REPUBLIC OF KENYA

THE COUNTY GOVERNMENT OF BOMET
COUNTY BUDGET REVIEW AND OUTLOOK PAPER 2024

OCTOBER 2024

To obtain copies of the document, please contact;

County Executive Committee Member, Finance, ICT and Economic Planning
County Government of Bomet,
P. O. Box 19- 20400,
BOMET, KENYA

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Foreword

The County Budget Review and Outlook Paper (CBROP) 2024 has been developed in accordance with section 118 of the Public Financial Management Act, 2012. The PFM law envisages production of a CBROP by the end of September each year. This review document covers the fiscal year ending 30th June 2024 and has focused on the progress made in FY 2023/2024 compared to similar review period in FY 2022/2023.

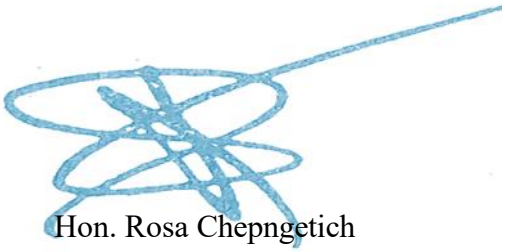
The 2024 County Budget Review and Outlook Paper (CBROP) highlights key global and domestic economic trends that will shape fiscal policies at the county level in Kenya. Globally, economic growth is projected at 3.2% in 2024 and 3.3% in 2025, following a growth of 3.3% in 2023. This positive outlook is driven by economic recovery in China, the Euro area, and the UK, despite a slowdown in the USA and Japan.

On the domestic front, Kenya's economy is gradually recovering from a series of persistent shocks that have had a structural impact on economic activities. These shocks include the COVID-19 pandemic, conflicts in Eastern Europe and the Middle East, which disrupted global supply chains, and the effects of climate change, from prolonged drought in 2021 to floods in early 2024. These factors have escalated the cost of essential commodities, including fuel, and contributed to the rapid depreciation of the Kenya Shilling, thereby increasing pressure on public debt.

In Bomet County, the Gross County Product (GCP) at current prices was estimated at KSh.194.8 billion over the period from 2018 to 2022. The county's GDP share remained stable during this period, with an average of 1.5%. With the initiatives such as subsidized farm inputs which improves agricultural productivity, promotion of livestock production, investment in cash crops like tea and pyrethrum, alongside food crops like maize and potatoes, improved infrastructure, improved market access and grants to cooperative societies, the county's GDP is expected to grow in the coming years.

Despite the optimistic outlook, fiscal performance in FY 2023/24 fell short of expectations, with a 16.96% shortfall due to revenue collection challenges and delayed disbursements from the exchequer. Own-source revenue collection reached only 71.96% of the target, mainly due to existing revenue leakages, while the overall expenditure absorption rate was 87%, comprising 91% for recurrent expenditure and 79% for development expenditure. Notably, salaries and wages accounted for 49.18% of total expenditure, while Operations and Maintenance took up 25.65%, and development expenditure represented 25.17%.

Looking ahead, the focus for FY 2024/25 and the Medium-Term Expenditure Framework (MTEF) will be on optimizing own-source revenue by identifying new revenue streams and fully automating the collection process. This is aimed at improving revenue performance and supporting the county's development goals.



Hon. Rosa Chepngetich
CECM- Finance, ICT & Economic Planning
County Government of Bomet

Acknowledgement

The 2024 County Budget Review and Outlook Paper has been prepared in line with the Public Finance Management (PFM) Act, 2012, and its accompanying Regulations. This document outlines the fiscal outcomes for the FY2023/24, provides macro-economic forecasts, and sets the sector ceilings for the FY2025/26 and the Medium-Term Budget. It also offers insights into how the actual performance of FY2023/24 impacted compliance with the fiscal responsibility principles and financial objectives outlined in the PFM Act, as well as adjustments made to the projections set in the 2024 County Fiscal Strategy Paper (CFSP).

