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**FINANCE AND ECONOMIC PLANNING**

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ISIOLO

When Replying Please Quote:

REF: CGI/PLAN/Vol. 1/24-25

Date: 12<sup>th</sup> November, 2024

The Clerk,  
County Assembly of Isiolo

**RE: SUBMISSION OF ISIOLO COUNTY BUDGET REVIEW AND OUTLOOK PAPER**

The above subject matter refers.

I hereby submit the cabinet approved 2024 Isiolo County Budget Review and Outlook Paper (ICBROP), to the County Assembly as per the provisions of section 118 of the Public Finance Management Act of 2012 in accordance to Article 220(2) of the Constitution of Kenya 2010.

I take this earliest opportunity to thank your office and the County Assembly for the continued support and cooperation.

**DR. LAWRENCE MWONGELA IKIAMBA**

**CECM-FINANCE AND ECONOMIC PLANNING**

CEC Finance  
Isiolo County Government  
P. O. Box 36  
ISIOLO



# **COUNTY GOVERNMENT OF ISIOLO**

## **ECONOMIC PLANNING, BUDGETING & STATISTICS**

**2024 ISIOLO COUNTY BUDGET REVIEW AND OUTLOOK PAPER  
(CBROP)**

**Theme**

**Enabling a sustainable development**

**SEPTEMBER 2024**



©2024 County Budget Review and Outlook Paper (CBROP)

To obtain copies of this document, please contact:

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The document is also available on the county website at: [www.isiolo.go.ke](http://www.isiolo.go.ke)

## **VISION**

A secure, just, integrated and prosperous county where all enjoy full potential and high quality of life

## **MISSION**

Facilitation of an inclusive participatory engagement in development; creation of vibrant and welcoming environment that allows optimal utilization of available resources

## **OUR CORE VALUES**

### **1. Inclusive Engagement**

We practice equity and equality and engage all stakeholders in establishing the development needs and priorities to inform the county programs, projects and initiatives.

### **2. Social Responsibility**

We care for the citizens and the natural environment.

### **3. Integrity**

We act in an honest, accountable and transparent manner in all our undertakings

### **4. Ownership**

We seek to have the citizens embrace a shared county development agenda and take Centre-stage in the formulation, implementation, monitoring & evaluation of county policies and plans.

### **5. Leadership**

We are committed as county public officers to act with a sense of urgency to address citizens' needs and make qualified decisions in a timely manner.

### **6. Openness and Innovativeness**

We promote an open and innovative mind-set that strive to apply ingenuity thinking and creativity to everything we do. Our county is open to new ideas and methods and we encourage individuals to explore new opportunities to improve our service delivery

## FOREWORD

The preparation of the County Budget Review and Outlook Paper is a legal requirement under section 118 of the Public Finance Management Act 2012. Its main objective is to review the Financial and Economic Performance of the County Government for the previous year's budget implementation. This year's CBROP has been prepared against the global economic challenges which have also affected our economic performance. This paper provides a comprehensive overview of the county's fiscal journey during the past year, offering insights into the challenges faced and the strides made in achieving our development objectives. The financial year 2023/24 brought forth both achievements and challenges for Isiolo County. As we delve into the details of this review, we find a tapestry of financial data that paints a vivid picture of our county's economic landscape.

The first half of the FY 2023/24 was marked by slow implementation of programmes and projects due to late disbursement of funds from the national government. The fiscal performance outcome for the FY 2023/24 largely adhered to the fiscal responsibility principles and financial objectives set out in the PFM Act, 2012. County own source revenue tremendously grew by 86.8% from Ksh152 Million collected in FY 2022/23 to Ksh.285 Million in FY 2023/24. This then implies that the own source revenue collection will be expected to rise further in the coming year, due to deliberate efforts of the county to improve County Own Source Revenue collection. In FY 2023/24 the County government allocated 30.9% of its total budget for development expenditure and 69.1% for recurrent expenditure.

The first quarter of the FY 2024/25 was marked by slow implementation of programmes and projects due to late disbursement of funds from the national government. own source revenue performance was also below target at 85%. On expenditure the county has only spent 15% of recurrent expenditure for the financial year 2024/25

In preparation of the FY 2025/26 budget, all the spending vote items are expected to lay emphasis on the priority programmes and projects under the Governor's Manifesto and the 2025/25 Annual Development Plan by mainly increasing investments in Water, Healthcare reforms; and agriculture and livestock sector and education sector. Zero based budget costing should be used in allocation of budget to cost item lines.

Finally, with the limited resources, the Sector Working Groups (SWGs) and the development partners are therefore directed to critically review, evaluate and prioritize all budget allocations to strictly achieve the integrated ADP II priorities. The respective departments' ceilings provided for the FY 2024/25 budget and the Medium Term will form the basis of budget allocations which will be firmed by the 2025 County fiscal strategy paper.



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## ACKNOWLEDGEMENT

The 2024 Isiolo County Budget Review and Outlook Paper (CBROP), is prepared in accordance with Section 118 of PFM Act 2012 the Public Finance Management (PFM) Act, 2012 and its regulations of 2015 and in line with the Article 220 of the Constitution of Kenya (CoK) 2010. The 2024 CBROP will provide the fiscal outrun for the FY 2023/24, the macro-economic projections and the set sector ceilings for the FY 2025/26. It will also display a review of the recent economic developments and actual fiscal performance of the Financial Year 2024/2025 in comparison to the budget appropriations for the same year.

In the County Government of Isiolo, the total revenue collected during FY 2023/24 amounted to **Ksh.285 Million** (Own source revenue streams of Ksh 190.7 Million and FIF of Ksh. 94.4 Million) while the total revenue collected in the FY 2022/23 was **Kshs.152 Million**. This indicates a positive growth of **86.8 percent**. The strong outcome in revenue collection in the FY 2023/24 was attributed to revival of dormant revenue streams, concerted and effective effort in revenue collection and operationalization of FIF Act in the health facilities.

The County Government through the department of Economic Planning, Budgeting and Statistics is grateful of our county department of Financial Services and Revenue Services for furnishing the expenditure analysis and own source revenue analysis data as at first September, that was useful in the execution of the Financial Year 2024/25 budget and the general county revenue performance.

My sincere appreciation is directed to the H.E. Governor Abdi Ibrahim Hassan, EGH for providing great support and leadership towards development of this vital document. I also thank the county Sector Working Groups for their continued collaborative efforts in providing data and information towards preparation of this 2024 CBROP. I would also like to take this opportunity to dedicate my special thanks to the Economic Planning, Budgeting and Statistics department staff for tirelessly reviewing this document to ensure it satisfies the PFM Act, 2012 and set out sector/department ceilings that guide the various departments in preparation of their FY 2025/2026 budget. They are expected to ensure that their budgets are aligned to the overall Government priorities while taking into account the available resource constraints.

Thank you all, and God bless you with our county.



**MR. GABRIEL LEKALKULI ELIAS**  
**COUNTY CHIEF OFFICER – ECONOMIC PLANNING, BUDGETING & STATISTICS**

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2024 IC-BROP

## **ABBREVIATIONS AND ACRONYMS**

<b>A.I. A</b>	Appropriation in Aid
<b>ADP</b>	Annual Development Plan
<b>BETA</b>	Bottom-up Economic Transformation Agenda
<b>BPS</b>	Budget Policy Statement
<b>CBROP</b>	County Budget Review and Outlook Paper
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CG</b>	County Government
<b>CIDP III</b>	County Integrated Development Plan three
<b>CoK</b>	Constitution of Kenya
<b>DE</b>	Development Expenditure
<b>ICT</b>	Information, Communication and Technology
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium-Term Plan
<b>PFM</b>	Public Finance Management
<b>RE</b>	Recurrent Expenditure
<b>SRC</b>	Salaries and Remuneration Commission
<b>SWGs</b>	Sector Working Groups

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

The 2024 County Budget Review and Outlook Paper, is prepared in accordance with Section 118 of the Public Financial Management Act, 2012 and in line with Article 220 of CoK 2010. The law states that:

1. The County Treasury shall prepare and submit CBROP to County Executive Committee for approval by 30<sup>th</sup> September of each financial year. A County Budget Review and Outlook Paper shall include:
  - a) Actual fiscal performance in the previous financial year compared to the budget appropriation for that year;
  - b) 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 how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest County Fiscal Strategy Paper; and
  - d) The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
2. County Executive committee shall consider the County Budget Review and outlook Paper with a view of approving it with or without amendments, not later than fourteen days after its submission.
3. Not later than seven days after the CBROP has been approved by Executive committee, the County Treasury shall:
  - a) Submit the paper to the Budget and Appropriation Committee of the County Assembly to be laid before the County assembly; and
  - b) Publish and publicize the paper not later than fifteen days after laying the Paper before County Assembly.

## **Fiscal Responsibility Principles in the Public Financial Management Act**

In line with the Constitution, the Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFMA, 2012 {Section 107(b)} states that:

- a) The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
- b) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure;
- c) The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations;
- d) Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- e) Public debt and obligations shall be maintained at a sustainable level as approved by County Government;
- f) Fiscal risks shall be managed prudently; and
- g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

## EXECUTIVE SUMMARY

This County Budget Review and Outlook Paper (CBROP), is prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its regulations. The document provides actual fiscal performance for the FY 2023/2024, macro-economic projections and the sector ceilings for the FY 2025/26-2027/28 Medium Term Budget. It further provides an overview of how the actual performance of the Financial Year 2023/2024 affected the county compliance with the Fiscal Responsibility Principles and the financial objectives as highlighted in the PFM Act, 2012. The 2024 Isiolo CBROP will form the basis for the development of the 2025 County Fiscal Strategy Paper (CFSP) that will detail the various programmes and initiatives to be undertaken during the third year implementation of CIDP III.

The fiscal performance outcome for the FY 2023/24 largely adhered to the fiscal responsibility principles and financial objectives set out in the PFM Act, 2012 and Article 220 of the Constitution of Kenya 2010. County own source revenue tremendously grew by **86.8%** from **Ksh152 Million** collected in FY 2022/23 to **Ksh.285 Million** in FY 2023/24. This was an increase of **Kshs.133 Million** from the FY 2022/23 revenue. This then implies that the own source revenue collection will be expected to rise further in the coming year, due to deliberate efforts of the county to improve County Own Source Revenue collection through exploration of more streams and putting measures to curb revenue leakages. Further the operationalization of FIF Act by health department will give great impetus to the revenue growth momentum.

In FY 2023/24 the County government allocated **30.9%** of its total budget for development expenditure and **69.1%** for recurrent expenditure. The updated County Economic Outlook will be firmed up in the CFSP 2025 to reflect any changes in Economic and Financial conditions.

The PFMA, 2012 has set standards for compliance with the MTEF budgeting process. Therefore, it is expected that the financial year 2024/25 Sector budget ceilings will form the indicative baseline for Sector budget ceilings for the Financial Year 2025/26. However, the sector ceilings shall be modified to reflect the development goals and priorities of the County Government.

There are risks to the Medium-Term Framework that include among others, the negative effects of the pressures on expenditures from domestic payables from previous financial years, rising recurrent related expenditures, perennial droughts and other emergencies, that might disrupt economic activities. The County Government will closely monitor these developments and undertake appropriate measures to safeguard the economic stability should these risks materialize.



## CHAPTER I. INTRODUCTION

### 1.1 Background

1. The 2024 County Budget Review and Outlook Paper (CBROP) is prepared pursuant to the provisions of Public Finance Management Act 2012 Section 118 and provides a review of previous year's financial and non-financial performance. It presents macroeconomic and financial performance and forecasts, as well as the variations in projections and sector ceilings as outlined in 2023 County Fiscal Strategy Paper (CFSP). The paper also provides indicative sector ceilings for the FY 2025/26 and over the medium term.
2. The CBROP provides information on 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. It also provides reasons for any deviation from the financial objectives in the CFSP as well as proposals to address the deviations and the proposed timelines.
3. The CBROP will inform the 2025 CFSP and will outline the progress of the county development agenda as guided by 2025/26 Annual Development Plan and the 2023 – 2027 County Integrated Development Plan. Additionally, this paper will form the basis for preparing the 2025/26 County Budget in-line with the budget circular issued on 30th August 2024.

### 1.2 Objectives of the CBROP

4. The 2024 CBROP provides a review of the fiscal performance for the financial year 2023/24 including adherence to the objectives and principles outlined in the 2024 County Fiscal Strategy Paper and the PFM Act, 2012. It also provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan. The 2024 CBROP will guide development of the 2025 CFSP that will summarize the various projects and initiatives undertaken during the medium term plan period 2025/26-2027/28
5. As required by the PFM Act, 2012, the budget process aims to promote the efficient and effective use of resources. To meet the resource requirements of the FY 2024/25 budget and the medium term, the Government will continue to implement prudent measures aimed at enhancing the own source revenue and rationalizing expenditures. In this regard, this CBROP provides sector ceilings which will set in motion the budget preparation for the FY 2025/26 and the medium term. The sector ceilings are guided by the overall resource envelope that is informed by the macroeconomic and fiscal outlook as presented in section III and IV of this document. Sector ceilings in this CBROP are aligned to the priorities of the County that enhance value chain and linkage to Bottom-Up Economic Transformation Agenda and other priority programmes outlined in CIDP III.

### 1.3 Organization of the Document

6. The rest of the paper is organized as follows: Section II provides a review of the fiscal performance for the Financial Year 2023/24 and its implications on the financial objectives set out in the 2024 CFSP submitted to the County Assembly. This is followed in Section III by brief highlights of the recent economic developments. Section IV presents the macroeconomic policies and outlook. The proposed resources allocation framework is detailed in Section V while Section VI gives the conclusion.



## CHAPTER II. REVIEW OF FISCAL PERFORMANCE IN THE FINANCIAL YEAR 2023/24

### 2.1 FY 2023/24 Fiscal Performance

7. The fiscal performance in FY 2023/24 was broadly in line with the financial objectives outlined in PFM Act, 2012 and 2023 CFSP as indicated below;
- Partnerships and external resource mobilization:** The County has maintained strategic partnerships with development partners working across various sectors.
  - Debt management:** The County did not accrue any debt during the period and envisages maintaining debt at sustainable levels.
  - Prudent utilization of resources:** The County ensured efficient economic use of allocated resources. This was achieved through enforcing budgetary discipline, aligning expenditures to government development priorities, and streamlining operations to realize cost savings.

### 2.2 Revenue Performance

8. Budget execution for the FY 2023/24 was hampered by challenges in revenue mobilization, non-disbursement of conditional grants and delayed equitable share. By the end of June 2024, total revenue received including A-I-A amounted to Ksh. 5.08 Billion against a target of Ksh. 5.72 Billion resulting in revenue shortfall of Ksh. 634.96 Million. This revenue performance represented a decline of Ksh. 1.23 Billion from FY 2022/23, 19.5 percent decline. This is as a result of non-disbursement of equitable share amounting to Ksh 391.9 Million and declined conditional allocations from development partners and national government.

