628,650,734**	**408,427,273**	**65**
Department of Gender Equality and Inclusivity Youth, sports, Talent Development, cultural Heritage and Social Services				
Policy, Planning and General Administration services	Personnel Remuneration and Welfare of Staff Services	83,952,751	83,952,751	100
	Policy Planning and Field Support Services	15,199,521	14,379,590	94.6
	Sub total	**99,152,272**	**98,332,341**	**99.2**
Cultural And Creative Sector Development Services	Creative Economy Development Services	1,557,877		-
	Cultural Development and Promotion Services	9,000,000	8,956,610	99.5
	Sub total	**10,557,877**	**8,956,610**	84.8
Social Development and Empowerment Services	Gender Mainstreaming and Women Empowerment Services	5,604,418		-
	Youth Empowerment and Mainstreaming Services	7,632,000	3,000,000	39.3
	SGBV Control Services	6,173,000		-
	Sub total	**19,409,418**	**3,000,000**	**15.5**
Management and Development of Sports and Sports Facilities	Sports Infrastructure Development Services	63,000,000	61,663,027	97.9
	Sports Management and Talent Development	35,000,000	34,950,390	99.9
	Sub total	**98,000,000**	**96,613,417**	**98.6**
	GRAND TOTAL	**227,119,567**	**206,902,368**	**91.1**
Department of Roads, Transport and Public Works and Infrastructure				
General Administration, Planning and Support Services	Remuneration and staff Welfare Support Services	130,541,652	130,541,652	100
	Administration Support and Staff Capacity Development Services	24,243,538	12,654,390	52.2
	Policy Planning and Field Support Services	300,000		-
	Monitoring Evaluation and learning and Report Development Services	300,000		-
	Sub total	**155,385,190**	**143,196,042**	**92.2**
Public works and maintenance services	Infrastructure Development Services	47,000,000	41,059,203	87.4
	Purchase of Plant and Machinery maintenance	35,000,000	7,030,138	20.1
	Sub total	**82,000,000**	**48,089,341**	**58.6**
	Road Development Services	425,000,000	425,000,000	100

Road Development and Maintenance Services	CSP 3.2: Road Maintenance	168,000,000	132,884,756	79.1
	Sub total	**593,000,000**	**557,884,756**	**94.1**
Transport Services	construction of Bus Park	0		-
	Sub total	**0**	**0**	**-**
	GRAND TOTAL	**830,385,190**	**749,170,139**	**90.2**
Department of Blue Economy, Fisheries Mining and Digital Economy				
General Administration, Planning and Support Services	Policy Development	0		-
	Personnel Remuneration and Welfare Services	101,286,892	101,286,892	100
	Administrative Support Services	13,111,925	13,109,600	100
	Sub total	**114,398,817**	**114,396,492**	**100**
Blue Economy and Fisheries Resources and Development Services	Capture Fisheries and Development	4,500,000	3,460,208	76.9
	Aquaculture Development	12,909,422	10,046,324	77.8
	Artisanal Mining Services	2,000,000	762,254	
	Mineral Prospecting Services	1,000,000		-
	Blue Economy Development Services	43,281,739	32,905,635	76
	Sub total	**63,691,161**	**47,174,421**	**74.1**
ICT And Digital Economy Development Services	ICT Infrastructure Development	25,000,000	11,000,000	44
	Digital Literacy and Skill Development Services	0		-
	Sub total	**25,000,000**	**11,000,000**	**44**
	GRAND TOTAL	**203,089,978**	**172,570,913**	**85**
Department of Education, Human Capital Development and Vocational Training				
General Administration and Quality Assurance Service	General administration Services	19,265,068	14,936,868	77.5
	Human Resources Management services	984,173,791	984,173,791	100
	Quality Assurance Services	6,808,000		-
	Stakeholder Management Services	920,000		-
	Special Needs Education Services	544,800		-
	Sub total	**1,011,711,659**	**999,110,659**	**98.8**
EYE and Vocational Training Services	EYE Teaching and Leaning material	13,290,000	13,227,759	99.5
	EYE Infrastructure Development Services	40,000,000	40,000,000	100
	Sub total	**53,290,000**	**53,227,759**	**99.9**
ICT Services	VTC Training and Learning Materials Services	3,500,000		-
	Skills Development and Exhibition Shows Services	1,200,000		-
	VTC Infrastructure Development Services	30,000,000	29,807,870	99.4
	Bursary and Scholarship Services	215,000,000	124,000,000	57.7
	Sub total	**249,700,000**	**153,807,870**	61.6
	GRAND TOTAL	**1,314,701,659**	**1,206,146,288**	**91.7**
Department of Public Health and Medical Services				
Policy planning and administrative support service	Policy, Planning and Monitoring Services	16,040,000	5,221,630	**32.6**