As we embark on the preparation of the FY 2025/26 and the medium-term budget, I wish to underscore that we are operating under tight resource constraints amidst significant expenditure demands. This calls for proper prioritization to ensure that our expenditure goes to the most impactful programs with the highest welfare benefits to the people of Bomet. Therefore, I urge all the departments to thoroughly review their Sector Budget Proposals for the FY 2025/26 and the medium term to avoid dismal prioritization, leading to less than optimal budgetary allocation which is often followed with requests for additional funding.

The preparation of the CBROP 2024 was made possible through the collaboration of various directorates within the Department of Finance, ICT, and Economic Planning. The County Planning Unit coordinated the process and served as the secretariat. The contributions of County departments, led by CECMs, Chief Officers, and Directors, were invaluable in providing the necessary data and information for the document's preparation. I would like to collectively and individually acknowledge their contributions during this process. We also extend our gratitude to all the spending units and their heads for timely data submission, and we highly appreciate the efforts of various stakeholders. I extend a special mention to the economic planning team led by Director Erick Kirui and Director Ronald Kipngeno for their invaluable efforts towards the success of this document.

In particular, I wish to acknowledge the County Executive Committee Member for Finance, ICT, and Economic Planning for providing leadership throughout the document's preparation.

Lastly, I thank everyone who contributed in any way to the successful completion of this document.

Milcah C. Rono,
Chief Officer- Economic Planning

List of Abbreviations and Acronyms

ADP - Annual Development Plan
ASDSP- Agricultural Sector Development Support Programme
BETA- Bottom-up Economic Transformation Agenda
CBEF- County Budget Economic Forum
CBK-Central Bank of Kenya
CBROP - County Budget Review and Outlook Paper
CECM- County Executive Committee Member
CFSP - County Fiscal Strategy paper
CIDP - County Integrated Development Plan
COVID-19-Corona Virus Disease 2019
CPI- Consumer Price Index
DANIDA - Danish International Development Agency
ECDE- Early Childhood Development Education
EMDEs- Emerging Market and Developing Economies
FLLOCA- Financing Locally Led Climate Action
FY - Financial Year
GDP-Gross Domestic Product
HSSF- Health Sector Service Fund
ICT- Information Communication Technology
IDA-International Development Association
KDSP- Kenya Devolution Support Programme
KNBS- Kenya National Bureau of Statistics
KRA- Kenya Revenue Authority
KUSP- Kenya Urban Support Programme
MPC- Monetary Policy Committee
MTEF - Medium Term Expenditure Framework
MTP-Medium Term Planning
NAVCDP-National Agricultural Value Chain Development Project
PBB - Program Based Budget
PER- Public Expenditure Review
PFM - Public Finance Management
PWDs- Persons with Disability
REREC- Rural Electrification and Renewable Energy Corporation
SDGs- Sustainable Development Goals
SMEs- Small and Medium Enterprises
SWGs - Sector Working Groups
US- United States

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

The Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The law states that:

(1) A County Treasury shall—

a) Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and

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

(2) In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify—

a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;

b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;

c) The information on—

i. Any changes in the forecasts compared with the County Fiscal Strategy Paper; or

ii. How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and

d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

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

(4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—

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

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

I. Introduction

The County Budget Review and Outlook Paper (CBROP)2024 has been prepared by the County Treasury pursuant to the provisions of section 118 of the Public Finance Management (PFM) Act 2012. This paper analyses the fiscal outcome of 2023/2024 indicating deviation from the approved budget and how it affects the financial objectives set out in the County Fiscal Strategy Paper 2023/24.