Table 1: Revenue Performance 2023/24

SOURCES OF REVENUE	FY 2022/23	FY 2023/24		Deviation	Performance
	Actual	Target	Actual		
<b>EXTERNAL REVEUE</b>					
<b>EQUITABLE SHARE</b>	<b>4,710,388,265</b>	<b>4,899,041,209</b>	<b>4,507,117,912</b>	<b>-391,923,297</b>	<b>92.00%</b>
General Provisions (Equitable Share)	4,710,388,265	4,899,041,209	4,507,117,912	-391,923,297	92.00%
<b>CONDITIONAL ALLOCATIONS FROM NATIONAL GOVERNMENT REVENUE ACCOUNT</b>	<b>-</b>	<b>60,000,000</b>	<b>0</b>	<b>-60,000,000</b>	<b>0.00%</b>
Supplement for Construction of County Headquarters	-	60,000,000	0	-60,000,000	0.00%
<b>CONDITIONAL ALLOCATIONS FROM DEVELOPMENT PARTNERS</b>	<b>387,303,664</b>	<b>370,655,932</b>	<b>268,112,416</b>	<b>-102,543,516</b>	<b>72.33%</b>
Current Grants from Foreign Governments Danida	9,734,622	7,738,500	4,698,375	-3,040,125	60.71%
UNPFA	-	12,476,986	0	-12,476,986	0.00%
Transfer for Library Service	-	7,025,011	0	-7,025,011	0.00%
Agriculture Development support program(Swedish)	11,000,000	18,446,882	16,258,238	-2,188,644	88.14%
Financing Own source led climate action world bank (FLLoCA)	22,000,000	136,000,000	112,141,788	-23,858,212	82.46%
World Bank Emergency Locust Response	82,424,093	188,968,553	135,014,015	-53,954,538	71.45%
<b>GROSS COUNTY EXTERNAL REVENUE</b>	<b>5,097,691,929</b>	<b>5,329,697,141</b>	<b>4,775,230,328</b>	<b>-554,466,813</b>	<b>89.60%</b>
<b>Balance from Previous FY</b>	<b>1,065,959,923</b>	<b>117,905,059</b>	<b>117,905,059</b>	<b>0</b>	<b>100.00%</b>
<b>COUNTY OWN SOURCE REVENUE</b>	<b>152,700,174</b>	<b>271,208,180</b>	<b>190,715,416</b>	<b>-80,492,764</b>	<b>70.32%</b>
Plot application/Transfer/Sub Division	995,200	2,500,000	1,093,700	-1,406,300	43.75%
<b>LAND RENTS</b>	<b>10,040,370</b>	<b>16,800,000</b>	<b>6,500,259</b>	<b>-10,299,741</b>	<b>38.69%</b>
Land Rent/Rates – current	3,167,339	8,000,000	2,571,777	-5,428,223	32.15%
Penalties Rent/Rates	118,947	1,000,000	135,143	-864,857	13.51%
Land Rent/Rates – Arrears	6,754,084	7,800,000	3,793,339	-4,006,661	48.63%
<b>CESSES</b>	<b>7,261,685</b>	<b>22,400,000</b>	<b>14,062,225</b>	<b>-8,337,775</b>	<b>62.78%</b>
Livestock Auction	3,052,845	7,200,000	2,920,560	-4,279,440	40.56%

SOURCES OF REVENUE	FY 2022/23	FY 2023/24			
	Actual	Target	Actual	Deviation	Performance
Sand Cess	4,131,710	14,400,000	10,843,000	-3,557,000	75.30%
Barter/Murram/Audit/fire charge/hide skin	77,130	800,000	298,665	-501,335	37.33%
<b>OTHER MISCELLANEOUS RECEIPT</b>	<b>13,039,099</b>	<b>33,619,919</b>	<b>22,060,420</b>	<b>-11,559,499</b>	<b>65.62%</b>
Miraa export/cess	3,602,300	8,400,000	8,234,900	-165,100	98.03%
S.B.P fees	7,143,850	11,400,000	10,214,674	-1,185,326	89.60%
Promotion, Advertisement/branding/Miscellaneous	274,500	3,000,000	367,086	-2,632,914	12.24%
Liquor licence		4,000,000		-4,000,000	0.00%
Public works/other charges		500,000	21,500	-478,500	4.30%
Stand Premium	41,000	200,000	103,600	-96,400	51.80%
Consent and clearance	806,000	419,919	606,000	186,081	144.31%
Lease extension		300,000		-300,000	0.00%
Livestock Veterinary/meat inspection	746,349	2,000,000	878,460	-1,121,540	43.92%
Weight and Measures	53,100	300,000		-300,000	0.00%
Public Inspection - Public Health	25,500	2,400,000	1,491,000	-909,000	62.13%
Tractor Hire/tourism bus/KNLS		400,000	143,200	-256,800	35.80%
Agriculture Training Centre	346,500	300,000		-300,000	0.00%
<b>PARK REVENUE</b>	<b>113,465,212</b>	<b>188,000,000</b>	<b>139,233,725</b>	<b>-48,766,275</b>	<b>74.06%</b>
Game entrance/Royalties	113,465,212	188,000,000	139,233,725	-48,766,275	74.06%
<b>MARKET/TRADE CENTRE</b>	<b>1,513,560</b>	<b>2,500,000</b>	<b>2,464,520</b>	<b>-35,480</b>	<b>98.58%</b>
Market Stalks/Fee and Produce	1,513,560	2,500,000	2,464,520	-35,480	98.58%
<b>VEHICLE PARKING</b>	<b>4,416,973</b>	<b>3,600,000</b>	<b>4,249,840</b>	<b>649,840</b>	<b>118.05%</b>
Street parking fees	4,416,973	3,600,000	4,249,840	649,840	118.05%
<b>HEALTH FACILITIES OPERATION ROOM</b>	<b>869,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Cost Sharing	869,055	0	0	0	0.00%
<b>SLAUGHTER HOUSE</b>	<b>1,020,220</b>	<b>1,288,261</b>	<b>760,900</b>	<b>-527,361</b>	<b>59.06%</b>
Slaughter fees	1,020,220	1,288,261	760,900	-527,361	59.06%
<b>TECHNICAL SERVICE</b>	<b>78,800</b>	<b>500,000</b>	<b>289,827</b>	<b>-210,173</b>	<b>57.97%</b>
Building plan approval/bill and sign board	78,800	500,000	289,827	-210,173	57.97%
<b>SUB TOTAL (a)</b>	<b>152,700,174</b>	<b>271,208,180</b>	<b>190,715,416</b>	<b>-80,492,764</b>	<b>70.32%</b>
Facility improvement financing FIF(A.I.A) Isiolo Hospital(b)	0	85,000,000	94,481,928	9,481,928	111.16%
A.I.A( ICRH)	869,055	85,000,000	94,481,928	9,481,928	111.16%
<b>Gross own source revenue (a+b)</b>	<b>153,569,229</b>	<b>356,208,180</b>	<b>285,197,344</b>	<b>-71,010,836</b>	<b>80.06%</b>
<b>Total Gross Revenue</b>	<b>6,316,352,026</b>	<b>5,803,810,380</b>	<b>5,178,332,731</b>	<b>-625,477,649</b>	<b>89.22%</b>
<b>Total Net Revenue (Gross-A.I.A)</b>	<b>6,316,352,026</b>	<b>5,718,810,380</b>	<b>5,083,850,803</b>	<b>-634,959,577</b>	<b>88.90%</b>

*Source of revenue: county treasury 2024*

9. By end of the Fiscal period 2023/24 the County Government had Gross total revenue receipts of **Ksh. 5,178,332,731** whose breakdowns are as follows: External revenue receipts of **Ksh. 4,775,230,328**, internal revenue of **Kshs.190,715,416**, ICRH Facility Improvement Financing FIF(A.I.A) of **Ksh. 94,481,928** for and Account Balance brought forward from Previous FY 2022/23 of **Ksh. 117,905,059**.
10. The fiscal performance for Financial Year 2023/24 was still below target. Overall county net revenue shortfall was Ksh. 634,959,577. County Own Source Revenue had a short fall of **Ksh. 80,492,764**, the equitable share shortfall of Ksh. **391,923,297** which was not received by end of the year, allocation of **Ksh. 60,000,000 conditional grants from national government** was not realized and conditional allocation from development partners amounting to **Kshs.102,543,516** we're not disbursed to the county. However, there was remarkable improvement in revenue collected from Facility improvement financing FIF(A.I.A) that rose to Ksh. **94,481,928** from **Ksh. 869,055** realized in FY 2022/23. This was attributed to operationalization of FIF Act by Isiolo teaching and referral Hospital that facilitated collection of service fees from patients.

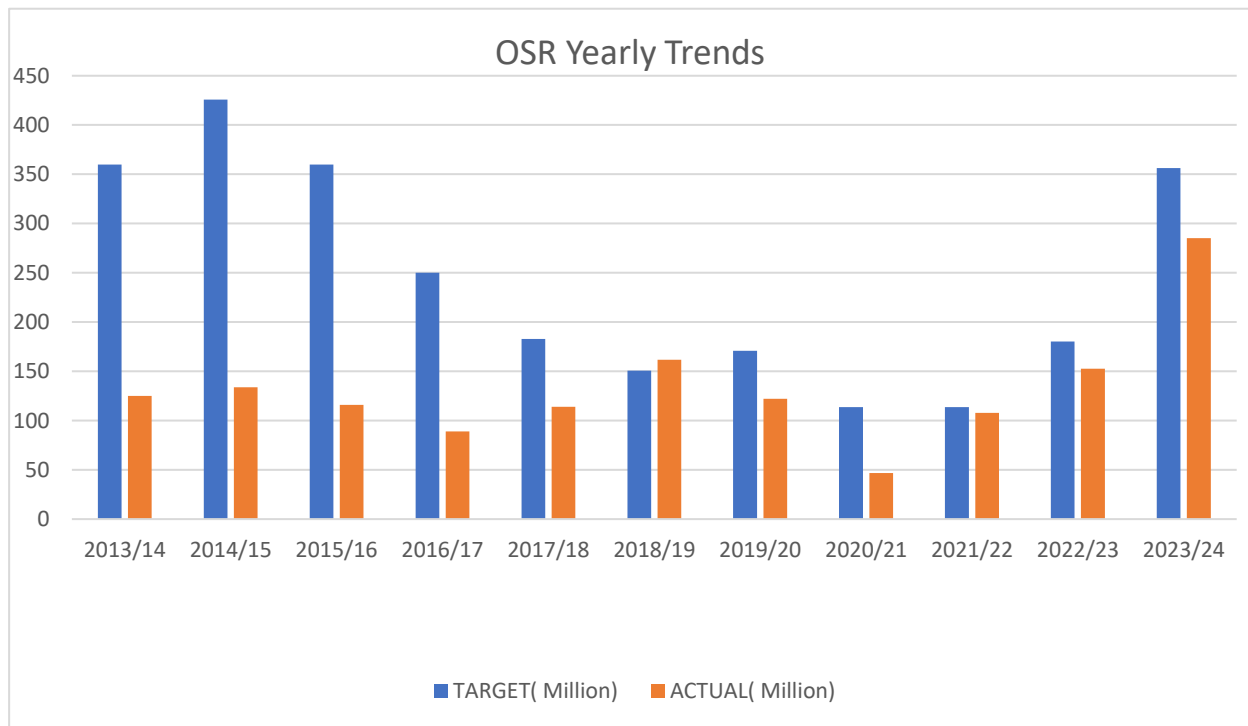
### 2.2.1 Own Source Revenue Performance

11. Table 2 Below is the county own source revenue over the past eleven years. From table 2 only in the financial year 2018/19 that OSR surpassed the target and this was as result of automation piloting, peace and marketing of the game reserves that attracted more tourist to Isiolo county resulting in sudden rise of revenue from parks. The automation piloting also sealed leakage loopholes.

Table 2 County Internal Revenue performance for the past eleven Financial years

YEAR	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
TARGET(Million)	360	425.7	360	250	182.86	150.8	170.9	113.69	113.69	180.4	356.2
ACTUAL(Million)	125.06	133.7	116.03	89.16	114.1	161.7	122	46.78	107.83	152.7	285.2

Source: County Economic Planning Office Isiolo



12. The Own Source Revenue recorded an upward growth in Financial Years 2017/18, 2018/19, 2021/22, 2022/23 and tremendous jump in the FY 2023/24. Apart from FY 2018/19, when actual revenue collections exceeded set target by 7.2% the other ten years' collections fell below the set targets. The Financial Year 2018/19 collection reflects an upward growth of 41% from the amount realized in FY2017/18. This growth informed the upward revision of the County's revenue target from **Ksh, 150.8 Million** for FY 2018/19 to **Kshs.170 Million in FY 2019/20**. FY 2022/23 also showed remarkable revenue growth of **42%** from **Ksh. 107 Million** to **Ksh. 152 Million**. FY 2023/24 saw the own source revenue jumped to **Ksh. 285 Million, 86.8%** growth from amount achieved in the FY 2022/23. This positive growth is attributed to enhanced revenue collection efforts such as internal revenue enforcements of spot checks supervisions to seal leakages and operationalization of FIF Act.

### 2.2.3 External Revenue

13. The financial year 2023/23 the county received gross external revenue of **Ksh. 4,775,230,328** which was made up of equitable share amounting to **Ksh. 4,507,117,912** and Conditional grants of **Ksh. 268,112,416**. The deficit on conditional grants was as result of deficit for conditional grants from development partners amounting to **Ksh. 102,543,516** and deficit from Conditional from national government allocation amounting to **Ksh. 60,000,000** meant for construction of county headquarters as shown in table 1 on Revenue and grants FY 2023/24 above.

14. The total deficit from external revenue was **Ksh. 554,466,813**. This translates to **10.4%** of the total external revenue the county expected for FY 2023/24.

15. The balance brought forward from FY 2022/23 was **Ksh. 117,905,059** comprising of County own source revenues accounts of **Ksh. 43,000,000** County Revenue Fund (CRF) account of **Ksh. 2,001,200**, CBK Isiolo County Kenya Climate Smart Agriculture of **Kshs.11,000,000**, Isiolo County KDSP Account of **Ksh 56,503,926**, CBK Isiolo County Urban Institutional Account of **Kshs.255,182**, CBK Isiolo County Livestock Support Programme of **Ksh. 243,151**, CBK Isiolo County Health Services account of **Ksh 192,001** and CBK Isiolo County Fuel Levy account of **Ksh. 11,224**.

### 2.3 Expenditure Performance

16. Total cumulative expenditure for the Financial Period 2023/24 amounted to **Kshs.4.25 billion** against an overall revised budget of **Ksh 5.719 billion**, representing an underspending of **Kshs.1.47billion**. (This reflects a **25.69 %** deviation from the revised budget). The overall expenditure comprised of **Kshs.980.54 Million** and **Kshs.3.27 billion** on development and recurrent programmes, respectively.

17. These under spending was attributed to late disbursement of funds from the exchequer, Own source revenue shortfall of **Ksh 71,010,836**, Conditional grant short fall of **Ksh 162,543,516** both from Development partners and National Government

Table 3: Expenditure by Departments FY 2023/24

Department	Recurrent				Development			
	Approved Estimates FY 2023/24 (Ksh.)	Actual Expenditure FY 2023/24 (Ksh.)	Variance (.)	Absorption	Approved Estimates FY 2023/24 (Ksh.)	Actual Expenditure FY 2023/24 (Ksh.)	Variance (Ksh.)	Absorption
	Ksh	Ksh	Kes	Ksh	Ksh	Ksh	Ksh	Ksh
<b>County Assembly</b>	<b>539,252,680</b>	<b>494,994,495</b>	<b>-44,258,185</b>	<b>91.8%</b>	<b>40,000,000</b>	<b>19,770,941</b>	<b>-20,229,059</b>	49.43%
Office of the Governor	189,188,838	158,698,248	-30,490,590	83.9%	0	0	0	0.00%
County Public Service Board	55,886,996	42,984,155	-12,902,841	76.9%	0	0	0	0.00%
County Secretary	34,213,114	19,804,860	-14,408,254	57.9%	0	0	0	0.00%
Delivery Unit	13,156,874	11,304,539	-1,852,335	85.9%	0	0	0	0.00%
Deputy Governor	23,290,000	14,286,645	-9,003,355	61.3%	0	0	0	0.00%
County Attorney	41,372,000	12,292,000	-29,080,000	29.7%	0	0	0	0.00%
Intergovernmental Relation	4,991,000	2,109,100	-2,881,900	42.3%	0	0	0	0.00%
<b>Total Net Expenditure vote R3512</b>	<b>362,098,822</b>	<b>261,479,547</b>	<b>-100,619,275</b>	<b>72.2%</b>	<b>40,000,000</b>	<b>19,770,941</b>	<b>-20,229,059</b>	49.43%
Finance	234,885,005	206,355,609	-28,529,396	87.9%	324,791,868	257,368,307	-67,423,561	79.24%
Special Programs and ICT	232,639,248	220,513,100	-12,126,148	94.8%	110,000,000	107,500,000	-2,500,000	97.73%
Economic Planning	48,078,459	33,604,006	-14,474,453	69.9%	4,000,000	0	-4,000,000	0.00%
Cohesion	21,866,769	11,644,081	-10,222,688	53.3%	0	0	0	0.00%
Revenue Services	28,820,000	23,043,300	-5,776,700	80.0%	1,000,000	500,000	-500,000	50.00%
ICT & Innovation	10,005,000	7,734,800	-2,270,200	77.3%	3,000,000.00	0	-3,000,000.00	0.00%
<b>Total Net Expenditure vote R3513</b>	<b>576,294,481</b>	<b>502,894,896</b>	<b>-73,399,585</b>	<b>87.3%</b>	<b>442,791,868</b>	<b>365,368,307</b>	<b>-77,423,561</b>	82.51%
Lands & Physical Planning	17,160,000	12,218,572	-4,941,428	71.2%	54,080,782	48,471,000	-5,609,782	89.63%
Roads & Infrastructure	11,921,000	9,580,200	-2,340,800	80.4%	201,027,275	194,579,627.85	-6,447,647	96.79%
Public Urban Development and Housing	2,660,000	1,008,143	-1,651,857	37.9%	3,000,000	3,000,000	0	100.00%
Public Works	10,193,160	4,408,249	-5,784,911	43.2%	0	0	0	0.00%
<b>Total Net Expenditure vote R3514</b>	<b>41,934,160</b>	<b>27,215,164</b>	<b>-14,718,996</b>	<b>64.9%</b>	<b>258,108,057</b>	<b>246,050,628</b>	<b>-12,057,429</b>	95.33%
Agriculture Development	51,873,111	49,096,743	-2,776,368	94.6%	209,715,435	204,042,057	-5,673,378	97.29%
Livestock & Veterinary	114,303,435	97,611,156	-16,692,279	85.4%	218,787,151	215,002,500.00	-3,784,651	98.27%
Fisheries Development	7,745,240	3,046,083	-4,699,157	39.3%	2,753,000	0	-2,753,000	0.00%
<b>Total Net Expenditure vote R3515</b>	<b>173,921,786</b>	<b>149,753,982</b>	<b>-24,167,804</b>	<b>86.1%</b>	<b>431,255,586</b>	<b>419,044,557</b>	<b>-12,211,029</b>	97.17%