	Administrative Support Services	2,259,667,453	2,255,248,756	99.8
	Sub total	**2,275,707,453**	**2,260,470,386**	**99.3**
Preventive and promotive health services	Community health services	216,039,251	126,444,059	58.5
	Disease control services	6,000,000	5,845,470	97.4
	Facility infrastructure improvement services	119,000,000	25,000,000	21
	Sub total	**341,039,251**	**157,289,529**	**46.1**
Curative and rehabilitative health services	Routine medical health services	127,930,475	106,750,056	83.4
	Medical emergency response services	4,000,000	574,000	14.4
	Facility infrastructure improvement services	312,000,000	311,463,595	99.8
	Sub total	**443,930,475**	**418,787,651**	**94.3**
Research and development service	Research and surveillance services	2,000,000		-
	Capacity development services	1,000,000		-
	Sub total	**3,000,000**	**0**	**-**
	GRAND TOTAL	**3,063,677,179**	**2,836,547,566**	**92.6**
Department of Lands, Housing, Urban Development and Physical Planning				
General Administration Services	General administrative support services	69,308,719	69,308,719	100
	Operation and maintenance Services	12,204,623	6,019,350	49.3
	General Office Infrastructure	800,000	799,250	99.9
	Sub total	**82,313,342**	**76,127,319**	**92.5**
Lands and Physical planning	County Development planning Services	10,500,000		-
	Land Valuation and Registration Support Services	15,000,000	7,990,000	53.3
	County Land Acquisition and Management Services	12,786,020	5,818,221	45.5
	Sub total	**38,286,020**	**13,808,221**	**36.1**
Housing and Urban Development	Housing improvement services	1,597,990	1,597,990	100
	Settlements Upgrading Services	1,203,714,116	889,330,292	73.9
	Sub total	**1,205,312,106**	**890,928,282**	**73.9**
		1,325,911,468	**980,863,822**	**74**
Department of Trade, Tourism, Industrialization, and Enterprise Development				
Planning and Administrative services	Administrative and Support Services	177,867,754	177,867,754	100
	Policy Development and Implementation Services	455,400		-
	Administrative Support Services	10,736,138	2,592,000	24.1
	Sub total	**189,059,292**	**180,459,754**	**95.5**
Trade, Cooperative and Entrepreneurship Development Service	Enterprise Development Services	42,000,000		-
	Cooperative Development and Promotion Services	4,957,550		-
	Trade Infrastructure Development Services	119,664,225	88,072,417	73.6
	Sub total	**166,621,775**	**88,072,417**	**52.9**
Tourism And Industrial Development Services	Value Chain Development Services	191,781,737	186,881,737	97.4
	Tourism Development	5,000,000		-

	Tourism Infrastructure Development	0		
	Industrial Park Development	0		
	Investments Promotion and Facilitation	3,000,000		
	Sub total	**199,781,737**	**186,881,737**	**93.5**
		555,462,804	**455,413,908**	**82**
Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change				
General Administrative services	Administrative Support Services	248,284,923	234,806,232	94.6
	Policy and Planning Services	22,000,100	8,324,777	**37.8**
	Sub total	**270,285,023**	**243,131,009**	**90**
	Rural Water Supply Services	167,600,000	153,110,343	91.4
	Sub total	**167,600,000**	**153,110,343**	**91.4**
	Solar Power Services	5,000,000	3,996,590	79.9
	Irrigation Infrastructure Development and Rehabilitation			
		5,000,000	**3,996,590**	**79.9**
Environmental Protection and Management Services	Pollution and Waste Management services	21,000,000	1,575,223	7.5
	Other Cicil and Structural Works (Pending Bills)	9,900,000		
	Climate Change Mitigation, Adaptation and Resilience Building	573,687,641	83,439,039	14.5
	Sub total	**604,587,641**	**85,014,262**	**14.1**
GRAND TOTAL		**1,047,472,664**	**485,252,204**	**46.3**
Governance and Administration, Communication and Devolution				
Public service administration support services	Governance And Administration	505,755,656	458,685,910	90.7
	Field Coordination and Administration Services	15,691,750	14,271,678	91
	Compliance and Enforcement	12,202,250	8,450,402	69.3
	Devolution Support Services	37,500,000		-
	Sub total	**571,149,656**	**481,407,991**	**84.3**
Governance and coordination services	Executive management and liaison services	0		-
	Field coordination and administration services	0		-
	Sub total	**0**	**0**	**-**
Strategy and service delivery improvement services	Operationalization of Office of the GDSDMEU	0		-
	Communication and Information Services			-
	Compliance and management services	0		**-**
Communication and Public Engagement	**Sub total**	**0**	**0**	**-**
	County Press Services	15,120,000	4,020,140	26.6
	Media Relations	2,610,890	1,000,000	38.3
	County Visibility and Branding	7,520,000	7,252,029	96.4
	Sub total	**25,250,890**	**12,272,169**	**48.6**

Stake Holder, Special Projects Services	Special Projects Services	10,320,000	9,498,166	92
	Public Participation Coordination Services	3,600,000	987,100	27.4
	Disaster Prevention and Management Services	4,680,000	0	-
	Sub total	**18,600,000**	**10,485,266**	**56.4**
	GRAND TOTAL	**615,000,546**	**504,165,426**	**82**
Executive Office of the Governor				
Public service administration support services	Human resource management and development services	59,906,980	45,958,460	76.7
	Planning And Monitoring Services	0	0	0
	Legal Services	20,978,330	4,404,448	21
	Sub total	**80,885,310**	**50,362,908**	**62.3**
Governance and coordination services	Executive management and liaison services	646,115,171	583,095,268	90.2
	Field coordination and administration services	14,181,600	6,859,154	48.4
	Sub total	**660,296,771**	**589,954,422**	**89.3**
Strategy and service delivery improvement services	Strategy and advisory services	36,524,690	30,099,967	82.4
	Information and Communication Services	4,050,000	349,000	8.6
	Compliance and management services	0		**-**
Communication and Public Engagement	**Sub total**	**40,574,690**	**30,448,967**	**75**
	GRAND TOTAL	**781,756,771**	**670,766,297**	**85.8**
Kendu Bay Municipal Board				
Policy, Planning, General Administration and Support Services	Policy and Planning Services	712,052	600,000	84.3
	Personnel Remuneration and Development	3,803,640	3,803,640	100
	Administration and Support Services	5,354,582		-
	Sub total	**9,870,274**	**4,403,640**	**44.6**
Public Works and Infrastructure Improvements Services	Public facilities improvement services	3,000,000		**-**
	Land Use Management	1,500,000	1,490,000	99.3
	Environmental Management Services	3,500,000		**-**
	Sub total	**8,000,000**	**1,490,000**	18.6
	GRAND TOTAL	**17,870,274**	**5,893,640**	**33**
Mbita Municipal Board				
Policy, Planning, General Administration and Support Services	Policy and Planning Services	3,803,640	3,803,640	**100**
	Personnel Remuneration and Development	3,731,949		**-**
	Administration and Support Services	2,334,685	400,000	**17.1**
	Sub total	**9,870,274**	**4,203,640**	**42.6**
	Environmental Improvement Services	5,000,000	1,490,000	**-**

Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	3,000,000	2,956,700	98.6
	Environmental Management Services	0		-
	Sub total	**8,000,000**	**4,446,700**	55.6
	GRAND TOTAL	**17,870,274**	**8,650,340**	**48.4**
NDHIWA Municipal Board				
Policy, Planning, General Administration and Support Services	Policy and Planning Services	0		-
	Personnel Remuneration and Development	3,886,440	3,886,440	100
	Administration and Support Services	5,983,834	700,000	11.7
	Sub total	**9,870,274**	**4,586,440**	**46.5**
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	490,000	454,555	92.8
	Environmental Improvement Services	4,510,000	4,510,000	100
	Neighborhood planning and Development Services	3,000,000	2,900,000	96.7
	Sub total	**8,000,000**	**7,864,555**	98.3
	GRAND TOTAL	**17,870,274**	**12,450,995**	**69.7**
OYUGIS Municipal Board				
Policy, Planning, General Administration and Support Services	Policy and Planning Services	705,831		-
	Personnel Remuneration and Development	6,556,056	6,056,056	92.4
	Administration and Support Services	5,571,733		-
	Sub total	**12,833,620**	**6,056,056**	**47.2**
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	19,800,000	490,000	2.5
	Environmental Management Services	5,000,000	4,976,900	99.5
	Environmental Management Services	0		-
	Sub total	**24,800,000**	**5,466,900**	**22**
	GRAND TOTAL	**37,633,620**	**11,522,956**	**30.6**
GRAND TOTAL		**13,130,574,618**	**10,510,486,308**	**80.04**

2.3.1 Recurrent Expenditure.

23. The County Government continued to observe fiscal discipline by keeping its recurrent expenditure for the financial year under review under 70% of all revenues available for operations. Out of the recurrent expenditure of KShs 7.19 billion, personnel emoluments costs Kshs.5.85 billion that were processed through the Human Resource Information System (HRIS)

24. Managing the county staff wage bill remains a key priority in compliance with the provisions of the PFM Act, 2012 that requires this expenditure item to be below 35% of all total county expenditure.

Table 6. Breakdown of Recurrent Expenditure by Spending Entities.

Spending Entity	Budget Allocation (Kshs. Million)	Expenditure (Kshs. Million)	Rate of Absorption
Finance and Economic Planning	575.86	493.05	85.6
County Public Service Board	68.36	60.1	87.9
County Assembly Service Board	925.7	925.7	100
Homa Bay Municipal Board	28.62	25.24	88.2
Office of the Deputy Governor, Agriculture and Livestock	234.74	225.8	96.2
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	152.12	131.96	86.7
Roads, Public Works, Transport and Infrastructure	155.39	143.2	92.2
Blue Economy, Fisheries, Mining and Digital Economy	124.4	114.83	92.3
Education, Human Capital Development and Vocational Training	1244.7	1,136.34	91.3
Public Health and Medical Services	2726.68	2512.53	92.1
Lands, Physical Planning, Housing and Urban Development	82.31	76.13	92.5
Trade, Industry, Tourism, Cooperative Development and Marketing	189.06	180.08	95.3
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	270.28	234.81	86.9
Governance, Administration, Communication and Devolution	569	465.89	81.9
Executive Office of the Governor	549.76	70	81.1
Kendu Bay Municipal Board	9.87	7.85	44.6
Mbita Municipal Board	9.87	7.85	42.6
Ndhiwa Municipal Board	9.87	8.55	46.5
Oyugis Municipal Board	12.83	7.85	47.2
Grand Total	**7,939.42**	**6,827.76**	**80.5842105**

Source: County Treasury, 2025

2.3.2 Development Expenditure

25. In the review period, the County reported spending Kshs.3.56 billion on development programmes, representing an increase of 18 per cent compared to FY 2023/24, when the County spent Kshs.3.03 billion.

26. The increase in development expenditure was attributed to improved project planning and budgeting, increased disbursement of conditional grants/additional allocations, and prioritization of development activities

Table 7: Breakdown of Development Expenditure by Spending Entities

Spending Entity.	Budget Allocation (Kshs. Million)	Expenditure (Kshs. Million)	Rate of Absorption
Finance and Economic Planning	526.14	288.84	54.9
County Public Service Board	0	-	-
County Assembly Service Board	271.5	119.3	43.9
Homa Bay Municipal Board	49.92	8.3	16.6

Office of the Deputy Governor, Agriculture and Livestock	393.91	179.55	45.6
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	75	74.94	99.9
Roads, Public Works, Transport and Infrastructure	675	605.97	89.8
Blue Economy, Fisheries, Mining and Digital Economy	78.69	57.74	73.4
Education, Human Capital Development and Vocational Training	70	69.81	99.7
Public Health and Medical Services	337	486.15	144.3
Lands, Physical Planning, Housing and Urban Development	1243.6	904.74	72.8
Trade, Industry, Tourism, Cooperative Development and Marketing	366.4	274.95	75
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	777.19	216.11	27.8
Governance, Administration, Communication and Devolution	46	38.27	83.2
Executive Office of the Governor	232	69.6	94.1
Kendu Bay Municipal Board	8	7.79	18.6
Mbita Municipal Board	8	7.61	55.6
Ndhiwa Municipal Board	8	8.55	98.3
Oyugis Municipal Board	24.8	7.85	22
Grand Total	**5,191.15**	**3025.19**	**68.6**

Source: County Treasury, 2025

2.3.4 Summary of Expenditure by Broad Economic Classification

27. The County Executive incurred Kshs.5.42 billion for compensation of employees and Kshs.856.89 million for operations and maintenance, and Kshs.3.44 billion for development activities.

28. Similarly, the County Assembly spent Kshs.460.51 million on compensation of employees, Kshs.465.10 million on operations and maintenance, and Kshs.119.30 million on development activities, as shown below.