Objectives of the County Budget Review and Outlook Paper (CBROP) 2024

1. To provide an assessment of the fiscal performance for the FY2023/24 and how the outcomes impact on the County fiscal responsibility principles outlined in the County Fiscal Strategy paper 2024 as envisaged in the PFM Act 2012. This information alongside other emerging issues like the macroeconomic, fiscal outcome of the FY 2023/24 and the impact of the withdrawal of the Finance Bill, 2024 on the current budget year will provide the background for revising the current budget via a supplementary budget proposal. Details of the fiscal framework and the medium-term policy priorities will be firmed up in the next CFSP.
2. The CBROP 2024 will be a key document in linking policy, planning and budgeting. The Sector Working Groups have been reviewing programmes for the last Medium-Term Expenditure Framework (MTEF) focusing on updating and developing new programmes for the next MTEF 2025/26-2027/28.
3. The 2024 CBROP forms the basis for the development of the CFSP for FY 2025/2026 that will detail the progress in the implementation of the priority policies and strategies of the County Government under the Bottom-Up Economic Transformation Agenda (BETA) as articulated in the Fourth Medium Term Plan of the Vision 2030; and preparation of the FY 2025/26 and the medium-term budget that will be guided by the Budget Calendar.
4. The CBROP 2024 presents a revised fiscal outlook taking into account revenue performance by end of August 2024. The underperformance in revenue collection in the FY 2023/24 was largely due to existing revenue leakages and lack of enough revenue collectors. This had implications on the financial objectives outlined in CFSP 2023 and the fiscal projections of the 2024/25 budget. The absorption rate in FY 2023/2024 was 87% compared to 70% in FY 2022/2023. The improved performance in expenditure is attributed

to increased payment of pending bills and timely disbursement of equitable share from the national treasury. Expenditure projections for FY2024/25 have been revised taking into consideration the improved revenue performance through reallocation of the existing budgetary provisions and additional expenditure on productive areas of spending across the county.

5. It also presents macroeconomic projections and the sector ceilings for the FY 2025/26 and the supplementary budget as well as information on variations from the projections outlined in the 2024 CFSP. The PFM Act 2012 and PFM Regulations 2015 has set high standards for compliance with MTEF budgeting process. Therefore, it is expected that sector ceilings as per the approved CBROP of 2024 will form indicative baseline ceilings for the next MTEF budget for FY2025/2026. The sector ceilings have been modified as indicated in the annex to the draft CBROP and the ceilings will set off the budget preparation process for the FY 2025/2026.The medium term macroeconomic and fiscal projections in the 2024 CBROP have been revised from those of the FY 2024/2025 budget estimates taking into account the macroeconomic and fiscal outcome of the FY 2023/24 and the impact of the withdrawal of the Finance Bill, 2024.
6. The rest of the paper is organised into four sections namely:
    - Section II provides a review of fiscal performance in FY 2023/2024 and its implication to the CFSP 2024 financial objectives;
    - Section III observes the recent economic developments and the updated National macroeconomic outlook;
    - Section IV Resource Allocation Framework
    - Section V Conclusion and Next steps

II. REVIEW OF FISCAL PERFORMANCE IN FY 2023/2024

A. Overview

The fiscal year 2023/24 marked the tenth year of Programme Based Budgeting (PBB) for all County Government entities as per section 12 of the second schedule of the PFM Act 2012. During the year under review, there was a visible decrease in local revenue collection. The absorption of both development and recurrent expenditure increased by 25% and 3% respectively as compared to a similar period in FY 2022/23.

During the year under review total county revenue amounted to Kshs. 7.450 Billion against a target of Ksh 8.52 Billion. Total receipts from Equitable share of revenue comprised of 6.419 Billion (86.16% of the total receipts), Ksh 791 Million (10.63% of the total receipts) being proceeds from Domestic and Foreign Grants, Ksh 239 Million (3.21% of the total receipts) being local revenue collection, and Kshs. 137,096 (0.002% of the total receipts) being balance brought forward.

In the reporting period the execution of development, operations and maintenance & personal emoluments budgets were 80%, 69% and 98% respectively. This revealed an increase in development, decrease in operation and maintenance and a constant rate on personnel emolument compared to financial year 2022/23 in which the execution of development, operations and maintenance & personal emoluments budgets was 62%, 86% and 98% respectively.

During financial year 2023/24, the county spent a total of Kshs 7.45 Billion against a target of Kshs 8.5 Billion representing an execution rate of 87.4%. Recurrent expenditure for the period under review represents 78 percent of the annual recurrent budget while development expenditure represents 71.2 percent of the annual development budget. The absorption was hampered mainly by late disbursement of funds from national treasury.