Department	Recurrent				Development			
	Approved Estimates FY 2023/24 (Ksh.)	Actual Expenditure FY 2023/24 (Ksh.)	Variance (.)	Absorption	Approved Estimates FY 2023/24 (Ksh.)	Actual Expenditure FY 2023/24 (Ksh.)	Variance (Ksh.)	Absorption
	Ksh	Ksh	Kes	Ksh	Ksh	Ksh	Ksh	Ksh
ECDE	236,456,046	230,898,006	-5558040	97.6%	23,400,000	11,613,015	-11,786,985	49.63%
Youth Sports and Gender	21,391,279	15,176,191	-6,215,088	70.9%	6,000,000	0	-6,000,000	0.00%
Culture and Social Services	20,296,764	15,349,311	-4,947,453	75.6%	14,025,011	2,000,000	-12,025,011	14.26%
Vocational Training	2,780,000	1,696,950	-1,083,050	61.0%	12,340,370	4,350,000	-7,990,370	35.25%
<b>Total Net Expenditure vote R3518</b>	<b>280,924,089</b>	<b>263,120,458</b>	<b>-17,803,631</b>	<b>93.7%</b>	<b>55,765,381</b>	<b>17,963,015</b>	<b>-37,802,366</b>	<b>32.21%</b>
Tourism & Wildlife	95,982,179	77,533,080	-18,449,099	80.8%	8,000,000	1,992,474	-6,007,526	24.91%
Trade and Enterprise	15,541,387	6,239,583	-9,301,804	40.1%	0	0	0	0.00%
Public Service Management and Administration	317,269,050	286,512,980	-30,756,070	90.3%	0	0	0	0.00%
Devolved Units & Inspectorate	27,899,000	20,519,038	-7,379,962	73.5%	0	0	0	0.00%
Civic Education & Public Participation	9,215,300	5,854,300	-3,361,000	63.5%	0	0	0	0.00%
MSMs & Cooperatives	2,200,000	570,800	-1,629,200	25.9%	0	0	0	0.00%
<b>Total Net Expenditure vote R3519</b>	<b>468,106,916</b>	<b>397,229,781</b>	<b>-70,877,135</b>	<b>84.9%</b>	<b>8,000,000</b>	<b>1,992,474</b>	<b>-6,007,526</b>	<b>24.91%</b>
Water and Sanitation	42,570,893	21,209,111	-21,361,782	49.8%	97,816,770	89,804,621	-8,012,149	91.81%
Environment & Natural Resources Management	23,186,806	11,773,265	-11,413,541	50.8%	177,870,282	106,197,382	-71,672,900	59.70%
Mining & Natural Resources	2,606,000	751,900	-1,854,100	28.9%	0	0	0	0.00%
Renewable Energy	3,925,000	775,300	-3,149,700	19.8%	4,000,000	0	-4,000,000	0.00%
<b>Total Net Expenditure vote R3521</b>	<b>72,288,699</b>	<b>34,509,576</b>	<b>-37,779,123</b>	<b>47.7%</b>	<b>279,687,052</b>	<b>196,002,002</b>	<b>-83,685,050</b>	<b>70.08%</b>
Medical Services	1,158,551,727	998,674,520	-159,877,207	86.2%	39,476,986	0	-39,476,986	0.00%
Public Health	228,451,366	161,631,333	-66,820,033	70.8%	73,630,645	14,672,852	-58,957,793	19.93%
<b>Total Net Expenditure vote R3522</b>	<b>1,387,003,093</b>	<b>1,160,305,853</b>	<b>-226,697,240</b>	<b>83.7%</b>	<b>113,107,631</b>	<b>14,672,852</b>	<b>-98,434,779</b>	<b>12.97%</b>
Municipal Administration	49,765,682	24,890,060	-24,875,622	50.0%	138,504,396	77,409,065	-61,095,331	55.89%
<b>Total Net Expenditure vote R3524</b>	<b>49,765,682</b>	<b>24,890,060</b>	<b>-24,875,622</b>	<b>50.0%</b>	<b>138,504,396</b>	<b>77,409,065</b>	<b>-61,095,331</b>	<b>55.89%</b>
A.I.A Health								
ICRH FIF	85,000,000	94,481,928	9,481,928					
<b>Total Net Expenditure vote R3510</b>	<b>3,951,590,408</b>	<b>3,316,393,812</b>	<b>-635,196,596</b>	<b>83.9%</b>	<b>1,807,219,971</b>	<b>1,378,044,782</b>	<b>-429,175,189</b>	<b>76.25%</b>

### 2.3.1 Recurrent Expenditures

18. Recurrent expenditure for the FY 2023/24 amounted to **Ksh. 3.32** against an approved revised budget estimate of **Ksh. 3,95 billion** representing an under spending on recurrent budget of **Ksh. 635 Million** (Deficit of **16.9%**). The revised allocation for recurrent activities accounts for **69.10%** percent of the total Revised Estimates and this conforms with PFM Act and the fiscal responsibility principle which requires that over the medium term, a maximum of seventy per cent of the County Government's budget shall be allocated to recurrent activities.
19. An analysis of the cumulative recurrent outlay of the financial Year 2023/24 shows that on average all Departments had over **83.9%** absorption rate of the revised approved budget. The highest absorption rate was realized by education sector at 93.7% followed by County assembly at **91.8%**. At sub sector level ECDE department ,Special Programs and Agriculture Development recorded an absorption rate of 97.6%, 94.8% and 94.6% respectively. **Water sector recorded an average of 47.7% which is below 50% mark with 19.8%. Some of the sub sectors that recorded low absorption rates include renewable energy, MSME and Cooperatives, Mining and natural resources and County Attorney at 19.8%, 25.9%, 28.9% and 29.7% respectively.**

### 2.3.2 Development Expenditure

20. The cumulative Development expenditure for the FY 2023/24 amounted to **Ksh. 1.378.Billion** compared to an approved revised budget of **Ksh. 1.807 Billion**. This represented a development budget under absorption of **Ksh. 429.18 Million** (A deficit of **23.75%** of the development budget). The revised allocation for expenditure on development activities accounts for **31.4%%** of the total revised estimates and this conforms to PFM Act and fiscal responsibility principle which requires that over the medium term, a minimum of thirty per cent of the County Government's budget shall be allocated to development activities.
21. An analysis of the cumulative development outlay of the financial Year 2023/24 shows that on average all Departments had an average of **76.25%**absorption rate of the revised approved budget. Highest absorption rate was recorded Urban development and housing, livestock and veterinary, Special programmes Agriculture Development and Roads and Infrastructure at 100%, 98.27% , 97.7% , 97.29% and 96.8% respectively. The high absorption rates were attributed to earlier planning and implementation of the programmes and departments with few projects. While the low absorption rates was due to delay in exchequer releases, undisbursed conditional grants and shortfall in own source revenue.

### 2.4 Pending Bills

22. The total outstanding County Government pending bills as at 30th June, 2024 amounted to Kshs.1.12 billion. The pending bills include payment to contractors/projects, suppliers, unremitted statutory and other deductions, pension arrears for Own source Authorities Pension Trust, and others.

23. The County Government policy on clearance of current pending bills continues to be in force. The County Treasury has developed a comprehensive strategy for prevention of pending bills with four key appropriate measures as follows;

- i. Direct that pending bills carried over from the prior year to form the first charge against the budget allocation before entering into new commitments;
- ii. Strict adherence to PFM Act, 2012, PFM regulation 2015, PPDA and others;
- iii. Ensuring that all commitment on supply of goods and services should be done not later than 31<sup>st</sup> May each year; and
- iv. Rationalize budgets to allocate funds for settlement of pending bills through first in first out accounting method

### 2.5 Challenges to 2023/24 budget implementation

- i. In terms of spending, recurrent expenditure continues to claim the lion's share of the County's budgetary resources. In the Financial Year 2023/24, the County devoted about **68.6%** of its budget towards recurrent spending and this is expected to continue to rise in the Financial Year 2024/25 budget due to annual salary increments, expected new recruitments for technical staff and increased operations and maintenance due to ever increasing cost of goods and service.
- ii. The issue of pending bills still lingers, and is a major concern. The bulk of this amount are pending accounts payable, most of it related to construction of buildings and civil works, and supply of goods and services.
- iii. Weak monitoring and evaluation frameworks and internal controls
- iv. Unhonoured grants.
- v. Delays in disbursement of funds from National Treasury.
- vi. Shortfall in own source revenue attributed to lack of automation of revenue streams, Outdated valuation roll and absence of proper legislative framework on revenue collections
- vii. Inadequate skills and capacity of revenue collection personnel
- viii. Frequent shock from natural calamities like drought and floods that divert funds from development programmes.
- ix. Delay in submission of requests for payment from contractors.

### 2.5 Recommendation for 2024/25 and MTEF period Budget implementation

- i. Enhancing own source revenue through enactment of the various revenue bills and



Review of valuation roll.

- ii. Embarking on alternative sources for supporting the capital budget that include PPP and joint ventures; Tightening enforcement across all revenue sources;
- iii. Executive Committee members responsible for finance and economic planning to designate a person responsible for administering each established County Funds in line with Section 116 of the PFM Act, 2012;
- iv. To strengthen the capacity of county government employees through proper training and recruitment of qualified staff.
- v. Adequate funding for monitoring and Evaluation unit as per the CIMES guidelines to enable it effectively carry out its function in tracking regular progress and reporting on development projects;
- vi. Timely requisition of funds and processing of payments from county treasury.
- vii. County Government to automate revenue systems, update business registers, and establish systems to monitor revenue arrears.
- viii. There is need to make follow up to contractors to timely submit requests for payment.

## 2.6 Implication of 2023/24 Fiscal Performance on Financial Objectives

- 24. The performance of the Own Source Revenue in FY 2023/24 was below the revised budget target of **Ksh. 356 Million** resulting to Gross shortfall of **Ksh 71 Million** in Own source revenue. Given this revenue shortfall, the projections for FY 2024/25 have an estimated revenue risk of **Ksh. 86 Million**. The County Treasury will undertake administrative measures such as the automation of revenue streams and enactment of finance bill and liquor licensing Bill 2024 which are expected to strengthen revenue performance. Further, the revenue department is now a fully-fledged department with a clear focus on revenue collection and administration. Other revenue legislations that support revenue raising will be enacted through the support of KDSP II programme.
- 25. In addition, adjustments will be made to fiscal aggregates to mirror revisions in the macroeconomic projections as well as revenue performance for the first quarter of the Financial Year 2024/25;
- 26. The baseline ceilings for departmental spending will be adjusted in line with the revised resource envelope under the updated macroeconomic framework in the 2025 County Fiscal Strategy Paper.
- 27. The under-spending in both recurrent and development budget for the FY 2023/24 has implications on the base used to project expenditures in the FY 2024/25 and the medium term. Appropriate revisions would be undertaken in the context of this CBROP taking into

account the budget outturn for the FY 2023/24.

28. As highlighted above, the major reasons for deviations from the financial objectives include; implications of the long drought and floods that adversely affected revenue performance and project implementation. Delay in exchequer releases and non-disbursement of Conditional allocations contributed to non-achievements of various programmes objectives.
29. To remedy these deviations, the county Government will put in place appropriate measures to increase revenue collection, improve absorption of resources from development partners and explore alternative financing strategies early in the financial year to ensure the budget is fully funded.
30. Ongoing projects will be prioritized and any new projects will be evaluated in the context of their furtherance of the government's agenda. The County Government will not deviate from the fiscal responsibility principles, but will make appropriate modification to the financial objectives contained in the County Fiscal Strategy Paper 2024 to reflect the changing fiscal environment in the context of the prolonged drought and high price inflation that the economy is currently facing.

## 2.7 Adherence to Fiscal Responsibility Principles

31. In the line with the constitution, the PFM Act 2012, the PFM Regulations, and in keeping in line with prudent and transparent management of public resources, the Government has largely adhered to the fiscal responsibility principles as set out in the statute as follows:
  - a. The county government's recurrent expenditure shall not exceed the county government's total revenue; In the FY 2023/24 the county government expenditure was **69.1%** of the total County revenue
  - b. Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure; In FY 2023/24, the actual development spending for the County Government was **30.9 percent**, in line with the principles outlined in the PFM Act Cap. 412.
  - c. The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Aassembly. The limit set under paragraph (a) above, shall not exceed thirty-five (35) percent of the county Ggovernment's total revenue;
  - d. The County Government's share of wages and employees' benefits was **Ksh. 2.1 Billion** which was **41 percent** of total county revenue of **Ksh. 5.18 Billion** in the FY 2023/24 which was slightly above the statutory requirement of **35.0 percent** of the County Government revenues. This will be declining towards the required threshold in the medium term through revenue enhancement, employee rationalization through replacement and employment of key staff only over the MTEF period and cleaning of the payroll.