Table 6: Breakdown of Actual Expenditure by Economic Classification

Economic Classification	Annual Budget (KSh.)		Expenditure (KSh.)		Absorption Rate (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Recurrent	7,013,428,846	925,698,569	6,264,855,272	925,611,453	**89**	**100**
Compensation to Employees	5,424,754,890	460,594,416	5,417,964,158	460,507,300	98	100
Operations & Management	1,588,673,956	465,191,269	846,891,114	465,104,153	58	100
Development	4,919,651,210	271,500,333	3,444,922,557	119,301,431	70	44

Total (R+D)	11,933,080,056	1,197,198,902	9,709,777,830	1,044,912,884	81	87

Source: County Treasury, 2025

2.3 Budget Outturn for the FY 2024/2025.

29. Analysis of the budget performance for the FY2024/2025 shows that actual receipts for the period stood at KSh. 11.83 billion against an expected revenue of KSh. 13.13 billion due to late assent to the county additional allocation revenue that has brought a deficit of KSh. 1.3 billion in conditional grants and shortfall in own source revenue collection for the FY2024/25.

3.0 MACROECONOMIC DEVELOPMENTS AND OUTLOOK

This chapter presents the recent economic developments; county fiscal policy and risks to the outlook.

3.1 Overview

30. The CBROP 2024/25 has been prepared against a backdrop of slowing global growth, driven by the Russia–Ukraine war, rising conflicts in the Middle East (Israel–Palestine, Israel–Iran, and Yemen), persistent inflation, and tight financial conditions. According to the IMF (July 2025), world output was projected at 3.3 percent in 2024, easing to 3.0 percent in 2025 before edging up to 3.1 percent in 2026. While headline inflation has moderated, core inflation remains high, and risks from conflicts, high interest rates, and policy uncertainty continue to weigh on the outlook.

31. Growth in advanced economies was expected to slow from 1.8 percent in 2024 to 1.5 percent in 2025, while emerging markets and developing economies will expand by 4.3 percent and 4.1 percent, respectively. In Sub-Saharan Africa, growth was projected to hold at 4.0 percent in 2024 and 2025, rising to 4.3 percent in 2026, supported by resilience in large economies.

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	2024	PROJECTIONS 2025	2026
World Output	3.3	3.0	3.1
Advanced Economies	1.8	1.5	1.6
United States	2.8	1.9	2.0
Euro Area	0.9	1.0	1.2
Germany	−0.2	0.1	0.9
France	1.1	0.6	1.0
Italy	0.7	0.5	0.8
Spain	3.2	2.5	1.8
Japan	0.2	0.7	0.5
United Kingdom	1.1	1.2	1.4
Canada	1.6	1.6	1.9
Other Advanced Economies	2.2	1.6	2.1
Emerging Market and Developing Economies	4.3	4.1	4.0
Emerging and Developing Asia	5.3	5.1	4.7
China	5.0	4.8	4.2
India	6.5	6.4	6.4
Emerging and Developing Europe	3.5	1.8	2.2
Russia	4.3	0.9	1.0
Latin America and the Caribbean	2.4	2.2	2.4
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4
Middle East and Central Asia	2.4	3.4	3.5
Saudi Arabia	2.0	3.6	3.9
Sub-Saharan Africa	4.0	4.0	4.3
Nigeria	3.4	3.4	3.2
South Africa	0.5	1.0	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.0	3.9
Low-Income Developing Countries	4.0	4.4	5.0

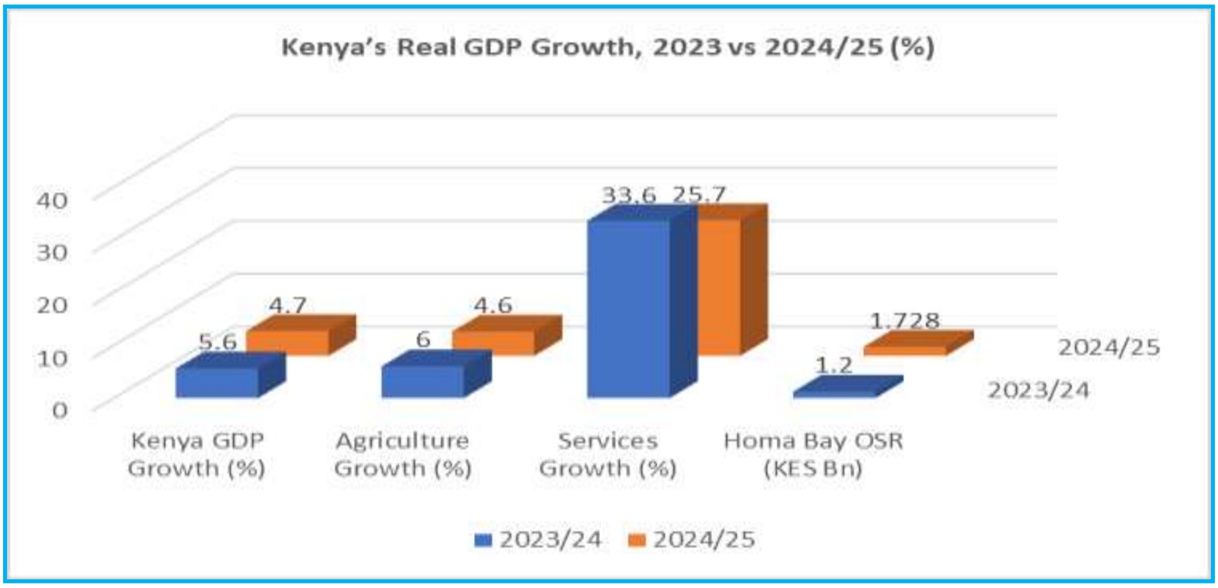
Source: IMF, World Economic Outlook Update, July 2025

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2024/25 (starting in April 2024) [illegible]

INTERNATIONAL MONETARY FUND IMF.org/pubs

3.2 Fundamental Economic Developments

32. Kenya's economy grew by 4.7 percent in Financial Year 2024/25, moderating from 5.6 percent in 2023 due to high credit costs and weak construction and mining performance, though agriculture and services remained resilient. In Homa Bay, Own-Source Revenue rose by 44 percent, supported by a cashless collection system, strengthening the County's fiscal position to drive local development despite persistent structural challenges.