B. Fiscal Performance FY 2023/2024

Revenue performance

Total county revenue including exchequer receipts and local revenue collection amounted to Ksh7,450,651,987.00 against a target of Ksh 8,521,100,308.00 representing a performance of 83 per cent which is a deviation of Ksh (1,070,448,321) from the planned target. There was also a decrease of revenue by 3% in the year under review compared to actual receipt in financial year 2022/23 amounting to Kshs. 7,681,133,080.00. Figure 1 below demonstrate the total county

receipts by source. As projected during the period under review the County received the highest revenues from exchequer transfers.

Figure 1:County Total Receipts by Source (Kshs)

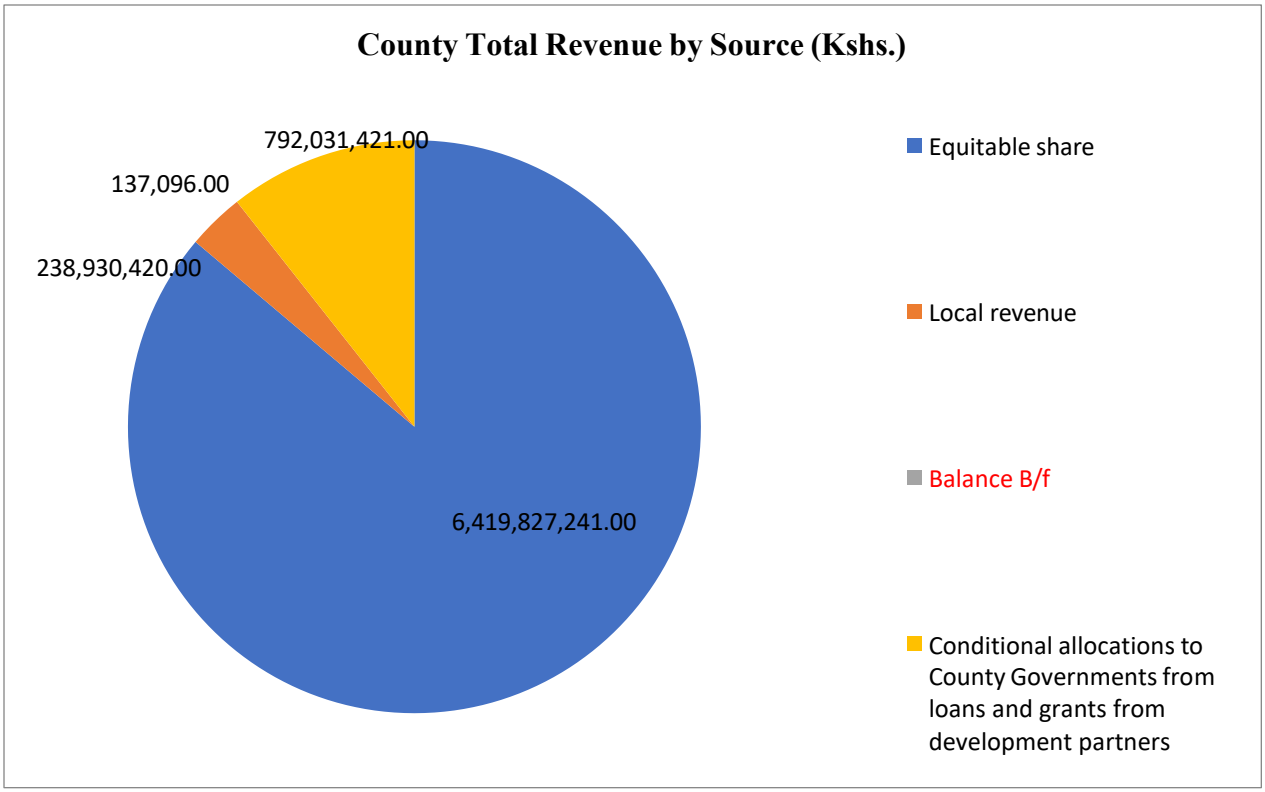


Table 1: County Government Total Revenue FY 2023/2024 (Kshs)