- e. Over the medium term, the county government will not make any borrowings but will rationalize its budget for the purpose of financing development expenditure;
  - f. In FY 2023/24, the county government did not make any borrowings. In the FY 2023/24, there was no debt ceiling set by the assembly and the county did not borrow. Any future county debt shall be maintained at a sustainable level as approved by county assembly
  - g. The fiscal risks shall be managed prudently. During the review period, a number of fiscal risks were identified in revenue and expenditure performance. These are:
    - a) High expenditure on wage bill that lowers the ability of county governments to meet financial obligations on operations & maintenance and development requirements; and,
    - b) Underperformance in OSR, which results to unfunded budgets resulting to accumulation of pending bills.
    - c) High levels of pending bills that negatively affects effective delivery of public services as well as own source business development;
32. The government has prudently managed its fiscal risks across several key areas to ensure financial stability. These include establishment of Pending bills committee to verify legible pending bills and putting mechanism of settling them as well as commencing the process of revenue automation to enhance own source revenue by sealing leakages and increasing efficiency and effectiveness of the revenue collections with a reasonable degree of predictability with respect to the level of tax/levy rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
33. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and the tax base, the county has enacted finance Act to guide in its revenues raising measures

## CHAPTER III RECENT MACROECONOMIC DEVELOPMENT OUTLOOK

### 3.1 World Economic Outlook

34. Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023. The outlook reflects economic recovery in China, Euro area and UK, despite a slowdown in activity in the USA and Japan. The main risks to the global growth outlook relate to further escalation of geopolitical tensions, interest rates remaining higher-for-even-longer in advanced economies, and policy uncertainty attributed to changes of Government in some major economies. Global inflation has moderated, with central banks in some major economies lowering interest rates. International oil prices have moderated but the risk premium from middle east conflict has increased following the recent escalation
35. Growth in the advanced economies is projected to remain stable at **1.7 percent** in 2024 and 1.8 percent in 2025. Growth in the US has been revised downwards by **0.1 percentage points** from the World Economic Outlook (WEO) April projections as consumption moderated and the labor market eased. Growth prospects for the Euro area were revised upwards by **0.1 percentage points** following strong momentum in the services sector and higher than expected net exports in the first half of the year. The Euro area and the UK are projected to grow by 0.9 percent and 0.7 percent, respectively in 2024. In the emerging market and developing economies, growth is projected at 4.3 percent in 2024 and 2025, reflecting stronger activity in Asia particularly China and India. In Sub-Saharan Africa (SSA), economic growth is projected to rise from an estimated 3.4 percent in 2023 to 3.7 percent in 2024 and 4.1 percent in 2025. Growth has been revised downwards by 0.1 percentage points in the April WEO attributed to a weaker growth outlook in Nigeria on account of weaker than expected activity in the first quarter of 2024. Nigeria and South Africa are expected to grow by 3.1 percent and 0.9 percent in 2024, respectively.
36. Global financial conditions remained accommodative boosted by positive corporate valuations. Global headline inflation is expected to fall to 5.9 percent and 4.4 percent in 2024 and 2025, respectively. which is a slower pace due to higher-than-average inflation in services prices. World trade growth is expected to increase 3.1 percent and 3.4 percent in 2024 and 2025, respectively. Annual average oil prices and non-fuel commodity prices are projected to increase by 0.8 percent and 5.0 percent in 2024, respectively

### 3.2 Kenya's Recent Economic Performance and Outlook

#### 3.2.1 Kenya's Recent Economic Performance

37. The Kenyan economy is currently unwinding from the effects of negative and persistent

global and domestic shocks that had pushed the economy to its lowest activity level. These shocks included COVID-19 pandemic and its ensuing effects, conflict in Eastern Europe and Middle East that led to global supply chain disruptions and the adverse effects of climate change from the prolonged drought in 2021 to the floods in the first half of 2024. These shocks escalated the cost of essential household commodities including fuel prices, and led to a rapid depreciation of the Kenya Shilling exchange rate, piling pressure on public debt

38. Various government interventions, structural reforms and policies have supported economic recovery. The economy grew by 5.6 percent in 2023 from **4.9 percent** in 2022, a demonstration of resilience and the beginning of economic recovery. The growth was largely driven by a strong rebound in the agricultural subsector, which benefited from favorable weather conditions after two years of severe droughts and the robust performance of the services sector. The performance of the industrial sector, particularly manufacturing which has remained subdued. This growth momentum has continued in 2024 with the economy expanding by 5.0 percent in the first quarter Compared to a growth of 5.5 percent in the corresponding quarter in 2023
39. The primary sector grew by 5.0 percent in the first quarter of 2024 compared to a growth of 5.3 percent in the first quarter of 2023. This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector despite a contraction in the mining and quarrying sub-Sector. Activities in the agriculture, forestry and fishing subsector expanded by 6.1 percent in the first quarter of 2024 compared to a growth of 6.4 percent in a similar quarter in 2023 (Table 15). The performance was evident in the significant increase in production of tea, milk and sugarcane during the quarter under review. Mining and quarrying sub-sector contracted by 14.8 percent in the first quarter of 2024 compared to a contraction of 11.0 percent over the same period in 2023. This was due to a decline in production of most minerals such as titanium, soda ash and gemstone.
40. Industrial sector performance remained subdued, with growth of the sector slowing down to **1.1 percent** in the first quarter of 2024 from a growth of **2.5 percent** in a similar quarter of 2023. This was mainly on account of a Slowdown in activities in all its sub-sectors i.e., the manufacturing, electricity & water Supply and construction subsectors
41. The activities in the services sector continued to sustain strong growth momentum in the first quarter of 2024 and grew by **6.2 percent** compared to a growth of **6.5 percent** in a similar period in 2023, The performance was largely characterized by significant growths in accommodation and food service, financial and insurance, information and communication, real estate, and wholesale and retail trade sub-sectors. Accommodation and food service activities reflected post COVID recovery in spite of the lingering effects of the

pandemic. Consequently, the sub-sector grew by 28.0 percent in the first quarter of 2024 compared to a growth of 47.1 percent recorded in the corresponding quarter of 2023

42. Financial and insurance sub-sector grew by 7.0 percent in the first quarter of 2024 compared to 5.9 percent in the corresponding quarter of 2023 on account of increased profitability of the subsector. The information and communication subsector grew by 7.8 percent compared to a growth of 9.5 percent, over the same period supported by increased voice traffic, internet use and mobile money despite a decline in the use of domestic Short Messaging Services (SMSs). Activities in Transportation and Storage sub-sector slowed down to record a growth of 3.8 percent in the first quarter of 2024 compared to a growth of 6.6 percent in a corresponding period in 2023. The growth in the sub-sector was mainly supported by increased activities in Port throughput and an increase in the number of international passenger arrivals and departures.
43. Available economic indicators for the first half of 2024 point to mixed performance in the economy reflecting sustained performance in agriculture, improved exports and services sector and subdued industrial sector. In view of this and other consideration including domestic and external factors, economic growth is projected at 5.2 per cent in 2024 and 5.4 per cent from earlier projections of 5.5 per cent, respectively. These projections are underpinned by broad-based private sector growth and ongoing Government interventions and strategies under the Bottom-Up Economic Transformation Agenda (BETA). Additionally, implementation of prudent fiscal and monetary policies will continue to support economic activity

#### **a) Inflation Developments**

44. The overall year-on year inflation is within the Government target range of  $5 \pm 2.5$  percent largely driven by easing food and fuel prices. Overall inflation remained stable at 4.4 percent and 4.3 percent in August and July 2024, respectively, thereby remaining below the mid-point of the target for three consecutive months. This is a drop from 6.7 percent in August 2023, and a peak of 9.6 percent in October 2022. Favorable weather conditions coupled with targeted government interventions have partly led to the reduction in the cost of food production thereby lowering food inflation. Other factors expected to support low inflation include the pass-through effects of the strengthening exchange rate, decreases in electricity and pump prices and the CBK monetary policy stance.
45. To anchor inflation expectations and address exchange rate pressures, the Central Bank of Kenya through the Monetary Policy Committee (MPC) tightened the monetary policy by raising the Central Bank Rate (CBR) from **10.5 percent** in July 2023 to **13.0 percent** in February 2024. However, in the MPC meeting held on August 6, 2024, the Committee decided to lower the CBR to **12.75 per cent** as the previous measures had contributed to lowering overall inflation to below the mid-point of the target range, stabilized the exchange

rate, and anchored inflationary expectations

46. Food inflation remained a key driver of overall year-on-year inflation though it declined to 5.3 percent in August 2024 from 7.5 percent in August 2023. The easing of food prices was supported by increased food supply arising from favorable weather conditions, continued Government interventions particularly through subsidized fertilizer, and the general easing of international food prices. Prices of most vegetable food items increased in the month of August 2024 compared to the same period in 2023 while those of non-vegetable food items declined during the same period.
47. Fuel inflation declined to **4.7 percent** in August 2024 from **14.2 percent** in August 2023. The decline largely reflecting the easing global oil prices and appreciation of the Kenya Shilling's which resulted in a downward adjustment of **pump** prices; **and** lower electricity prices. Core (non-food non-fuel) inflation has remained low and stable reflecting the impact of tight monetary policy and muted demand pressures

#### b) Monetary and Credit Developments

48. Broad money supply, M3, grew by 6.0 percent in the year to June 2024 compared to a growth of 13.4 percent in the year to June 2023. The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system. The NFA of the banking system in the year to June 2024 expanded by 53.2 percent compared to a growth of 29.5 percent in the year to June 2023. The increase in Net Foreign Assets, mainly reflected an increase in commercial banks' Foreign Assets.
49. Net Domestic Assets (NDA) contracted by **0.2 percent** in the year to June 2024, compared to a growth of **11.5 percent** over a similar period in 2023. The slowdown in growth of the NDA reflects a decline in growth of the domestic credit to both the Government and the private sector. The domestic credit extended by the banking system to the Government decreased to a growth of **7.9 percent** in the year to June 2024 compared to a growth of **13.0 percent** in the year to June 2023. Lending to other public sectors grew by **1.5 percent** compared to a contraction of **0.5 percent** over the same period
50. Growth in private sector credit from the banking system slowed to **4.0 percent** in the year to June 2024 compared to a growth of **12.2 percent** in the year to June 2023, reflecting the impact of exchange rate appreciation on foreign currency denominated loans and monetary policy tightening. Reduced credit growth was observed in manufacturing, trade (exports) and building and construction. These are some of the sectors with significant foreign currency denominated loans

51. The Monthly (month on month) credit flows to the private sector have slowed down since December 2023 following the monetary policy action of increasing the central bank rate to manage inflation expectation which resulted in the increased cost of credit. Sustained demand particularly for working capital due to resilient economic activity, the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs and the projected economic growth for 2024 will continue to support private sector credit uptake

**c) Interest Rates Developments**

52. Interest rates in the year to August 2024 increased reflecting the tight monetary policy stance. The interbank rate increased to 12.97 percent in August 2024 compared to 10.48 percent in August 2023 and has remained within the prescribed corridor around the CBR (set at CBR± 150 basis points). The 91-day Treasury Bills rate increased to 15.8 percent in August 2024 compared to 13.3 percent in August 2023 while the 182-day Treasury Bills rate also increased to 16.7 percent from 13.2 percent over the same period. The 364-day Treasury Bills rate increased to 16.9 percent in August 2024 from 13.6 percent in August 2023. This has increased the cost of borrowing by Government from the domestic market.

53. Commercial banks average lending and deposit rates increased in the year to July 2024 in tandem with the tightening of the monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 16.8 percent in July 2024 from 13.8 percent in July 2023 while the average deposit rate increased to 11.3 percent from 8.4 percent over the same period. Consequently, the average interest rate spread decreased to 5.6 percent in July 2024 from 5.4 percent in July 2023

**d) Exchange Rate Developments**

54. The foreign exchange market remained stable in the first half of 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 through August 2024. It strengthened by 10.15 per cent, 8.55 per cent and 9.55 per cent against the US Dollar, Sterling Pound, and the Euro, respectively in August 2024 compared to a similar period in 2023. It exchanged at an average of Ksh. 129.32 per US dollar in August 2024 compared with Ksh. 143.93 per US dollar in August 2023. Similarly, the Kenya Shilling underperformed in all EAC regional currencies over the period under consideration. The foreign exchange market was mainly supported by inflows from agricultural exports, remittances and portfolio investors while demand was driven by pickup in economic activities specifically in the manufacturing, wholesale, and retail sectors

55. Through the repayment of the 2024 Eurobond, the Government successfully lowered investor uncertainty and improved the financial markets perception. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct



investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates.

#### e) Capital Markets Development

56. Economic recovery, appreciation of the Kenya Shilling against major international currencies and macroeconomic stability have created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to **1,678 points** in August 2024 compared to **1,540 points** in August 2023 while market capitalization also improved to **Ksh 1,620 billion** from **Ksh 1,545 billion** over the same period

#### 3.2.2 Kenya's Macroeconomic Outlook

57. Kenya's economic performance is projected to remain stable over the medium term. Growth is expected to moderate from 5.6 percent in 2023 to a forecast of 5.2 percent in 2024 and 5.4 percent in 2025. The growth in 2024 and 2025 will benefit from the enhanced agricultural productivity and a resilient services sector. The rebound in Kenya's agricultural sector is expected to be largely driven by favorable weather conditions and productivity-enhancing government interventions. The industrial sector will see growth primarily in manufacturing largely reflecting reduction in costs of production and easing of exchange rate pressures; and in construction partly attributed to increased public spending on affordable housing. The services sector is expected to remain resilient, with ICT reforms boosting growth in financial services, health, and public administration. However, increased uncertainties in both the external and domestic environments, such as the escalation of geopolitical tensions and potential disruptions in supply chain networks, could negatively impact commodity markets and slow down this potential growth.
58. On the demand side, aggregate domestic demand is expected to remain resilient even as public sector consolidates with the private sector playing a stronger role in Kenya's medium- term recovery. Bumper agricultural harvests, moderate inflation, a recovery in employment, and modest growth of credit to private sector will support growth in private consumption. Moreover, remittance inflows to Kenya are projected to remain resilient, providing further support to household incomes. Private consumption is expected to complement moderate government consumption in the context of fiscal consolidation.
59. Private investment will be supported by measures aimed at improving competitiveness, inclusivity, market efficiency, positive business sentiment, access to the international market, and projected FDI inflows. Investment will also benefit from an increased focus on Public Private Partnerships (PPPs), following the near completion of the harmonization of

the Public Investment Policy, which will align PPP and Public Investment Management frameworks. In the medium term, the Government targets PPP investments in key economic sectors to complement its development agenda. These sectors include Agriculture, Roads and Transport, Urban Development and Housing, Energy, Water, Information, Communication Technologies (ICT), and Health. The PPPs are also expected to partly fill the investment financing gap in the wake of ongoing fiscal consolidation efforts which would reduce government domestic borrowing and lower yields on government securities

60. Kenya's external position is expected to remain supportive of macroeconomic stability. Overall, the current account deficit is expected to be stable in the medium term. Exports are expected to recover, both from improvements in the global and regional trade outlook, and domestic conditions. Exports are expected to benefit from the ongoing implementation of trade agreements such as regional economic communities and the AfCFTA. Increased remittance inflows and tourism receipts are expected to further provide foreign exchange buffer. Imports are expected to grow as domestic demand recovers, particularly of raw materials, fuels, and intermediate goods, consistent with investment growth and the stability in the foreign exchange market.

### 3.2.3 Risks to the Economic Outlook

61. Kenya's growth outlook portrays a stable macroeconomic environment in the medium term. However, there are downside risks to this macroeconomic outlook emanating from domestic as well as external sources. External risks include further escalation of geopolitical tensions - particularly the wars in the Middle East and Ukraine; potential worsening of supply disruptions due to the shipping crisis in the Red Sea and Suez Canal, which could result in higher import and production costs; and uncertainty about the evolution of international oil prices. Internally, extreme weather (drought or floods) could weaken agricultural output, lead to destruction of capital, increase food insecurity and lead to a surge in cases of water-borne diseases.

62. **Lower than anticipated global economic growth** and particularly in major exports destination could reduce Kenya's exports, tourism receipts, and remittances growth, while increase in global fuel prices could increase Kenya's imports bill. Tight global financial conditions arising from lower-than-expected return of global inflation to target levels could aggravate Kenya's vulnerabilities towards meeting external financing requirements. However, the government's commitment to fiscal consolidation and prioritizing concessional borrowing is expected to mitigate this risk.

## 3.3 County Economic Performance and Outlook

### 3.3.1 County Economic Performance

#### a) **Gross County Product (GCP)**

63. Isiolo County contributed 0.3 percent to the national GDP annually (GCP, 2023). From 2018 to 2022, the county's real GCP growth averaged 5.83 percent per year, compared to the average national real GDP growth of 4.6 percent. Isiolo Gross County Product (GCP) at Current Prices, increased from Ksh 22,668 Million in 2018 to Ksh 31,486 Million in 2022, as shown in the chart below. Other than Nairobi City, Isiolo, grew much faster than majority of counterparts counties with larger economies.