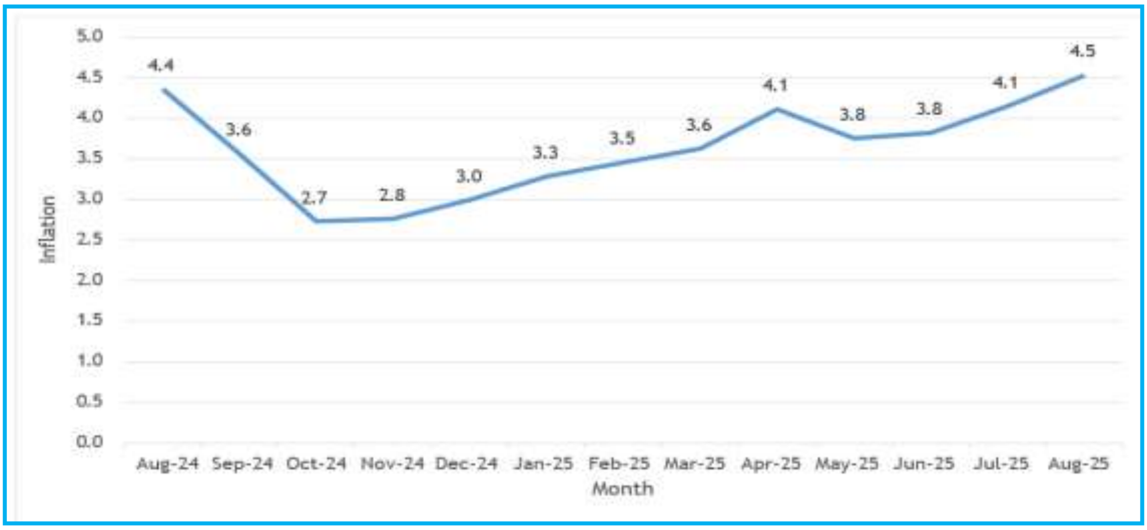
3.2.1 Kenya Shilling Exchange Rate

33. In 2025, the Kenya Shilling showed relative stability, averaging KShs. 129 per US dollar, reflecting recovery from the sharp depreciation experienced in early 2024. The Shilling weakened slightly against the Euro and Pound, trading at KShs. 153.2 and KShs. 176.6, respectively. Market stability was underpinned by robust agricultural exports, steady remittance inflows, and active portfolio investments, while demand pressures came from fuel imports, manufacturing, and trade activities

3.2.2 Inflation Rate

34. Between August 2024 and August 2025, inflation averaged about 4 percent, easing from 4.4% to 4.5% and staying within the government's target band of 5 ± 2.5 %. This stability was supported by improved food supply, lower energy costs, a stronger shilling, and tight monetary policy. Nonetheless, food and transport price fluctuations remain key risks, highlighting the need for continued supply-side measures and prudent policy management.

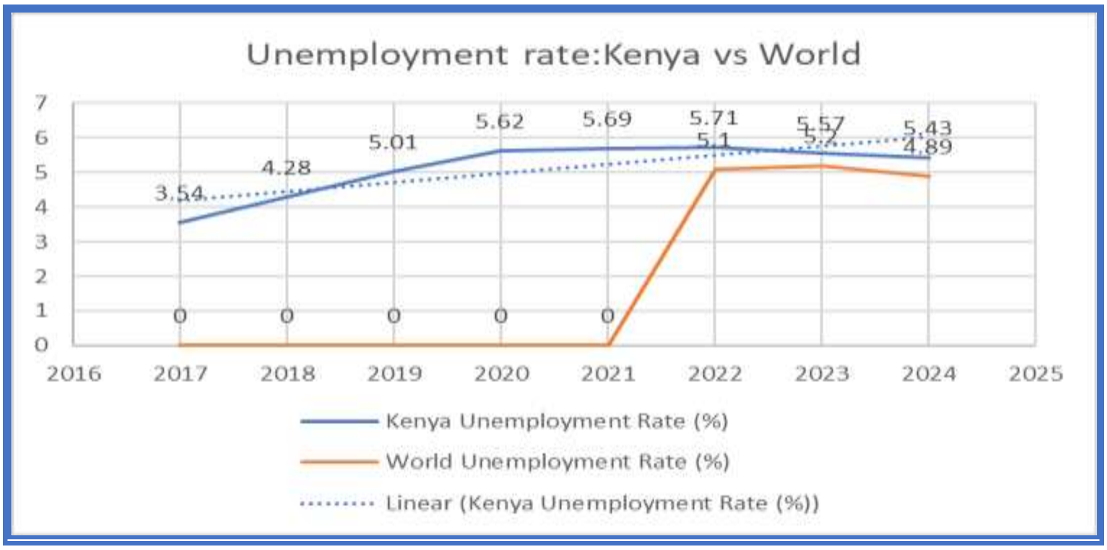
Figure 10: Inflation Rate (%)



Source of Data: Kenya National Bureau of Statistics, 2025

3.2.3 Domestic Employment

35. In 2024, the global unemployment rate eased to 4.9%, marking a modest decline from previous years. Kenya's rate stood at 5.43%, down from 5.57% in 2023, yet still higher than the global average. Domestically, unemployment pressures were driven by a slowing economy, the dominance of the informal sector, and persistent mismatches between education outcomes and labour market demands. Globally, labour markets remained under strain from post-pandemic adjustments, supply chain disruptions, inflationary pressures, monetary tightening, rapid technological change, and geopolitical instability.



Source: World Economic Outlook

3.2.4 County-Specific Economic Developments

36. Homa Bay County's economy in 2024 was dominated by the services sector, which accounted for 48.27 percent of Gross Value Added (GVA), while industry, though still underdeveloped, contributed 8.89 percent, up from 7.59 percent in 2022. Agriculture's share remained stable, reflecting its continued importance in livelihoods despite low levels of value addition. Recent investments, such as the KShs 140 million fish processing facility in Suba launched in 2025, point to emerging opportunities in fisheries and Agro-processing.

3.3 Economic Outlook

3.3.1 National Economic Outlook

37. Kenya's economy is expected to remain resilient with growth of 5.2 percent in 2024 and 5.4 percent in 2025, supported by agriculture, manufacturing, ICT, and financial services. Construction will gain from the Affordable Housing Program, which targets 200,000 units annually and had delivered about 140,000 units by April 2025, creating jobs and boosting local industries. Remittances and foreign investment will continue to anchor external stability.