County Revenue	Actuals FY 2022/2023	Budgeted FY 2023/2024	Actuals FY 2023/2024	Growth	% Growth	Deviations	% of the Total Budget
Equitable share +Local Revenue	**7,469,619,107**	**7,950,841,026**	**6,658,757,661**	**-810,861,446**	**-11**	**1,292,083,365**	**89**
Equitable share	7,226,387,045	6,977,924,070	6,419,690,145	-806,696,900	-11	558,233,925	86
Local Revenue	242,395,023	332,041,830	238,930,420	-3,464,603	-1	93,111,410	3
Balance C/F	837,039	640,875,126	137,096	-699,943	-84	640,738,030	0
Conditional allocations to County Governments from Loans and Grants from Development Partners	**211,513,973**	**570,259,282**	**792,031,421**	**580,517,448**	**274**	**-221,772,139**	**11**
TOTAL REVENUE	**7,681,133,080**	**8,521,100,308**	**7,450,789,082**	**-230,343,998**	**-3**	**1,070,311,226**	**100**

In addition to the revenue received for the year, there were un-spent balances brought forward from FY 2022/2023 amounting to Ksh 137,095.00. The funds available for use in the financial year 2023/2024 were Ksh. 8.52 Billion comprising of equitable share, conditional grants, local revenue and un-spent balances. The drop of targeted revenue to actual revenue was Ksh.1.070 Billion which is attributed to non-receipt of equitable share in full.

Table 2:County own Source Revenue Analysis

		2022/2023		2023/24							
S/N	**Revenue Sources**	**Budgeted**	**Actual**	**Budgeted**	**Actual**	**Deviation**	**% Deviation**	**Growth**	**% Growth**	**% Collection**	**% of the total budget**
1	Town/Plot/ Land Rates/Rent	4,401,047	4,000,997	8,598,767	2,901,807	5,696,960	66	(1,099,190)	-27	34	1.21
2	Plot Clearance Fee	95,783	91,222	200,000	21,000	179,000	90	(70,222)	-77	11	0.01
3	Plot Transfer Fee	46,690	44,400	250,000	5,200	244,800	98	(39,200)	-88	2	0.00
4	Building Plan Approval	557,729	530,980	2,400,000	773,458	1,626,542	68	242,478	46	32	0.32
5	Single Business Permit Fee	15,518,965	14,779,014	17,468,989	21,510,498	(4,041,509)	-23	6,731,484	46	123	9.00
6	S.B.P Application Fee	1,296,580	1,139,600	1,378,622	853,692	524,930	38	(285,908)	-25	62	0.36
7	S.B.P Penalty Fee	54,111	42,010	79,571	166,920	(87,350)	-110	124,910	297	210	0.07
8	Liquor Licence	7,996,923	7,549,450	20,051,290	9,365,900	10,685,390	53	1,816,450	24	47	3.92
9	Liquor Application Fee	961,263	820,250	2,000,000	1,450,200	549,800	27	629,950	77	73	0.61
10	Produce Cess	1,752,908	1,478,960	4,359,796	2,425,299	1,934,497	44	946,339	64	56	1.02
11	Quarry Cess	1,449,453	1,351,860	2,408,770	1,403,290	1,005,480	42	51,430	4	58	0.59
12	Market Dues	2,106,139	1,815,370	3,304,062	1,164,962	2,139,100	65	(650,408)	-36	35	0.49