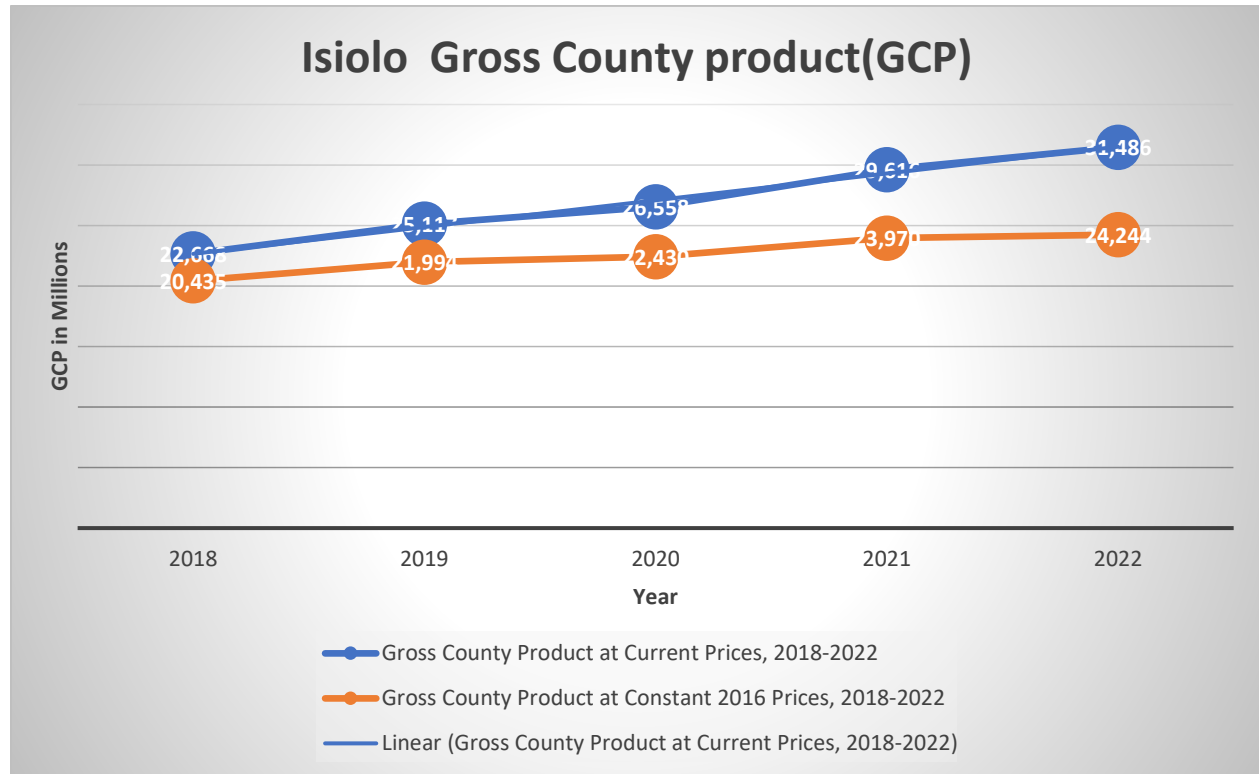


Figure 2 Isiolo gross county product

**b) County Poverty Rate**

64. The county's poverty rate has been fluctuating over the years. In 2015, the poverty rate was 65.30% percent compared to the national average, which was 36.1 percent. In 2020, the county poverty rate declined to 53.8 percent, which was attributed to economic recovery cause of government economic stimulus programmes . In 2021, the county poverty rate rose to 53.9 percent as result COVID-19 pandemic. In 2022, the county poverty rate increased to 55.6 percent still cause of the effect COVID-19 pandemic and slow economic recovery.

**c) County Per Capita Income**

The county's per capita income increased from Ksh. 98,266 in 2021 to Ksh. 102,008 in 2022. The decline in per capita income in 2020 was as result of COVID 19 that disrupted many business and

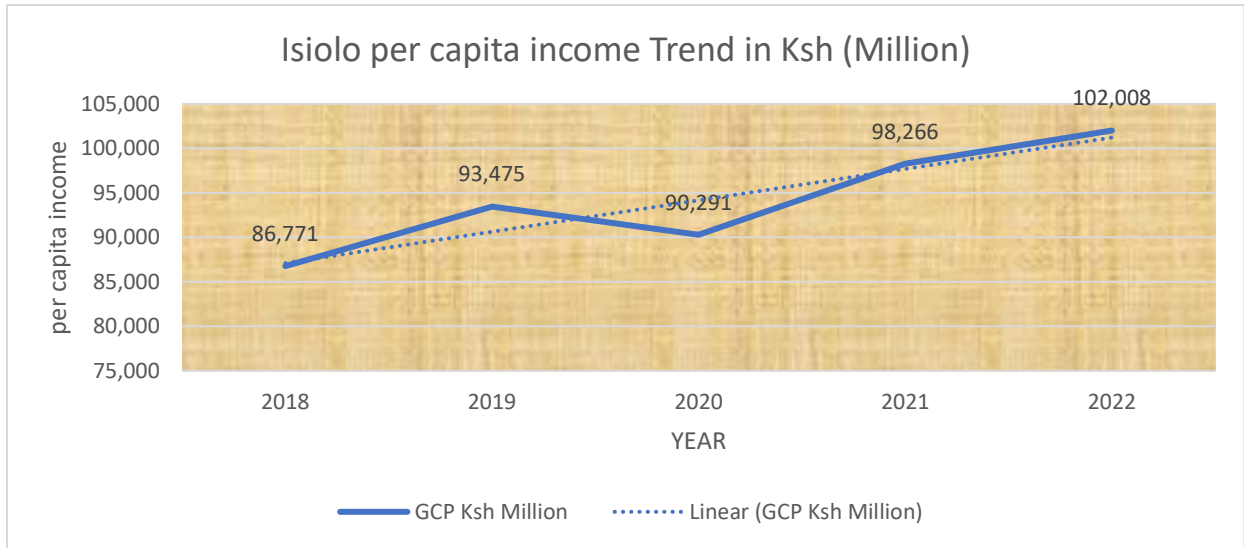


Figure 3 Isiolo per Capita Income Trend

movements.

### 3.3.2 County Sectoral Outlook .

65. The Isiolo County economy is projected to grow at an average rate of 3.8 percent in 2024, 4.0 percent in 2025, and 4.1 percent in 2026, with economic output expected to reach Ksh 130 billion, 135.20 billion, and Ksh 140.74 billion, respectively. This growth will be driven by government and private initiatives. The government will support resilient agricultural production and MSMEs by providing credit, capacity building, and investment in infrastructure to enhance a conducive business and investment environment.

#### i. Water

66. Water systems, both built and natural, in urban and rural regions generated relatively higher quantities as a result of the county's above-average rainfall over the previous two seasons. Water is required for industrial, commercial, and residential activity across the county. Industries such as manufacturing and food processing require sufficient water for industrial operations. Furthermore, commercial organizations like hotels, restaurants, and recreational facilities rely on water to deliver services. To maximize the benefits of this sector, the county will invest in water infrastructure for collection, treatment, and distribution, as well as promote water conservation measures and improve water administration.

#### ii. Agriculture

67. Agricultural production is vital to the county's economy and has an influence on food security, economic growth, and environmental sustainability. Livestock, agriculture, and fisheries contribute the most to Isiolo County's Gross County Product about 21%. Livestock is the principal source of income for the vast majority of the county's residents, with 80 percent engaged in livestock keeping. The sector contributes only 0.2% Average County Contribution to Agriculture, Forestry and Fishing Activities , 2018-2022. The El Nino rains that occurred during the 2023 October-November-December (OND) and 2024 March-April-May (MAM) seasons considerably increased pasture, local food production and overall food security in the

county. The county's food security is predicted to increase further, leading to higher agricultural production and stability.

68. The county is mostly ASAL and has ample land resources to support cattle production, which has the potential to strengthen the livestock production value chain and the local economy. Efforts to modernize and improve agricultural practices in the county, such as the adoption of modern farming techniques and irrigation systems, the implementation of crop and livestock insurance schemes, and the timely provision of certified seeds and fertilizers, will boost productivity and yields, resulting in economic growth. Its priorities and interventions are geared towards achieving the county's long-term goal of establishing a food-secure and increasing households' income in the county.

**iii. Micro, Small and Medium Enterprises (MSMEs)**

69. The service sector contributes 66% (2017) of the county's economic output, with MSMEs accounting for about 30 % and nonmarket services like public administration, education, and human health & social work accounting for 36%. It generates revenue through taxes, fees, and levies, creates jobs, and contributes to poverty reduction. However, security instability causes by disruption to commercial operations. The government plans to support MSMEs by developing management skills, providing affordable loan options, facilitating market access, and adding value.

**iv. Manufacturing**

70. The sector contributed an average of 0.1 percent of the county economy from 2018- 2022. The operationalization of abattoir and development of County Aggregation Industrial park and promotion of an innovation culture among MSMEs will enhance economic output from the sector.

**3.3.3 County Sector Performance**

71. The County government discharges its mandate and functions as prescribed under schedule four of the Constitution of Kenya through the County Executive, County Assembly and the County Public Service Board

72. The major milestones realized by the County include;

- i. Commencement of Health facility improvement financing for Isiolo county referral hospital that provided the ICRH financial autonomy through a legal framework to manage its funds and ensure an effective, efficient and sustainable healthcare system at the facility.
- ii. Implementation of water projects and Programmes that increased access to clean and safe water across the County through increased connections, storage capacity and extension of distribution lines.
- iii. Increasing road network by maintaining gravel roads and bridges/box culverts.
- iv. Supporting need students through bursaries
- v. Enforcement of revenue measures that increased own source revenue collection from Ksh 152.7 Million in FY 2022/23 to Ksh 285.2 Million in FY 2023/24.

### 3.3 Implementation of the Financial Year 2024/25 Budget

73. The FY 2024/25 budget implementation is slow due to a delay in exchequer disbursements for the first quarter. This delay will impact the budget's implementation, with early indicators showing below-target revenue collection. The Medium-Term Fiscal Framework (MTFF) aims to improve government spending efficiency and revenue collection to sustain the county's economic activity.
74. In financial year 2024/25, the overall approved expenditure estimate is Ksh. 6,833,199,036. Projected recurrent expenditures will amount to Ksh. 4,420,769,494 (64.6% percent of total expenditure) compared with Ksh. 3,951,590,408 (69.1 percent of total expenditure) in the Financial Year 2023/24 revised budget estimates. Expenditure ceilings on goods and services for sectors are based on funding allocation in the Financial Year 2023/24 budget as the baseline. The ceilings will be reduced to take into account one-off expenditures, and then an adjustment factor will be applied to take into account the general increase in prices and acquisition of new assets for the new government. The wage bill is expected to stabilize at around 42 percent of total expenditure in the MTEF period 2024/25-2027/28. Development expenditure is projected at Ksh. 2,412,429,542 (35.4 percent of total expenditure). Compared with Ksh. 1,767,219,972 (30.9 percent of total expenditure) in the Financial Year 2023/24 revised approved budget.

Table 4: Expenditure Allocation for Financial Year 2024/25

Department	Recurrent	Development	Totals
<b>3511000000 County Assembly</b>	<b>556,240,773</b>	<b>70,000,000</b>	<b>626,240,773</b>
3511000100 County Assembly	556,240,773	70,000,000	626,240,773
3512000000 County Executive	465,525,987	-	465,525,987
3512000100 Office Of Governor	285,960,841	-	285,960,841
3512000300 County Public Service Board	54,541,500	-	54,541,500
3512000400 County Secretary	37,077,228	-	37,077,228
3512000500 Delivery Unit	18,853,898	-	18,853,898
3512000600 Deputy Governor	22,693,782	-	22,693,782
3512000800 County Attorney	40,798,738	-	40,798,738
3512000900 Intergovernmental	5,600,000	-	5,600,000
<b>3513000000 Finance , Economic Planning , Special Programs, Revenue And Cohesion</b>	<b>495,645,882</b>	<b>680,462,813</b>	<b>1,176,108,695</b>
3513000100 Finances	335,144,670	541,462,813	876,607,483
3513000300 Special Programmes	63,460,000	110,000,000	173,460,000
3513000400 Economic Planning	45,575,212	29,000,000	74,575,212
3513000500cohesion	25,152,000	-	25,152,000
3513000600 Revenue Services	15,214,000	-	15,214,000
3513000700 ICT And Innovation	11,100,000	-	11,100,000
<b>3514000000lands &amp; Physical Planning, Housing &amp; Urban Planning and Roads &amp; Infrastructure</b>	<b>56,244,987</b>	<b>340,644,441</b>	<b>396,889,428</b>
3514 000100 Lands and Physical Planning	21,735,137	48,000,000	69,735,137
3514 000200 Roads and Infrastructure	15,128,190	292,644,441	307,772,631
3514 000300 Housing and Urban Development	7,950,000	-	7,950,000
3514 000400public Works	11,431,660	-	11,431,660
<b>3515000000agriculture &amp; Irrigation, Livestock &amp; Veterinary Services And Fisheries Development</b>	<b>175,083,277</b>	<b>363,571,990</b>	<b>538,655,267</b>
3515000100 Agriculture & Irrigation	47,417,750	341,995,842	389,413,592
3515000200 Livestock, Veterinary	119,365,763	14,576,148	133,941,911
35150000300 Fishery Development	8,299,764	7,000,000	15,299,764
<b>3518000000education, Vocational Youth ,Sports Gender&amp; Social Services</b>	<b>341,607,684</b>	<b>110,522,010</b>	<b>452,129,694</b>

Department	Recurrent	Development	Totals
3518000100 Education and CDE	274,027,285	38,338,443	312,365,728
3518000200 Youth and Sports	25,757,616	29,590,000	55,347,616
3518000300 Culture, Gender and Social Services	30,881,983	32,093,567	62,975,550
3518000400 Vocational Training	10,940,800	10,500,000	21,440,800
<b>3519000000tourism And Wildlife, Trade Cooperative And Enterprise Development</b>	<b>666,255,685</b>	<b>176,500,000</b>	<b>842,755,685</b>
3519000100 Tourism and Wildlife	103,920,882	8,500,000	112,420,882
3519000200 Trade and Investment	8,970,876	6,500,000	15,470,876
3519000300 Public Service Management	466,469,422	4,000,000	470,469,422
3519000400devolved Units	71,500,800	157,500,000	229,000,800
3519000500civic Education and Public Participation	10,353,000	-	10,353,000
3519000600 MSME & Cooperatives	5,040,705		5,040,705
<b>3521000000 Water, Energy, Environment, And Natural Resources</b>	<b>83,667,351</b>	<b>305,940,000</b>	<b>389,607,351</b>
3521000100water and Sanitation	47,977,515	117,440,000	165,417,515
3521000300 Environment and CCA	28,089,836	180,000,000	208,089,836
3521000400 Mining and Natural Resources	3,600,000	2,000,000	5,600,000
3521000500 Renewable Energy	4,000,000	6,500,000	10,500,000
<b>3522000000health Services</b>	<b>1,394,579,207</b>	<b>111,752,500</b>	<b>1,606,331,707</b>
3522000100 Medical Services	937,862,540	53,000,000	990,862,540
3522000200 Public Health	456,716,667	58,752,500	515,469,167
<b>3524000000 Municipal Administration</b>	<b>85,918,661</b>	<b>253,035,788</b>	<b>338,954,449</b>
3524000100 Municipal Administration	85,918,661	253,035,788	338,954,449
Net Total Recurrent Expenditure	4,320,769,494	2,412,429,542	6,733,199,036
3522000300 Facility Improvement Financing	100,000,000		100,000,000
<b>Gross Total Recurrent Expenditure</b>	<b>4,420,769,494</b>	<b>2,412,429,542</b>	<b>6,833,199,036</b>

Source: County Economic Planning Office Isiolo

75. The County Government of Isiolo's revenue collection for 2024/25 has started well, with the tourism sector being the main revenue source. By the end of September 2024, the revenue receipts were Ksh. 71,122,990, a 9.8% increase from Q1 for FY 2023/24. This represents 85% achievement of the quarterly target of Ksh. 83,772,045. However, there is a need for a re-evaluation of County Own Revenue collection strategies to address recurring leakages and improve efficiency so as to achieve the annual target.