38. The outlook, guided by the Bottom-Up Economic Transformation Agenda (BETA), focuses on boosting agriculture, MSMEs, affordable housing, digitalization, and healthcare. The 2024 Social Health Authority rollout has strengthened UHC financing, with 70% of funds directed to essential services, though coverage remains below 20% of the population. Expanded healthcare and housing investments are expected to reduce poverty and inequality while supporting Vision 2030 and the Fourth Medium Term Plan (2023–2027).

3.3.2 County Economic Outlook

39. Homa Bay County's economy remains anchored in agriculture, with crops such as maize, millet, sorghum, sugarcane, and horticulture, while diversifying into ARUD, GECA, EIICT, Education, and Health. Investments in modern farming, livestock, and value chains including Maize, Sorghum, Sunflower, Sugarcane, Rice, Sweet potatoes, banana, cotton, poultry, dairy etc to enhance food security, incomes, and market access.

40. Infrastructure development continues to improve connectivity and services, with 155 km of new roads opened and 949 km maintained, alongside drainage systems and equipment maintenance. Tourism potential is leveraged through attractions like Lake Victoria, Ruma National Park, Homa Hills hot springs, and the Tom Mboya Mausoleum.

41. Education and health remain priorities, with upgraded learning facilities, bursaries, scholarships, capitation for VTCs, and strengthened healthcare services, including UHC financing with 70% of funds directed to essential services. The approved budget for 2024/2025 is KSh 11.88 billion, with 35% allocated to development projects, supporting inclusive growth, poverty reduction, and alignment with Vision 2030 and BETA objectives.

3.4 Fiscal Policy

42. Guided by the theme **"Sustaining the GENOWA Agenda for Accelerated and Inclusive Economic Growth,"** Homa Bay County's fiscal policy, under the CIDP 2023–2027, focuses on enhancing internal and external revenue mobilization and efficiently allocating resources to priority projects that improve service delivery and quality of life.

3.4.1 Revenue policy

43. Homa Bay County will broaden its tax base, modernize revenue collection, and strengthen administration to fund priority projects. Revenue targets for FY 2024/25 will be achieved by using data analytics for efficient billing, optimizing county assets through sale, lease, or rental, and offering premium services for which customers are willing to pay.

3.4.2 Expenditure Policy

44. The County will optimize spending by cutting non-essential costs, improving capital project delivery through IFMIS e-procurement, leveraging asset leasing, and conducting audits to ensure value for money. Enhanced project planning and close collaboration with development partners will promote transparency, efficiency, and effective resource utilization.

3.4.3 Deficit Financing Policy

45. The County will limit external borrowing to non-concessional loans for capital projects, adhering to the ceilings in the County Debt Management Strategy Paper. The approach safeguards debt sustainability while encouraging diversification of financing sources beyond commercial borrowing.

3.5 Risks to Economic Outlook

3.5.1 Risks to the National Economic Outlook

46. Homa Bay County faces both global and national economic risks that could affect growth and stability. Globally, geopolitical tensions, rising food and oil prices, supply chain disruptions, financial market volatility, and potential new COVID-19 variants pose challenges. Nationally, adverse weather, high public expenditure pressures, inflation, rising debt, and policy uncertainties may constrain fiscal space and investment. These risks highlight the need for prudent fiscal management, strategic planning, and targeted interventions to ensure economic resilience and sustainable development.

3.5.2 Risks to the County Economic Outlook

47. The County faces risks from rising inflation and interest rates, increasing debt, slow investment growth, and potential shortfalls in national revenue transfers. Policy uncertainties and delays in legislation may also affect development program implementation, prompting the County to enhance revenue mobilization and improve service delivery

4.0 RESOURCE ALLOCATION FRAMEWORK

4.1 Assessing budget execution for the FY 2025/26

48. The County is committed to addressing myriad development challenges that affects majority of the marginalized and vulnerable community members with low capacity to access essential government services compared to their peers with sound economic stability. In order for the County to fulfil the above commitment, the County will ensure resource allocation and utilization during the MTEF period is guided by Broad County Goals, Objectives and the Local Development Needs.

49. The implementation of budget for the FY 2025/2026 has kicked off well. The projected total revenue for the FY 2025/26 is Ksh.12,185,176,903. The County expects to receive KSh. 8,539,802,361 as Equitable share, Ksh.1,631,087,323 as Own source revenue including A-I-A, Ksh.124,000,500 as Equalization Fund.

50. On the other hand, recurrent expenditure is estimated at KSh. 8,055,030,703 broken down into personnel emolument of Ksh.5,870,279,014 and operations and maintenance costs at KSh.2,184,751,691 while development expenditures are estimated at KSh.4,130,146,200.

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

51. The fiscal policy stance in the FY 2026/27 and over the medium term aims at fostering inclusive growth and building a resilient economy through implementation of priorities ranging from: acceleration of economic growth through strategies such as proper land management; promotion of entrepreneurship culture , and have a work force with ability to stimulate income generation; development of sound County Infrastructure as enablers for service provision and economic growth; integration of technology in all the sectors of the County's economy; enabling County residents to access to quality and affordable health care; promotion of access to quality, affordable relevant and equitable education by all learners of school going age in the county; enhance environment conservation, protection and management; enhance the adaptive capacity of county residents to manage and cope up with to the impacts of Climate change; access to quality and safe drinking water; enhance food security; promotion of human rights for the vulnerable community members and promotion of good governance across all the sectors.