13	Sales & Promotion	606,415	482,300	1,978,160	1,063,590	914,570	46	581,290	121	54	0.45
14	Billboard/Sign Post	268,578	160,550	625,240	468,900	156,340	25	308,350	192	75	0.20
15	Kiosk Cess	390,766	276,920	238,168	215,560	22,608	9	(61,360)	-22	91	0.09
16	Stock Sales	375,191	309,706	150,000	685,510	(535,510)	-357	375,804	121	457	0.29
17	Slaughter Fee	625,425	500,405	1,200,000	439,520	760,480	63	(60,885)	-12	37	0.18
18	Meat Inspection Fee	539,960	513,295	1,200,000	513,680	686,320	57	385	0	43	0.21
19	Movement Permit	74,765	69,300	225,000	147,410	77,590	34	78,110	113	66	0.06
20	Vet Services	75,520	62,400	200,000	46,130	153,870	77	(16,270)	-26	23	0.02
21	House Rent	387,882	274,173	286,715	362,729	(76,014)	-27	88,556	32	127	0.15
22	Hire of Stadium	81,925	68,500	300,000	91,500	208,500	70	23,000	34	31	0.04
23	Stall Rent	727,900	598,000	1,327,335	1,138,768	188,567	14	540,768	90	86	0.48
24	Bus Park Fee	3,000,000	2,815,490	5,482,430	4,139,933	1,342,497	24	1,324,443	47	76	1.73
25	Parking Fee	2,724,855	2,595,100	4,817,292	2,650,926	2,166,366	45	55,826	2	55	1.11
26	BodaBoda Stickers	2,780,711	2,457,820	4,000,000	2,393,990	1,606,010	40	(63,830)	-3	60	1.00
27	Impounding Charges	197,408	168,960	980,000	371,185	608,815	62	202,225	120	38	0.16
28	Group Registration Fee	40,975	29,500	400,000	4,000	396,000	99	(25,500)	-86	1	0.00
29	Agri-Business	58,668	46,350	150,540	1,750	148,790	99	(44,600)	-96	1	0.00
30	Tractor Services	394,840	280,800	450,000	23,000	427,000	95	(257,800)	-92	5	0.01
32	Verification of Scales	914,853	776,050	1,930,000	1,140,300	789,700	41	364,250	47	59	0.48
33	Public Health Fee	2,541,868	2,230,350	6,000,000	2,259,370	3,740,630	62	29,020	1	38	0.95
34	Other Charges	101,959	87,580	60,970	1,833,992	(1,773,022)	-2908	1,746,412	1994	3008	0.77
35	Longisa County Hospital	90,184,500	85,890,000	85,749,244	61,475,900	24,273,344	28	(24,414,100)	-28	72	25.73
36	Sigor Sub-County Hospital	5,554,532	5,290,030	5,500,000	3,434,799	2,065,201	38	(1,855,231)	-35	62	1.44
37	Cheptalal Hospital	1,998,875	1,903,690	6,000,000	1,631,191	4,368,809	73	(272,499)	-14	27	0.68
38	Ndanai Dispensary	7,648,555	7,284,338	8,000,000	8,990,849	(990,849)	-12	1,706,511	23	112	3.76

39	Kapkoros Health centre	314,114	299,156	3,000,000	570,000	2,430,000	81	270,844	91	19	0.24
40	Siongiroi Health Centre	-	1	2,000,000	-	2,000,000	100	(1)	-100	0	0.00
41	Other health facilities	532,665	507,300	28,200,000	1,726,852	26,473,148	94	1,219,552	240	6	0.72
42	Embomos Tea Farm	15,666,382	14,920,364	18,040,000	16,437,901	1,602,099	9	1,517,537	10	91	6.88
43	Chemai Estate	186,808	177,912	177,912	177,912	-	0	-	0	100	0.07
44	Sotik Tea company ltd	9,308,880	8,865,600	8,865,600	8,865,600	-	0	-	0	100	3.71
45	James Finlay (LR)	37,330,146	35,552,520	35,552,520	35,552,520	-	0	-	0	100	14.88
46	Williamson Tea (k) Ltd	6,806,520	6,482,400	6,482,400	6,482,400	-	0	-	0	100	2.71
47	Kipsigis Highland (LR)	2,940,000	2,800,000	3,040,000	350,000	2,690,000	88	(2,450,000)	-88	12	0.15
48	Raphael Kitur	-	1	1,286,757	-	1,286,757	100	(1)	-100	0	0.00
49	Ekattera Tea	26,927,964	25,645,680	25,645,680	25,645,680	-	0	-	0	100	10.73
50	Hire of Equipment	-	1	1	1,554,847	(1,554,846)		1,554,846	0	0	0.65
51	Disposal of Assets	-	1	1	4,000,000	(3,999,999)		3,999,999	0	0	1.67
	Totals	**258,547,990**	**244,066,656**	**332,041,830**	**238,930,420**	**93,111,412**			**0**		