Table 5: Quarter 1 Realized County Own Revenue for FY2024/25

Revenue Estimates	Target	Q1 Target	July	Aug	Sep	Total	Q1 Performance
Plot application/ Transfer/ Sub Division	2,936,000	734,000	52,000	36,500	23,000	111,500	15%
<b>LAND RENTS</b>	<b>20,271,075</b>	<b>5,067,769</b>	<b>529,523</b>	<b>324,562</b>	<b>339,152</b>	<b>1,193,237</b>	<b>24%</b>
Land Rent/Rates – current	10,895,075	2,723,769	296,144	100,925	134,552	531,621	20%
Penalties Rent/Rates	1,500,000	375,000	19,191	10,600	10,600	40,391	11%
Land Rent/Rates – Arrears	7,876,000	1,969,000	214,188	213,037	194,000	621,225	32%
<b>CESSSES</b>	<b>20,188,993</b>	<b>5,047,248</b>	<b>952,140</b>	<b>901,000</b>	<b>702,000</b>	<b>2,555,140</b>	<b>51%</b>
Livestock Auction	5,188,993	1,297,248	233,140	207,000	202,000	642,140	50%
Sand Cess	14,200,000	3,550,000	654,000	644,000	495,000	1,793,000	51%
Barter/Murram/Audit/fire charge/hide skin	800,000	200,000	65,000	50,000	5,000	120,000	60%

Revenue Estimates	Target	Q1 Target	July	Aug	Sep	Total	Q1 Performance
<b>OTHER MISCELLANEOUS RECEIPT</b>	<b>41,434,947</b>	<b>10,358,737</b>	<b>1,078,243</b>	<b>897,340</b>	<b>596,210</b>	<b>2,571,793</b>	<b>25%</b>
Miraa export/cess	12,218,156	<b>3,054,539</b>	590,000	645,000	413,000	1,648,000	54%
S.B.P fees	14,756,872	<b>3,689,218</b>	364,025	159,840	119,840	643,705	17%
Promotion, Advertisement/branding/Miscellaneous	1,000,000	<b>250,000</b>	53,000	34,000	15,000	102,000	41%
Liquor license	4,800,000	<b>1,200,000</b>				-	0%
Public works/other charges	600,000	<b>150,000</b>				-	0%
Stand Premium	900,000	<b>225,000</b>	4,000			4,000	2%
Consent and clearance	459,919	<b>114,980</b>				-	0%
Lease extension	300,000	<b>75,000</b>				-	0%
Livestock Veterinary/meat inspection	2,200,000	<b>550,000</b>	33,000	34,000	23,000	90,000	16%
Weight and Measures	300,000	<b>75,000</b>				-	0%
Public Inspection - Public Health	3,000,000	<b>750,000</b>	29,668	24,500	21,000	75,168	10%
Tractor Hire/tourism bus/KNLS	400,000	<b>100,000</b>	4,550		4,370	8,920	9%
Agriculture Training Centre	500,000	<b>125,000</b>				-	0%
<b>PARK REVENUE</b>	<b>150,901,973</b>	<b>37,725,493</b>	<b>11,788,324</b>	<b>17,987,220</b>	<b>21,368,512</b>	<b>51,144,056</b>	<b>136%</b>
Game entrance/Royalties	150,901,973	<b>37,725,493</b>	11,788,324	17,987,220	21,368,512	51,144,056	136%
<b>MARKET/TRADE CENTRE</b>	<b>3,432,446</b>	<b>858,112</b>	<b>130,000</b>	<b>81,193</b>	<b>90,000</b>	<b>301,193</b>	<b>35%</b>
Market Stalks/Fee and Produce	3,432,446	<b>858,112</b>	130,000	81,193	90,000	301,193	35%
<b>VEHICLE PARKING</b>	<b>5,480,000</b>	<b>1,370,000</b>	<b>115,000</b>	<b>92,700</b>	<b>92,700</b>	<b>300,400</b>	<b>22%</b>
Street parking fees	5,480,000	<b>1,370,000</b>	115,000	92,700	92,700	300,400	22%
<b>HEALTH FACILITIES OPERATION ROOM</b>	<b>3,573,785</b>	<b>893,446</b>	-	-	-	-	<b>0%</b>
Hospital cost sharing	3,573,785	<b>893,446</b>				-	0%
<b>SLAUGHTER HOUSE</b>	<b>1,328,261</b>	<b>332,065</b>	<b>42,000</b>	<b>41,000</b>	<b>40,000</b>	<b>123,000</b>	<b>37%</b>
Slaughter fees	1,328,261	<b>332,065</b>	42,000	41,000	40,000	123,000	37%
<b>TECHNICAL SERVICE</b>	<b>540,700</b>	<b>135,175</b>	<b>18,266</b>	<b>20,836</b>	-	<b>39,102</b>	<b>29%</b>
Building plan approval/bill and sign board	540,700	<b>135,175</b>	18,266	20,836		39,102	29%
<b>NET INTERNAL REVENUE ESTIMATES THROUGH County revenue fund( CRF)</b>	<b>250,088,180</b>	<b>62,522,045</b>	<b>14,705,496</b>	<b>20,382,351</b>	<b>23,251,574</b>	<b>58,339,421</b>	<b>93%</b>
<b>APPROPRIATION IN AID</b>							
<b>Health Facility Improvement Financing (AIA) for ICRH</b>							
NHIF	59,000,000	<b>14,750,000</b>	4,307,800	-	3,043,128	7,350,928	50%
Cash	24,000,000	<b>6,000,000</b>	1,600,474	1,933,407	1,830,834	5,364,715	89%
Compassion	2,000,000	<b>500,000</b>	29,677	10,549	27,700	67,926	14%
<b>SUB-TOTAL</b>	<b>85,000,000</b>	<b>21,250,000</b>	<b>5,937,951</b>	<b>1,943,956</b>	<b>4,901,662</b>	<b>12,783,569</b>	<b>60%</b>
<b>GRAND TOTAL</b>	<b>335,088,180</b>	<b>83,772,045</b>	<b>20,643,447</b>	<b>22,326,307</b>	<b>28,153,236</b>	<b>71,122,990</b>	<b>85%</b>

Source: County Revenue Office 2024

76. The expenditure side recorded performance in both recurrent and development expenditures in the first quarter of the FY 2024/26 of 15% and 0% respectively. This lower than the same period under consideration for the FY 2023/24 is attributed to late exchequer releases by the National treasury.



### **3.4.1 Medium Term Fiscal Framework (MTEF)**

77. The county pursues prudent fiscal policies aimed at achieving macroeconomic stability in collaboration with the National Treasury and Planning. In addition, the county fiscal policy objectives provide an avenue to support economic activities through implementation of the CIDP 2023–2027 with the objective of improving efficiency to effectively deliver public services and ensuring various departments receive adequate resources to undertake their priorities sustainably.
78. The county government is committed to achieving its full medium-term budgetary targets, which will help to improve the budget absorption rate. The county will undertake initiatives that promote local economic growth, with the assumption that they will provide more income for the county's development. To acquire additional financing resources, the county will actively build and enhance current relationships and cooperation with donors and private investors.

### **3.4.2 Outlook for the Financial Year 2024/25**

79. Some expenditures are one-off and therefore may not need to be provided for in the future. As a result, the budget outlook for the Financial Year 2024/25 promotes a re-orientation of expenditure with a focus towards poverty reduction as well as secured sources of livelihood. In order to accomplish this, efforts must be taken to critically examine the respective allocations for each sector and single out expenditures that can be re-designated to key development priority areas.
80. In this regard, several measures shall be used to identify areas where savings can be made. However, it will be important to understand that some sectors will continue to require more resources to finance core-type expenditures to execute their mandates effectively. Thus, expenditure reductions for items such as foreign travel, tuition fees, and domestic travel, among others, must be made where extravagant spending is identified. It is therefore important that these expenditures be reduced reasonably without crippling the targeted sectors or spending units and re-designating the resultant savings to the core areas of the Financial Year 2024/25.

### **3.4.3 FY 2025/26 Medium-Term Expenditure Framework priorities**

81. The Medium Term Expenditure Framework (MTEF) is designed to align with the County Annual Development Plan (CADP) 2025/26. The plan will be achieved through investment in:
- i. **Agriculture and Food Security:** The County will enhance agricultural productivity, value addition, and market access through increased investments. This includes sustainability of livestock-based livelihoods and commercializing of livestock and crop production, improving access to extension services and high-quality farm inputs (seeds, fertilizers, and pesticides) and prioritizing post-harvest handling to reduce losses and strengthen market linkages.
  - ii. **Water Resource Management and Climate Resilience:** the government will focus to

- expanding access to potable water through the last mile connectivity programme. Additionally, climate resilience measures will be implemented to safeguard livelihoods and ensure long-term productivity.
- iii. Universal Healthcare Coverage: The government will enhance healthcare services, ensuring universal access to essential health services and ultimately improving health outcomes for all citizens through Financing in quality, affordable and accessible Health Services (i.e. preventative, curative and rehabilitative health care services);
  - iv. Trade and Local Livelihoods: The County will strengthen local markets and cooperatives by enhancing market infrastructure and providing financial support.
  - v. Decentralization and Coordination of Service Delivery: The County will empower ward-level units while allocating resources for targeted development projects.
  - vi. Strategic partnership: The County will leverage partnerships with the private sector to boost investments in key sectors such as agro-processing, infrastructure development, and renewable energy. These collaborations will complement government efforts and drive sustainable economic growth across Isiolo County.
  - vii. Investment in Infrastructure development and expansion i.e. Roads, Water Supply, Market development and modern urban infrastructure and sustainable land management for socio economic development;
  - viii. Investing in Education, focusing on construction of more ECDE structures and equipping of youth polytechnics as well as social development of the communities through social programs;
  - ix. Promotion of Tourism, trade and industrial development for a rapidly industrializing economy;
82. These efforts will stimulate local economic activities and create employment opportunities at the local level.

#### 3.4.4 Risks to the 2024/25 Budget outlook

83. The risks to the outlook over the Medium-Term include weak internal control systems and technological challenges within the revenue collection process and complacency of the citizens. Tackling these issues will reduce the risk and increase revenue collection.
84. Public expenditure pressures, especially recurrent expenditure, pose a fiscal risk and Wage bill pressure limits funding for development budget.
85. The County Government will undertake appropriate measures to safeguard fiscal stability should these risks materialize by mitigating against them.

## **CHAPTER 4 RESOURCE ALLOCATION FRAMEWORK**

### **4.1 Adjustment to 2024/25 Budget**

86. The fiscal performance and the updated macro-economic outlook will enable the county to make adjustments to the current budget by prioritizing and aligning projects and programs on key priority areas, which include health, water and sanitation, food security, wealth creation and infrastructure development, and education. Social Development and Good Governance. Moreover, wage bill pressure, which limits funding for the development budget, still remains a challenge. In addition, implementation pace in the county spending entities continues to be a source of concern, especially with regard to the development expenditure and uptake of resources. The county treasurer will closely monitor these risks and take appropriate measures in the future budget reviews.
87. The county's expenditure priorities will be aligned with the available resources to prevent the buildup of pending bills. In FY 2024/25, the county will ensure that all previously accumulated pending bills are paid and project to pay bills as and when they fall due. The county will implement several strategies, including reducing expenses to avoid budget deficits, cutting non-essential services, renegotiating contracts, and eliminating inefficiencies. It will also seek untapped revenue sources to increase its own-source revenue, such as taxes, fees, and fines, while actively pursuing grants. Furthermore, the county aims to develop a long-term plan to address deficits in line with its priorities and goals.
88. Adjustments to the FY 2024/25 budget will take into consideration the actual spending and absorption capacity for the balance of the fiscal year across all departments. When faced with budget constraints, the count treasury will streamline spending by focusing on high-priority projects and activities. In order to alleviate spending pressure and improve budget absorption, the county has also implemented efforts to boost its own source revenue collection in fiscal year 2024-25.

### **4.2 Medium-Term Expenditure Framework**

89. Moving ahead, especially in light of the macroeconomic forecast, MTEF planning will require modifying less-priority expenditure to accommodate key sectors. The MTEF priorities will direct resource allocation as follows: Given the restricted resources, we will continue to adjust non-priority spending to cover priority expenditures. The county's integrated development plan (2023-2027) and annual development plan (ADP 2024/25) will continue to direct resources.
90. The budget allocates adequate resources to priority sectors such as health, water, roads and infrastructure, agriculture, and livestock. The health sector is already receiving significant resources, and the accounting officer is required to efficiently use these resources for strategic interventions. Livestock and water sectors will receive more resources to boost productivity and address food security threats. Other priority programs include empowering youth through a transformative technical and vocational education system, with resources earmarked for these interventions ring-fenced over the medium term.

91. With the county government’s commitment to improving physical infrastructure countywide, the share of resources going to the roads, housing, and public works sectors will continue to rise steadily over the medium-term period. Other priority sectors, such as education, sports, youth, and culture, will also continue to receive adequate resources.
92. The government will continue to support semi-autonomous government agencies (SAGAs) like IWASO and Isiolo Municipality to ensure their functions are executed. They will also explore new revenue-raising methods to enhance their source revenue and provide quality services to residents.

#### 4.2.1 Medium Term Fiscal Projections

##### **Revenue Projections**

93. The government expects revenues to rise to Ksh. 6,546,250,455 in FY 2025/26, reflecting an increase of 0.4 percent from FY 2024/25 net revenue (less balance b/f from FY 2023/24) and Ksh 6,808,100,473 in FY 2026/27 and Ksh 7,080,424,492. The anticipated growth in revenue is due to positive performance in OSR and conditional grant growth.

Table 6: Revenue Projections - FY 2024/25 - 2027/28

Sources Of Revenue	FY 2022/23 Ksh	FY 2023/24 Ksh			Estimates FY 2024/25 Ksh	Projection 2025/26 Ksh	Projection 2026/27 Ksh	Projection 2027/28 Ksh
	Actual	Target	Actual	Performance				
<b>EXTERNAL REVEUE</b>						-		
<b>Equitable Share</b>	<b>4,710,388,265</b>	<b>4,899,041,209</b>	<b>4,507,117,912</b>	<b>92%</b>	<b>5,078,735,614</b>	<b>5,281,885,039</b>	<b>5,493,160,441</b>	<b>5,712,886,858</b>
General Provisions (Equitable Share)	4,710,388,265	4,899,041,209	4,507,117,912	92%	5,078,735,614	5,281,885,039	5,493,160,441	5,712,886,858
<b>Conditional Allocations From National Government Revenue Account</b>	-	<b>60,000,000</b>	<b>0</b>	<b>0%</b>	<b>328,718,258</b>	<b>341,866,988</b>	<b>355,541,668</b>	<b>369,763,334</b>
Supplement for Construction of County Headquarters	-	60,000,000	0	0%	115,350,161	119,964,167	124,762,734	129,753,243
Transfer of Museum function	-	0	0	0%	1,093,656	1,137,402	1,182,898	1,230,214
Roads maintenance fuel levy Fund	-	0	0	0%	190,644,441	198,270,219	206,201,028	214,449,069
Community Health promoters	-	0	0	0%	21,630,000	22,495,200	23,395,008	24,330,808
<b>Conditional Allocations From Development Partners</b>	<b>387,303,664</b>	<b>370,655,932</b>	<b>268,112,416</b>	<b>72%</b>	<b>615,809,540</b>	<b>640,441,922</b>	<b>666,059,599</b>	<b>692,701,983</b>
Current Grants From Foreign Governments Danida	9,734,622	7,738,500	4,698,375	61%	6,532,500	6,793,800	7,065,552	7,348,174
UNPFA	-	12,476,986	0	0%	9,620,000	10,004,800	10,404,992	10,821,192
Transfer for Library Service	-	7,025,011	0	0%	-	-	-	-
Agriculture Development support program(Swedish)	11,000,000	18,446,882	16,258,238	88%	-	-	-	-
Financing Own Locally led climate action world bank(FIloCA)	22,000,000	136,000,000	112,141,788	82%	136,000,000	141,440,000	147,097,600	152,981,504
World Bank Emergency Locust Response	82,424,093	188,968,553	135,014,015	71%	142,500,000	148,200,000	154,128,000	160,293,120
Food Systems Resilience Project (FSRP)	-	0	0	0%	173,076,923	180,000,000	187,200,000	194,688,000
Kenya Agricultural Business Development Project (KABDP)-GOS	-	0	0	0%	10,918,919	11,355,676	11,809,903	12,282,299
Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution	-	0	0	0%	1,000,000	1,040,000	1,081,600	1,124,864
Kenya Devolution Support Program II (KDSP II)	-	0	0	0%	37,500,000	39,000,000	40,560,000	42,182,400
Kenya Urban Support Program (KUSP)-UIG	-	0	0	0%	35,000,000	36,400,000	37,856,000	39,370,240
Kenya Urban Support Program (KUSP)-UDG	-	0	0	0%	63,661,198	66,207,646	68,855,952	71,610,190
<b>Gross County External Revenue Estimate</b>	<b>5,097,691,929</b>	<b>5,329,697,141</b>	<b>4,775,230,328</b>	<b>90%</b>	<b>6,023,263,412</b>	<b>6,264,193,948</b>	<b>6,514,761,706</b>	<b>6,775,352,174</b>
<b>Balance From Previous FY</b>	<b>1,065,959,923</b>	<b>117,905,059</b>	<b>117,905,059</b>	<b>100%</b>	<b>438,727,444</b>			
<b>County Own Source Revenue</b>								
<b>Plot application/Transfer/Sub Division</b>	<b>995,200</b>	<b>2,500,000</b>	<b>1,093,700</b>	<b>44%</b>	<b>4,736,000</b>	4,925,440	<b>5,122,458</b>	<b>5,327,356</b>
Plot Application/Transfer/Sub Division	995,200	2,500,000	1,093,700	44%	4,736,000	4,925,440	5,122,458	5,327,356
<b>Land Rents</b>	<b>10,040,370</b>	<b>16,800,000</b>	<b>6,500,259</b>	<b>39%</b>	<b>24,271,075</b>	<b>25,241,918</b>	<b>26,251,595</b>	<b>27,301,659</b>
Land Rent/Rates – current	3,167,339	8,000,000	2,571,777	32%	17,195,075	17,882,878	18,598,193	19,342,121
Penalties Rent/Rates	118,947	1,000,000	135,143	14%	1,500,000	1,560,000	1,622,400	1,687,296
Land Rent/Rates – Arrears	6,754,084	7,800,000	3,793,339	49%	5,576,000	5,799,040	6,031,002	6,272,242
<b>Cesses</b>	<b>7,261,685</b>	<b>22,400,000</b>	<b>14,062,225</b>	<b>63%</b>	<b>28,626,545</b>	<b>30,811,607</b>	32,044,071	33,325,834