52. In order for the County to achieve long-term economic stability, improve fiscal discipline, ensure sustainable economic growth and manage financial and other risks to the implementation of the budget. The County will pursue fiscal consolidation approaches which will be supported by continued efforts to enhance domestic revenue mobilization, reprioritize and rationalize expenditure while safeguarding priority Government programmes and social and pro-poor spending. Emphasis will be placed on enhanced revenue mobilization through measures such as:

a) Strengthening tax administration for enhanced compliance through expansion of the tax base, leveraging on technology to revolutionize tax processes, sealing revenue loopholes and enhancing the efficiency of tax system.
b) Focus on non-tax revenues that County entities can raise through the services they offer to the public.
c) Improve efficiency in public spending and reduce non-essential expenditures. This will include implementation of austerity measures aimed at reducing recurrent expenditure while also increasing funding towards capital expenditures. The County will also leverage on Further; to reduce development expenditure, Government will scale up the use of Public Private Partnerships framework to help in the implementation of mega and impactful development projects that cannot be financed thought the available County revenues.

4.3 Adherence to Fiscal Responsibility

53. In accordance with the Public Finance Management Act (2012), the County Government of Homa Bay remains committed to upholding and adhering to fulfilling the fiscal responsibility principles to safeguard the financial health of the county.

a) **Recurrent Expenditure Control:** Through its allocative decisions in FY 2024/25 budget proposals, the County Government of Homa Bay has ensured that recurrent expenditure does not exceed the county government's total revenue, thus maintaining fiscal discipline and sustainability. Therefore, the county has allocated KSh. 7,939,423,075 for its recurrent expenditures in the revised budget estimates for FY 2024/25, which represents 60.5% of the county budget. In the financial year 2025/26, recurrent expenditure accounts for approximately 66.1% of the total budget. For the projected financial year 2026/27, recurrent expenditure is expected to constitute approximately 65.96% of the total expenditure.
b) **Development Expenditure Threshold**: Over the medium-term, the County Government of Homa Bay has allocated over thirty percent (35%) of the

county government's budget to development expenditure, fostering long-term growth and infrastructure enhancements. In particular, the County Government of Homa Bay has its development expenditure estimates at KShs. 5,191,151,543 representing 39.5% of the total budget for FY 2024/25. In the current financial year 2025/26, development expenditure accounts for approximately 33.9% of the total budget. For the projected financial year 2026/27, development expenditure is expected to constitute approximately 33.6% of the total expenditure.

c) **Wage Bill Management**: The County Government's commitment to fiscal prudence extends to the management of the wage bill, which is capped at a maximum of thirty-five percent (35%) of the county government's total revenue. However, despite having estimates of compensation to employees at 44.7% in the FY 2024/25, the County Government is dedicated to optimizing staffing levels and implementing performance-based remuneration systems to ensure efficiency and cost-effectiveness so that this fiscal responsibility principle can be complied with over the medium term. In the financial year 2025/26, personnel emoluments accounted for 48.17% of the total budget. The projection for the financial year 2026/27 maintains this allocation at 46.9%.

d) **Borrowing and Debt Management**: For the County Government of Homa Bay, borrowings are strictly utilized for development expenditure purposes, with debt maintained at sustainable levels as approved by the County Assembly. Short-term borrowing will only be restricted to cash flow management and is capped at five percent of the most recent audited county government revenue, as provided in the PFM Act, 2012.

4.4 Enhancing revenue mobilization to support finance the under-funded priorities

4.4.1 Own Source Revenue

54. The government is committed to enhance its resource mobilization strategies by building strategic partnerships for development to ensure the delivery of the envisioned development outcomes in the medium term

4.4.2 External resources strengthening partnerships and collaborations

55. The county government's resource basket has recorded minimal increment over time despite growing community needs and expectations. This underscores the need to strengthen external resource mobilization through strategic partnerships to enhance funding for development initiatives and ensure financial sustainability. The county will;

1. Collaborate with National Government, International development organizations, NGOs, and bilateral agencies to secure funding and technical assistance for various projects
2. Establish and strengthen a county resource mobilization unit to aid in fund-raising towards the implementation of the under-funded development programmes
3. Engage with private sector companies operating within the county through Corporate Social Responsibility initiatives to provide additional funding and resources for community projects
4. Seek grants and donations from foundations, Community-Based Organizations (CBOs), Faith based Organizations (FBOs) and philanthropic organizations
5. Develop Public-Private Partnerships where the County Government will provide land, set basic infrastructure and provide investment incentives
6. Strengthen community participation in development and resource mobilization to enhance transparency and accountability, making it easier to attract external support
7. Capacity build staff on proposal writing, project management, and financial management to enhance the ability to attract and manage external resources effectively
8. Leverage on the Lake Region Economic Block (LREB) to attract regional funding and investment opportunities for the county.

4.5 Fiscal Projections for the FY 2026/27

56. In the FY 2026/27, total revenue is projected at KSh. 2,257,862,308 including Appropriation-in-Aid (A-i-A) projected at KSh. 1,680,357,935 while ordinary revenue at KSh. 577,504,373. This revenue performance will be underpinned by the on-going reforms in policy and revenue administration. The overall expenditure for the FY 2026/27 is projected at KSh. 12,774,411,176. comprising: recurrent expenditure of KSh. 8,426,342,052; development expenditure of KSh. 4,348,069,124.

4.6 Medium-Term Budget Framework for FY 2026/27

57. The FY 2026/27 and the Medium-Term Budget will continue to focus on the implementation of the development priorities envisaged in the County Integrated Development plan 2023-2027, strategic investments programmes in the Medium-Term Plan IV, Bottom-Up Economic Transformation Agenda (BETA). The county through its programmes and strategies will focus on: Agricultural transformation; promotion of micro, small and medium enterprise (MSME); promotion of access to decent Housing and Settlement; access to healthcare; digital and creative economy largest impact on the County’s economy as well as household welfare.

58. Further, the County will implement strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; the Services Economy; Environment and Climate Change; Education and Training; Women Agenda; Youth Empowerment and Development Agenda; Social Protection; Sports, Culture and Arts; Governance; and sound legal and policy frameworks.