Local revenue collections amounted to Kshs. 239 Million against a target of Kshs. 332 Million in the year under review. This illustrate that there was a deviation of Kshs 93 Million from the projected revenue. The analysis of revenue by sources indicates that the major sources of revenue for the financial year 2023/24 was Hospital/health centres which accounted for 33% of the total local revenue collected followed by Multinationals and Single business permits at 32% and 13% respectively. Embomos tea farm accounted for 7%, property rates 1.2 %, Cess collections 1.6 %, markets and slaughter fees 0.96%, rental income 0.63%, parking charges 4% and others 0.6%. The local revenue decreased by 2% per cent from 244 Million in FY2022/23 fiscal year to 239 Million in the period under review.

Table 3: Exchequer Releases

County Revenue	Budgeted FY2023/2024	Actuals FY2023/2024	Deviations	% Collections	% of the Total Budget
Equitable share	**6,977,924,070**	**6,419,827,241**	**558,096,829**	**92**	**94**
Equitable share	6,977,924,070	6,419,827,241	558,096,829	92	94
Conditional allocations to County Governments from Loans and Grants from Development Partners	**570,259,282**	**792,031,421**	**-221,772,139**	**139**	**12**
Total Revenue	**7,548,183,352**	**6,838,113,199**	**710,070,153**	**91**	**100**

The county received a total of Kshs. 6.84 Billion as exchequer releases comprising of Kshs. 6.42 Billion equitable share and Kshs. 792 Million Conditional allocations to County Governments from Loans and Grants from Development Partners

Expenditure Performances

The total spending in the financial year 2023/24 amounted to Kshs. 7.45 Billion against a target of Kshs. 8.521 Billion indicating a performance of 87%. Recurrent expenditure recorded the highest absorption rate of 91% against the recurrent budget while development expenditure recorded an absorption rate of 79% against the budget for development. Further analysis of expenditure in term of economic classification indicates that salaries and wages consumed a huge part of the expenditure for the period at 49.18 % of the total expenditure. Operations and Maintenance accounted for 25.65% of the period expenditure while development expenditure accounted for 25.17 % of the actual expenditure for the period. Table 4 below illustrate 2023/24 county expenditure by economic classification.

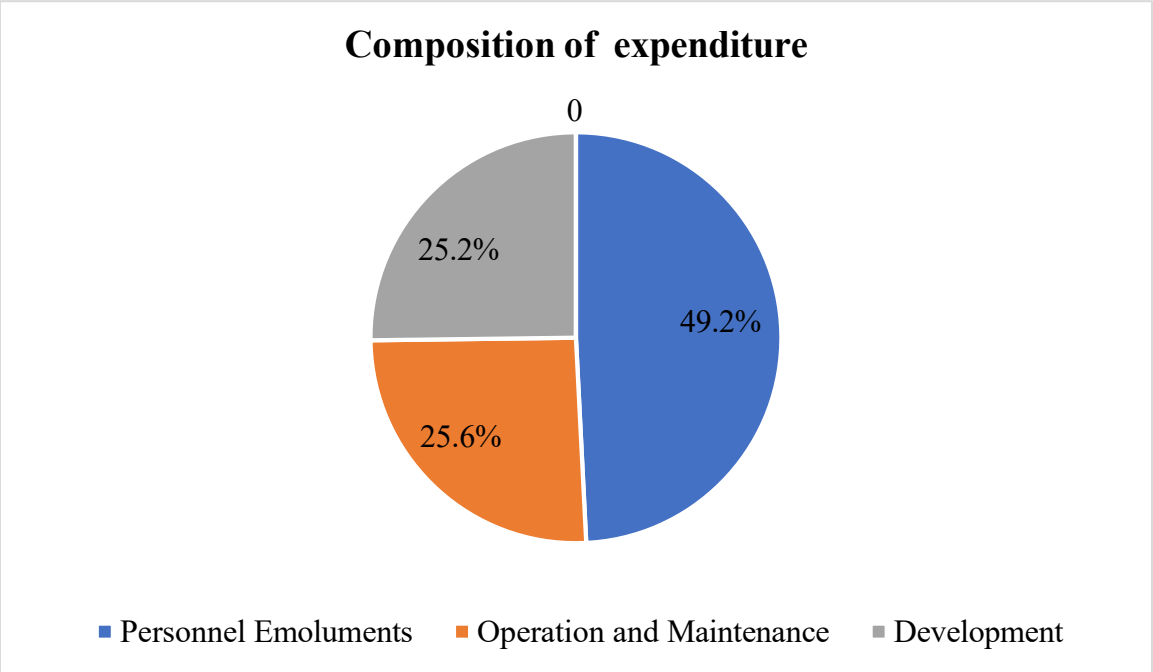
Table 4: Expenditure Performance by Economic Classification