Sources Of Revenue	FY 2022/23 Ksh	FY 2023/24 Ksh			Estimates FY 2024/25 Ksh	Projection 2025/26 Ksh	Projection 2026/27 Ksh	Projection 2027/28 Ksh
	Actual	Target	Actual	Performance				
Livestock Auction	3,052,845	7,200,000	2,920,560	41%	10,188,993	10,596,553	11,020,415	11,461,232
Sand Cess	4,131,710	14,400,000	10,843,000	75%	15,200,000	16,848,000	17,521,920	18,222,797
Barter/Murram/Audit/Fire Charge/Hide Skin	77,130	800,000	298,665	37%	3,237,552	3,367,054	3,501,736	3,641,806
<b>Other Miscellaneous Receipt</b>	<b>13,039,099</b>	<b>33,619,919</b>	<b>22,060,420</b>	<b>66%</b>	<b>29,605,455</b>	<b>31,924,235</b>	<b>33,201,204</b>	<b>34,529,253</b>
Miraa export/cess	3,602,300	8,400,000	8,234,900	98%	8,400,000	4,178,882	4,346,037	4,519,879
S.B.P fees	7,143,850	11,400,000	10,214,674	90%	12,400,000	988,000	1,027,520	1,068,621
Promotion, Advertisement/ branding/ Miscellaneous	274,500	3,000,000	367,086	12%	1,000,000	6,819,074	7,091,837	7,375,510
Liquor license		4,000,000		0%	0	4,992,000	5,191,680	5,399,347
Public works/other charges		500,000	21,500	4%	600,000	1,248,000	1,297,920	1,349,837
Stand Premium	41,000	200,000	103,600	52%	485,536	1,336,957	1,390,435	1,446,053
Consent and clearance	806,000	419,919	606,000	144%	419,919	436,716	454,185	472,352
Lease extension		300,000		0%	300,000	4,041,519	4,203,180	4,371,307
Livestock Veterinary/meat inspection	746,349	2,000,000	878,460	44%	2,000,000	312,000	324,480	337,459
Planning & Survey				0%		992,160	1,031,846	1,073,120
Weight and Measures	53,100	300,000		0%	300,000	3,739,840	3,889,434	4,045,011
Public Inspection - Public Health	25,500	2,400,000	1,491,000	62%	2,800,000	780,000	811,200	843,648
Tractor Hire/tourism bus/KNLS		400,000	143,200	36%	600,000	1,143,887	1,189,642	1,237,228
Agriculture Training Centre	346,500	300,000		0%	300,000	915,200	951,808	989,880
<b>Park Revenue</b>	<b>113,465,212</b>	<b>188,000,000</b>	<b>139,233,725</b>	<b>74%</b>	<b>168,227,129</b>	<b>160,394,788</b>	166,810,580	173,483,003
Game Entrance/Royalties	113,465,212	188,000,000	139,233,725	74%	168,227,129	160,394,788	166,810,580	173,483,003
<b>Market/Trade Centre</b>	<b>1,513,560</b>	<b>2,500,000</b>	<b>2,464,520</b>	<b>99%</b>	<b>3,000,000</b>	<b>10,847,664</b>	<b>11,281,571</b>	<b>11,732,833</b>
Market Stalks/Fee and Produce	1,513,560	2,500,000	2,464,520	99%	3,000,000	10,847,664	11,281,571	11,732,833
<b>Vehicle Parking</b>	<b>4,416,973</b>	<b>3,600,000</b>	<b>4,249,840</b>	<b>118%</b>	<b>6,000,000</b>	<b>10,899,200</b>	<b>11,335,168</b>	<b>11,788,575</b>
Street Parking Fees	4,416,973	3,600,000	4,249,840	118%	6,000,000	10,899,200	11,335,168	11,788,575
<b>Health Facilities Operation Room</b>	<b>869,055</b>	<b>0</b>	<b>-</b>	<b>0%</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cost Sharing	869,055	0	-	0%	0	-	-	-
<b>Slaughter House</b>	<b>1,020,220</b>	<b>1,288,261</b>	<b>760,900</b>	<b>59%</b>	<b>4,513,575</b>	<b>4,694,118</b>	<b>4,881,883</b>	<b>5,077,158</b>
Slaughter Fees	1,020,220	1,288,261	760,900	59%	4,513,575	4,694,118	4,881,883	5,077,158
<b>Technical Service</b>	<b>78,800</b>	<b>500,000</b>	<b>289,827</b>	<b>58%</b>	<b>2,228,401</b>	<b>2,317,537</b>	<b>2,410,238</b>	<b>2,506,648</b>
Building plan approval/bill and sign board	78,800	500,000	289,827	58%	2,228,401	2,317,537	2,410,238	2,506,648
<b>SUB TOTAL</b>	<b>152,700,174</b>	<b>271,208,180</b>	<b>190,715,416</b>	<b>70%</b>	<b>271,208,180</b>	<b>282,056,507</b>	<b>293,338,767</b>	<b>305,072,318</b>
<b>FIF (a)</b>	<b>0</b>	<b>85,000,000</b>	<b>94,481,928</b>	<b>111%</b>	<b>100,000,000</b>	<b>104,000,000</b>	<b>108,160,000</b>	<b>112,486,400</b>
ICTRH OSR- Cash Payment	-	-	-	0%	30,000,000	31,200,000	32,448,000	33,745,920
ICTRH OSR- NHIF	-	-	-	0%	67,000,000	69,680,000	72,467,200	75,365,888
ICTRH OSR- Compassion remittance	-	-	-	0%	3,000,000	3,120,000	3,244,800	3,374,592
<b>Gross County Revenue Estimate (B)</b>	<b>6,316,352,026</b>	<b>5,803,810,380</b>	<b>5,178,332,731</b>	<b>89%</b>	<b>6,833,199,036</b>	<b>6,650,250,455</b>	<b>6,916,260,473</b>	<b>7,192,910,892</b>
<b>Net County Total Revenue (B-A)</b>	<b>6,316,352,026</b>	<b>5,718,810,380</b>	<b>5,083,850,803</b>	<b>89%</b>	<b>6,733,199,036</b>	<b>6,546,250,455</b>	<b>6,808,100,473</b>	<b>7,080,424,492</b>

Source: County Economic Planning Office Isiolo 2024

**a) Own Source Revenue Mobilization**

94. The county has consistently improved its revenue mobilization strategies, resulting in a 24.9 percent increase in total revenue collections in FY 2023/24. In FY 2024/25, the county plans to collect Ksh. 271,208,180 as own source revenue, a 42.2% increase over the goal collection in FY 2023/24. The forecasts are likely to increase to Ksh 305,072,318 in the medium term.

95. Though the mobilization of the own source revenue has gradually increased over time, actual collections fall short of potential, owing primarily to collection and administration issues. To address these main concerns, the county will address the following challenges through the implementation of the following initiatives.

*Table 7 Own Source Revenue Mobilization*

No	Challenge	Required Interventions
1)	Minimal digital transformation of revenue systems	<ul style="list-style-type: none"> <li>i. Leveraging technology to ensure customer service portal for ease of licenses registration, invoicing and for receipting and overall customer self-services.</li> <li>ii. Integrate the revenue system with other entity systems to enhance proper tracking of revenue and reporting.</li> <li>iii. Leverage on mobile phones and tablets instead of POS machines to minimize risks associated with Android crashing, weak communications with the server, and mechanical itches.</li> </ul>
2)	Inadequate revenue policies and legislation	<ul style="list-style-type: none"> <li>i. Carry out Legislative review of all laws related to Revenue collection, enforcement and compliance to address any legislative and policy gap</li> <li>ii. Analyse the National Policy to Support Enhancement of County Own Source Revenue to identify key action areas for implementation</li> </ul>
3)	Weak enforcement and low compliance	<ul style="list-style-type: none"> <li>i. Build collaborative approaches with key stakeholders, partners and business community to build sustainable revenue-raising strategies unlike impounding and closure of shops non-compliant and serial defaulters</li> </ul>
4)	Inability to mop up huge arrears on Land based revenue due to lack of a consistence database on property rates.	<ul style="list-style-type: none"> <li>i. Adoption of markets by officers in all wards</li> <li>ii. Map all property across the county using GIS system</li> <li>iii. Decentralize all Land Approval Committees to ward Level for ease of monitoring and regularizing of all developments.</li> <li>iv. Continuously collaborate with key property stakeholders like associations and SACCOs on matters land based revenue</li> </ul>
5)	Knowledge gap on key taxpayer information	<ul style="list-style-type: none"> <li>i. Organize radio talk shows, market clinics to ensure the taxpayers are up to date with Finance Act.</li> <li>ii. Identify, train and equip market leaders to be the revenue champions in their locality.</li> </ul>
6)	Human resource capacity inadequacy	<ul style="list-style-type: none"> <li>i. Identify skills gaps and train the officers as per the needs.</li> <li>ii. Motivate revenue personnel through a reward mechanism to the best performing and outstanding officers</li> </ul>

**b) External resource mobilization, strengthening partnerships and collaborations**

96. The county government's resource basket has recorded minimal increments 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;

- i. Collaborate with international development organizations, NGOs, and bilateral agencies to secure funding and technical assistance for various projects
- ii. Engage with private sector companies operating within the county through Corporate Social Responsibility initiatives to provide additional funding and resources for community projects
- iii. Seek grants and donations from foundations, Community-Based Organizations(CBOs), Faith based Organizations (FBOs) and philanthropic organizations
- iv. Develop Public-Private Partnerships where the County Government will provide land, set basic infrastructure and provide investment incentives
- v. Strengthen community participation in development and resource mobilization to enhance transparency and accountability, making it easier to attract external support
- vi. Capacity build staff on proposal writing, project management, and financial management to enhance the ability to attract and manage external resources effectively
- vii. Leverage on the Frontier counties Economic Block to attract regional funding and investment opportunities for the county

**c) Conditional Allocation, Loans, and Grants**

97. The projected funding for FY 2025/26 from conditional allocations, loans, and grants is estimated at approximately Ksh982 million. This funding is intended to support various developmental programs and projects across multiple sectors, including agriculture, health, climate change, and urban development.

**4.4 Sector expenditure Indicative Ceilings**

98. The county government is operating under a constrained fiscal environment and will adopt zero-based budgeting to guide prioritization and allocation of available resources to priority programs and projects. Therefore, sectors and departments are encouraged to review, cost, and prioritize their planned activities, projects, and programs for consideration of sector ceilings for FY 2025/26 and in MTEF. In FY 2025/26, the county resource allocation to sectors or departments is guided by the priorities outlined in this 2024 CBROP: fiscal responsibility, sustainability, and community priorities. The priorities in the CBROP are aligned with the County Annual Development Plan 2025/26 projects, which were identified during public participation. The resource allocation criteria for FY 2025/26 is guided by:

- i. Alignment with the 2025/26 ADP strategic interventions and sector priorities which are outcome-oriented to achieve the County development agenda;
- ii. Programmes and projects that will stimulate local economies for shared prosperity;
- iii. Consideration of completion of phased and new flagship project priorities



- iv. Consideration of sector non-discretionary expenditure items;
- v. Completion of all ongoing and stalled projects;
- vi. Payment of verified pending bills; and
- vii. Adopt a Zero-Based Budgeting approach in preparing the FY 2025/26 and future budgets

#### **4.4.1 Fiscal Responsibility Principles**

99. The County, in compliance with the Constitution, the Public Finance Management Act of 2012, and the PFM Regulations of 2015, has committed to transparent and prudent management of public resources, ensuring fiscal responsibility.

100. The government's projected development index for FY 2025/26 is 32.3 percent, which meets the minimum requirement of 30 percent set by the PFM Act. However, the county has been grappling with an increasing wage bill due to reviews in salary and benefit. To address this, the county has frozen the hiring of new staff with the exception of filling positions that fall vacant. The government is also enhancing its resource mobilization strategies to reduce the wage bill from the current 43% to the required 35%. Prudent fiscal management ensures that the county can fund long-term development projects without accumulating any pending bills.