Summary of the FY 2026/27 Medium-Term Budget Framework

Table on Revenue projection

Revenue category	Revised Estimates II FY 2024/25	Approved Estimates FY 2025/26	Projected Estimates FY 2026/27	Projected Estimates FY 2027/28
Total Revenue	**13,130,574,618**	**12,185,176,903**	**12,774,411,176**	**13,413,131,735**
Equitable Share	8,170,280,800	8,539,802,361	8,710,598,408	8,884,810,376
Conditional Grants	2,468,464,225	1,646,539,167	1,679,469,950	1,713,059,349
Own Source Revenue (Ordinary)	501,737,917	566,180,758	577,504,373	589,054,461
Appropriations–In-Aid (Health Sector)	981,068,740	1,064,906,565	1,680,357,935	1,897,197,429
Share of equalization fund	260,206,608	124,000,500	126,480,510	129,010,120Z
Other Sources - June 2024 Capitation	650,270,979	0	0	-
Other Unspent balances	98,545,349.30	243,747,552	0	-

Table on Expenditure projection

Expenditure category	Revised Estimates II FY 2024/25	Approved Estimates FY 2025/26	Projected Estimates FY 2026/27	Projected Estimates FY 2027/28
Total Expenditure	**13,130,574,618**	**12,185,176,903**	**12,774,411,176**	**13,413,131,735**
Recurrent Expenditure	**7,939,423,075**	**8,055,030,705**	**8,426,342,052**	**8,744,649,386**
Personnel Emoluments	5,870,237,286	5,870,279,014	5,987,684,594	6,107,438,286
Operations and Maintenance	2,069,185,789	2,184,751,691	2,438,657,458	2,637,211,100
Development Expenditure	**5,191,151,543**	**4,130,146,200**	**4,348,069,124**	**4,668,482,349**

Medium Term Sector Ceilings, FY 2026/27-2028/29

Table on provisional Ceilings across all the county entities

VOTE	SPENDING ENTITY	REVISED ESTIMATES II FY 24/25			APPROVED ESTIMATES FY 2025/26			PROJECTED ESTIMATES FY 2026/27	PROJECTED ESTIMATES FY 2027/28
		Recurrent	Development	Total (R+D)	Recurrent	Development	Total (R+D)	Total(R+D)	Total(R+D)
5120	Finance and Economic Planning	575,859,240	526,143,183	1,102,002,423	565,415,165	261,232,242	826,647,407	867,979,777.40	911,378,766
5122	County Public Service Board	68,357,403	0	68,357,403	69,834,348	0	69,834,348	73,326,065.40	76,992,369
5123	County Assembly Service Board	925,698,569	271,500,333	1,197,198,902	1,032,734,503	143,338,488	1,176,072,991	1,234,876,641	1,296,620,473
5124	Homa Bay Municipal Board	28,623,320	49,919,568	78,542,888	29,918,181	49,126,257	79,044,438	82,996,659.90	87,146,493
5125	Agriculture and Livestock	234,742,815	393,907,919	628,650,734	234,742,815	253,963,679	488,706,494	513,141,818.70	538,798,910
5126	Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	152,119,567	75,000,000	227,119,567	124,553,803	56,515,565	181,069,368	190,122,836.40	199,628,978
5127	Roads, Public Works, Transport and Infrastructure	155,385,190	675,000,000	830,385,190	158,239,319	699,474,496	857,713,815	900,599,505.80	945,629,481
5128	Blue Economy, Fisheries, Mining and Digital Economy	124,398,817	78,691,161	203,089,978	124,398,817	47,199,623	171,598,440	180,178,362	189,187,280
5129	Education, Human Capital Development and Vocational Training	1,244,701,659	70,000,000	1,314,701,659	1,237,065,338	305,461,295	1,542,526,633	1,619,652,965	1,700,635,613
5130	Public Health and Medical Services	2,726,677,179	337,000,000	3,063,677,179	2,897,686,298	432,500,000	3,330,186,298	3,496,695,613	3,671,530,394
5131	Lands, Physical Planning, Housing and Urban Development	82,313,342	1,243,598,126	1,325,911,468	82,760,057	575,338,850	658,098,907	685,753,852.40	720,041,545
5132	Trade, Industry, Tourism, Cooperative Development and Marketing	189,059,292	366,403,512	555,462,804	191,059,292	132,818,574	323,877,866	340,071,759.30	357,075,347
5133	Water, Sanitation, Irrigation, Environment, Energy and Climate Change	270,284,923	777,187,741	1,047,472,664	245,648,646	462,428,921	708,077,567	743,481,445.40	780,655,518
5134	Governance, Administration, Communication and Devolution	569,000,546	46,000,000	615,000,546	479,888,429	405,500,000	885,388,429	929,657,850.50	976,140,743
5135	Executive Office of the Governor	549,756,771	232,000,000	781,756,771	538,410,906	221,248,210	759,659,116	797,642,071.80	837,524,175

5136	Kendu Bay Municipal Board	9,870,274	8,000,000	17,870,274	9,923,840	15,000,000	24,923,840	26,170,032	27,478,534
5137	Mbita Municipal Board	9,870,274	8,000,000	17,870,274	9,923,840	15,000,000	24,923,840	26,170,032	27,478,534
5138	Ndhiwa Municipal Board	9,870,274	8,000,000	17,870,274	9,923,840	15,000,000	24,923,840	26,170,032	27,478,534
5139	Oyugis Municipal Board	12,833,620	24,800,000	37,633,620	12,903,268	39,000,000	51,903,268	39,723,857.25	41,710,050
	Total Estimates	**7,939,423,075**	**5,191,151,543**	**13,130,574,618**	**8,055,030,705**	**4,130,146,200**	**12,185,176,905**	**12,774,411,176**	**13,413,131,735**

4.7 Resource Allocation Criteria

59. The County is operating under constrained fiscal environment. In view of this, the Government has adopted Zero Based Budgeting Approach to guide the prioritization and allocation of the scarce resources to Projects and Programmes of high impact. County entities 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. In this regard, the principles of efficiency, effectiveness and economy of public spending shall strictly be enforced by ensuring low-priority expenditures give way to high-priority service-delivery programmes. SWGs should therefore eliminate wasteful expenditures and pursue priorities which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery.

60. Sector Working Groups (SWGs) are expected to eliminate wasteful expenditures and pursue priorities which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery. 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.

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

I. Programmes linked to CIDP 2023-2027 a 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 county spending entities
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.