Table 8: Indicative Expenditure Ceilings for the MTEF period 2025/26 - 2027/28

DEPARTMENT	APPROVED ESTIMATES FOR FY 2024/25			PROJECTION FOR FY 2025/26			PROJECTION FOR FY 2026/27			PROJECTION FOR FY 2027/28		
	Recurrent	Development	Totals	Recurrent	Development	Totals	Recurrent	Development	Totals	Recurrent	Development	Totals
<b>3511000000 COUNTY ASSEMBLY</b>	<b>556,240,773</b>	<b>70,000,000</b>	<b>626,240,773</b>	<b>556,490,404</b>	<b>70,000,000</b>	<b>626,490,404</b>	<b>578,750,020</b>	<b>72,800,000</b>	<b>651,550,020</b>	<b>601,900,021</b>	<b>75,712,000</b>	<b>677,612,021</b>
3511000100 COUNTY ASSEMBLY	556,240,773	70,000,000	626,240,773	556,490,404	70,000,000	626,490,404	578,750,020	72,800,000	651,550,020	601,900,021	75,712,000	677,612,021
<b>3512000000 COUNTY EXECUTIVE</b>	<b>465,525,987</b>	<b>0</b>	<b>465,525,987</b>	<b>484,147,027</b>	<b>35,000,000</b>	<b>519,147,027</b>	<b>503,512,908</b>	<b>36,400,000</b>	<b>539,912,908</b>	<b>523,653,424</b>	<b>37,856,000</b>	<b>561,509,424</b>
3512000100 Office of Governor	285,960,841	0	285,960,841	297,399,275	20,000,000	317,399,275	309,295,246	20,800,000	330,095,246	321,667,056	21,632,000	343,299,056
3512000300 County Public Service Board	54,541,500	0	54,541,500	56,723,160	-	56,723,160	58,992,086	0	58,992,086	61,351,770	0	61,351,770
3512000400 County Secretary	37,077,228	0	37,077,228	38,560,317	-	38,560,317	40,102,730	0	40,102,730	41,706,839	0	41,706,839
3512000500 Delivery Unit	18,853,898	0	18,853,898	19,608,054	-	19,608,054	20,392,376	0	20,392,376	21,208,071	0	21,208,071
3512000600 Deputy Governor	22,693,782	0	22,693,782	23,601,533	15,000,000	38,601,533	24,545,594	15,600,000	40,145,594	25,527,418	16,224,000	41,751,418
3512000800 County Attorney	40,798,738	0	40,798,738	42,430,688	-	42,430,688	44,127,916	0	44,127,916	45,893,032	0	45,893,032
3512000900 Intergovernmental	5,600,000	0	5,600,000	5,824,000	-	5,824,000	6,056,960	0	6,056,960	6,299,238	0	6,299,238
<b>3513000000 FINANCE , ECONOMIC PLANNING</b>	<b>495,645,882</b>	<b>0</b>	<b>1,176,108,695</b>	<b>416,471,716</b>	<b>377,681,326</b>	<b>794,153,042</b>	<b>433,130,585</b>	<b>392,788,579</b>	<b>825,919,164</b>	<b>450,455,808</b>	<b>408,500,122</b>	<b>858,955,930</b>
3513000100 Finance	335,144,670	0	876,607,483	248,550,456	253,121,326	501,671,782	258,492,474	263,246,179	521,738,653	268,832,173	273,776,026	542,608,199
3513000300 Special Programmes	63,460,000	0	173,460,000	65,998,400	114,400,000	180,398,400	68,638,336	118,976,000	187,614,336	71,383,869	123,735,040	195,118,909
3513000400 Economic Planning	45,575,212	0	74,575,212	48,398,220	10,160,000	58,558,220	50,334,149	10,566,400	60,900,549	52,347,515	10,989,056	63,336,571
3513000500 Cohesion	25,152,000	0	25,152,000	26,158,080	-	26,158,080	27,204,403	0	27,204,403	28,292,579	0	28,292,579
3513000600 Revenue Services	15,214,000	0	15,214,000	15,822,560	-	15,822,560	16,455,462	0	16,455,462	17,113,681	0	17,113,681
3513000700 ICT And Innovation	11,100,000	0	11,100,000	11,544,000	-	11,544,000	12,005,760	0	12,005,760	12,485,990	0	12,485,990
<b>3514000000 LANDS, PHYSICAL PLANNING, HOUSING, URBAN PLANNING, ROADS &amp; INFRASTRUCTURE</b>	<b>56,244,987</b>	<b>340,644,441</b>	<b>396,889,428</b>	<b>63,494,786</b>	<b>324,270,219</b>	<b>387,765,005</b>	<b>66,034,577</b>	<b>337,241,028</b>	<b>403,275,605</b>	<b>68,675,961</b>	<b>350,730,669</b>	<b>419,406,629</b>
3514 000100 Lands And Physical Planning	21,735,137	48,000,000	69,735,137	22,604,542	49,920,000	72,524,542	23,508,724	51,916,800	75,425,524	24,449,073	53,993,472	78,442,545
3514 000200 Roads And Infrastructure	15,128,190	292,644,441	307,772,631	17,733,318	274,350,219	292,083,537	18,442,651	285,324,228	303,766,878	19,180,357	296,737,197	315,917,554
3514 000300 Housing And Urban Development	7,950,000	0	7,950,000	8,268,000	-	8,268,000	8,598,720	0	8,598,720	8,942,669	0	8,942,669
3514 000400 public Works	11,431,660	0	11,431,660	14,888,926	-	14,888,926	15,484,483	0	15,484,483	16,103,862	0	16,103,862
<b>3515000000 AGRICULTURE LIVESTOCK , VETERINARY SERVICES AND FISHERIES DEVELOPMENT</b>	<b>175,083,277</b>	<b>363,571,990</b>	<b>538,655,267</b>	<b>178,086,609</b>	<b>378,114,870</b>	<b>556,201,479</b>	<b>185,210,073</b>	<b>393,239,465</b>	<b>578,449,538</b>	<b>192,618,476</b>	<b>408,969,043</b>	<b>601,587,520</b>
3515000100 agriculture & irrigation	47,417,750	341,995,842	389,413,592	49,314,460	355,675,676	404,990,136	51,287,038	369,902,703	421,189,741	53,338,520	384,698,811	438,037,331
3515000200 livestock, veterinary	119,365,763	14,576,148	133,941,911	120,140,394	15,159,194	135,299,588	124,946,010	15,765,562	140,711,572	129,943,850	16,396,184	146,340,034
3515000300 fishery development	8,299,764	7,000,000	15,299,764	8,631,755	7,280,000	15,911,755	8,977,025	7,571,200	16,548,225	9,336,106	7,874,048	17,210,154
<b>3518000000 EDUCATION, VOCATIONAL YOUTH ,SPORTS GENDER&amp; SOCIAL SERVICES</b>	<b>341,607,684</b>	<b>110,522,010</b>	<b>452,129,694</b>	<b>365,271,991</b>	<b>114,942,891</b>	<b>480,214,882</b>	<b>379,882,871</b>	<b>119,540,607</b>	<b>499,423,477</b>	<b>395,078,185</b>	<b>124,322,231</b>	<b>519,400,416</b>

DEPARTMENT	APPROVED ESTIMATES FOR FY 2024/25			PROJECTION FOR FY 2025/26			PROJECTION FOR FY 2026/27			PROJECTION FOR FY 2027/28		
	Recurrent	Development	Totals	Recurrent	Development	Totals	Recurrent	Development	Totals	Recurrent	Development	Totals
3518000100 Education And ECDE	274,027,285	38,338,443	312,365,728	294,988,376	39,871,981	334,860,357	306,787,911	41,466,860	348,254,771	319,059,427	43,125,535	362,184,962
3518000200 Youth And Sports	25,757,616	29,590,000	55,347,616	26,787,921	30,773,600	57,561,521	27,859,438	32,004,544	59,863,982	28,973,815	33,284,726	62,258,541
3518000300 Culture, Gender And Social Services	30,881,983	32,093,567	62,975,550	32,117,262	33,377,310	65,494,572	33,401,952	34,712,402	68,114,355	34,738,031	36,100,898	70,838,929
3518000400 Vocational Training	10,940,800	10,500,000	21,440,800	11,378,432	10,920,000	22,298,432	11,833,569	11,356,800	23,190,369	12,306,912	11,811,072	24,117,984
<b>3519000000 TOURISM AND WILDLIFE, TRADE COOPERATIVE AND ENTRPRISE DEVELOPMENT</b>	<b>666,255,685</b>	<b>176,500,000</b>	<b>842,755,685</b>	<b>695,905,912</b>	<b>173,560,000</b>	<b>869,465,912</b>	<b>723,742,148</b>	<b>180,502,400</b>	<b>904,244,548</b>	<b>752,691,834</b>	<b>187,722,496</b>	<b>940,414,330</b>
3519000100 Tourism And Wildlife	103,920,882	8,500,000	112,420,882	123,077,717	8,840,000	131,917,717	128,000,826	9,193,600	137,194,426	133,120,859	9,561,344	142,682,203
3519000200 Trade And Investment	8,970,876	6,500,000	15,470,876	9,329,711	6,760,000	16,089,711	9,702,899	7,030,400	16,733,299	10,091,015	7,311,616	17,402,631
3519000300 Public Service Management	466,469,422	4,000,000	470,469,422	475,128,199	4,160,000	479,288,199	494,133,327	4,326,400	498,459,727	513,898,660	4,499,456	518,398,116
3519000400 devolved Units	71,500,800	157,500,000	229,000,800	72,360,832	153,800,000	226,160,832	75,255,265	159,952,000	235,207,265	78,265,476	166,350,080	244,615,556
3519000500 Civic Education And Public Participation	10,353,000	0	10,353,000	10,767,120	-	10,767,120	11,197,805	0	11,197,805	11,645,717	0	11,645,717
3519000600 MSME & COOPERATIVES	5,040,705		5,040,705	5,242,333	-	5,242,333	5,452,026	0	5,452,026	5,670,107	0	5,670,107
<b>3521000000 WATER, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES</b>	<b>83,667,351</b>	<b>305,940,000</b>	<b>389,607,351</b>	<b>97,014,045</b>	<b>296,177,600</b>	<b>393,191,645</b>	<b>100,894,607</b>	<b>308,024,704</b>	<b>408,919,311</b>	<b>104,930,391</b>	<b>320,345,692</b>	<b>425,276,083</b>
3521000100 Water And Sanitation	47,977,515	117,440,000	165,417,515	59,896,616	100,137,600	160,034,216	62,292,481	104,143,104	166,435,585	64,784,180	108,308,828	173,093,008
3521000300 Environment And CCA	28,089,836	180,000,000	208,089,836	29,213,429	187,200,000	216,413,429	30,381,966	194,688,000	225,069,966	31,597,245	202,475,520	234,072,765
3521000400 Mining And Natural Resources	3,600,000	2,000,000	5,600,000	3,744,000	2,080,000	5,824,000	3,893,760	2,163,200	6,056,960	4,049,510	2,249,728	6,299,238
3521000500 Renewable Energy	4,000,000	6,500,000	10,500,000	4,160,000	6,760,000	10,920,000	4,326,400	7,030,400	11,356,800	4,499,456	7,311,616	11,811,072
<b>3522000000 HEALTH SERVICES</b>	<b>1,394,579,207</b>	<b>111,752,500</b>	<b>1,506,331,707</b>	<b>1,450,885,832</b>	<b>116,222,600</b>	<b>1,567,108,432</b>	<b>1,508,921,265</b>	<b>120,871,504</b>	<b>1,629,792,769</b>	<b>1,569,278,116</b>	<b>125,706,364</b>	<b>1,694,984,480</b>
3522000100 Medical Services	937,862,540	53,000,000	990,862,540	975,900,498	55,120,000	1,031,020,498	1,014,936,518	57,324,800	1,072,261,318	1,055,533,979	59,617,792	1,115,151,771
3522000200 Public Health	456,716,667	58,752,500	515,469,167	474,985,334	61,102,600	536,087,934	493,984,747	63,546,704	557,531,451	513,744,137	66,088,572	579,832,709
<b>3524000000 MUNICIPAL ADMINISTRATION</b>	<b>85,918,661</b>	<b>253,035,788</b>	<b>338,954,449</b>	<b>89,355,407</b>	<b>263,157,220</b>	<b>352,512,627</b>	<b>92,929,623</b>	<b>273,683,509</b>	<b>366,613,132</b>	<b>96,646,808</b>	<b>284,630,849</b>	<b>381,277,657</b>
3524000100 Municipal Administration	85,918,661	253,035,788	338,954,449	89,355,407	263,157,220	352,512,627	92,929,623	273,683,509	366,613,132	96,646,808	284,630,849	381,277,657
NET TOTAL RECURRENT EXPENDITURE	4,320,769,494	1,731,966,729	6,052,736,223	4,397,123,729	2,149,126,726	6,546,250,455	4,573,008,678	2,235,091,795	6,808,100,473	4,755,929,025	2,324,495,467	7,080,424,492
3522000300 Facility Improvement Financing	100,000,000		100,000,000	104,000,000	-	104,000,000	108,160,000	0	108,160,000	112,486,400	0	112,486,400
<b>GROSS TOTAL RECURRENT EXPENDITURE</b>	<b>4,420,769,494</b>	<b>1,731,966,729</b>	<b>6,152,736,223</b>	<b>4,501,123,729</b>	<b>2,149,126,726</b>	<b>6,650,250,455</b>	<b>4,681,168,678</b>	<b>2,235,091,795</b>	<b>6,916,260,473</b>	<b>4,868,415,425</b>	<b>2,324,495,467</b>	<b>7,192,910,892</b>

Source: County Economic Planning Office Isiolo 2024

## **CHAPTER FIVE: CONCLUSION AND WAY FORWARD**

101. The 2024 CBROP will guide the 2025 CFSP, detailing progress in county development as per CIDP 2023-27. The County Government will focus on agricultural revitalization, quality healthcare, basic water services, critical infrastructure, trade promotion, and enhancing governance, transparency, accountability, and efficiency in public goods delivery. The county government will also enhance governance, transparency, and accountability.
102. The county faces a constrained fiscal environment, requiring budget accuracy and efficient resource use. The government will adopt a zero-based budgeting approach for FY 2025/26, guiding resource allocation. Sectors must review and re-evaluate planned programs and projects, focusing on wealth creation, livelihood protection, job creation, business revitalization, and economic growth.
103. The indicative sector ceilings will guide the 2025 CFSP and budget estimates for FY 2025/26. Sectors and departments are encouraged to realign their programs and sub-programs to the ceilings and county government priorities outlined in the CIDP 2023-27 and ADP 2025/26.
104. All departments are required to execute key budget activities within the specified timelines for the 2025/26 – 2027/28 Budget calendar, ensuring timely and smooth finalization of the MTEF budget for 2025/2026 and the MTEF period.

## ANNEX 1: BUDGET CALENDAR FOR THE FINANCIAL YEAR 2025/2026 MTEF BUDGET

ACTIVITY	RESPONSIBILITY	DEADLINE
1. Preparation and Issuance of a circular setting out guidelines to be followed by all county government entities in the Budget process	County Treasury	30 August 2024
2. Launch of sector working groups	County Treasury	30 August 2024
<b>3. Performance Review and Strategic Planning</b>		
3.1 Review and update of strategic plans, previous Budget programme outputs and outcomes	Line sectors Working Groups	9 August 2024
3.2 Review of programme expenditure performance and approval of projects for financial year 2024/25	Line sectors Working Groups	15 August 2024
3.3 Preparation of Annual Development Plan by sectors and submission to County Treasury	Line Sectors Working Groups	18 August 2024
3.4 Preparation of progress report on implementation of 2022/23 budget	Line Sectors Working Groups	1 September 2024
3.5 Public participation for Annual Development Plan 2024/25	County Treasury	26 August 2024
3.6 Compilation and submission of Annual Development Plan to County Assembly for approval	CEC Member Finance	1 September 2024
<b>4. Determination of Fiscal Framework</b>		
4.1 Draft County Budget Review and Outlook Paper (CBROP)	County Treasury	15 September 2024
4.2 Submission of CBROP to the Cabinet for Approval	County Treasury	30 September 2024
4.3 Submission of CBROP to the County Assembly for Approval	CEC Member Finance	21 October 2024
4.4 Issue of guidelines for review of the 2023/24 County budget (supplementary budget)	County Treasury	22 October 2024
<b>5. Preparation of Medium-Term Budget Proposal</b>		
<b>ACTIVITY</b>	<b>RESPONSIBILITY</b>	<b>DEADLINE</b>
<b>5.1 Preparation of Draft Sector Reports</b>	Line Sector Working Groups	22 October -10 November 2024
<b>5.2 Briefing of sector Chairperson and accounting officers on draft sector reports</b>	Line Sector Working Groups	12th November 2024
<b>5.3 Public Sector Hearing</b>	Line Sector Working Groups	19th -23rd November 2024
<b>5.4 Review and incorporation of stakeholders' inputs in the sector proposals</b>	Line Sector Working Groups	30th - November 2024

ACTIVITY	RESPONSIBILITY	DEADLINE
<b>5.6 Submission of Draft sector reports to County treasury</b>	Sector chair persons (Cos)	10th December 2024
<b>5.7 Consultative meeting of accounting officers, CEC Members chairperson of sector working groups on sector budget proposals</b>	County Treasury	14th December 2024
<b>6. Draft County Fiscal Strategy Paper (CFSP)</b>		
<b>6.1 Finalise the draft County Fiscal Strategy Paper</b>	Macro Working Group	15th – 19th January 2025
<b>6.2 Cabinet sensitization on Draft CFSP</b>	County Treasury	26th January 2025
<b>6.3 Public Participation on CFSP</b>	County Treasury	29th – 02nd February 2025
<b>6.4 Submission of County Fiscal Strategy paper (CFSP) to Cabinet for Approval</b>	County Treasury	15th February 2025
<b>6.5 Submission of County Fiscal Strategy paper (CFSP) to County Assembly</b>	County Treasury	28th February 2025
<b>6.6 Preparation and Submission of Debt Management Strategy of the County Government over the Medium Term to the County Assembly</b>	County Treasury	28th February 2025
<b>7. Preparation and Approval of the Final Budget</b>		
7.1 Develop and issue final guidelines on the preparation of final budget estimates to line sectors	County Treasury	5 <sup>th</sup> March 2025
7.2 Departmental Submission of budget proposals to County Treasury	Line Sectors Working Groups	15 <sup>th</sup> March 2025
ACTIVITY	RESPONSIBILITY	DEADLINE
7.3 Public Participation on Budget Estimates	County Treasury	25 <sup>th</sup> -29th March 2025
7.3 Consolidation of the Final Budget Estimates	County Treasury	10th April 2025
7.4 Submission of budget budget Estimates to cabinet for approval	County Treasury	19th April 2025
7.5 Submission of draft budget Estimates to Assembly for approval together with other documents	County Treasury	30th April 2025
7.6 Review of budget estimates by the county assembly	County Assembly Committee	15th May 2025
7.7 Report on draft budget by the county assembly	County Assembly Committee	20th May 2025
7.8 Consolidation of the final budget estimates	County Treasury	30th May 2025

<b>ACTIVITY</b>	<b>RESPONSIBILITY</b>	<b>DEADLINE</b>
7.9 Submission of appropriation bill to County Assembly	County Treasury	10th June 2025
8. Budget statement	CECM-Finance and Economic Planning	14th June 2025
8.1 Appropriation Bill passed	County Assembly	30th June 2025
8.2 Finance Bill passed	County Assembly	30th June 2025
9. Budget implementation		
9.1 Preparation of the Annual Work plans for FY 2024/2025	Sectors	7th July 2025
9.2 Preparation of procurement plans	Sectors	7th July 2025
9.3 Preparation of cash flow projections	Sector	14th July 2025