	FY 2022/20223		FY 2023/20234					
Expenditure	**Target**	**Actual**	**Target**	**Actual**	**Variance**	**Variance (%)**	**Growth (%)**	**Budget execution (%)**
Recurrent Expenditure								
Personal emoluments	3,137,384,231	3,063,631,421	3,665,548,899	3,664,203,019	600,571,598	20	20	100

Operation & maintenance	2,710,770,787	2,332,304,887	2,468,764,279	1,910,963,487	(421,341,400)	-18	-18	77
Sub Total Recurrent	**5,848,155,018**	**5,395,936,308**	**6,134,313,178**	**5,575,166,506**	**179,230,198**	3	3	91
Development Expenditure								
Sub Total Development	2,439,183,482	1,505,915,986	2,386,787,130	1,874,971,703	369,055,717	25	25	79
Total Expenditure	**8,287,338,500**	**6,901,852,294**	**8,521,100,308**	**7,450,138,209**	**548,285,915**	**6**	**8**	**87**

In comparison, previous financial year, Operations and Maintenance decreased by 18% from 2.332 Billion to 1.910 Billion in the year under review. The Development expenditure increased by 25% while Compensation to Employees had increased by 20% from the financial year 2022/2023 expenditure. Additionally, as reflected in Figure 2 below, compensation to employees was the highest proportion of all recurrent expenditures at 49.2% while Operations and Maintenance accounted for only 25.6% of total recurrent expenditures and development expenditure at 25.2%.

Figure 2: Composition of expenditure



The categorization of spending by departments as illustrated by table 5 below indicates that the Department of Public Service had the highest absorption of 96% followed by Finance and Medical services at 95.6 and 93% respectively. The Department of Trade, Energy Tourism and Industry had the lowest absorption of 36%.

Table 5: Departments' Expenditure Performance for Period Ending 30th June 2024 (Kshs)

Sector	FY 2022/20223	FY 2023/24				
	Expenditure	Approved Budget	Expenditure	Variance	Variance (%)	Budget Execution (%)
County Executives	**215,521,028**	**140,073,227**	**127,427,354**	**12,645,873**	**9.03**	**90.97**
Personal Emoluments	-			0	0	0
Operation & Maintenance	215,521,028	140,073,227	127,427,354	12,645,873	9.03	90.97
PSB	**44,406,354**	**30,377,376**	**17,425,289**	**12,952,087**	**42.64**	**57.36**
Operation & Maintenance	44,406,354	30,377,376	17,425,289	12,952,087	42.64	57.36
Development	-			-	0	0
Administration	**129,848,379**	**42,490,000**	**31,554,955**	**10,935,045**	**25.74**	**74.26**
Operation & Maintenance	120,811,368	11,490,000	8,229,300	3,260,700	28.38	71.62
Development	9,037,011	31,000,000	23,325,655	7,674,345	24.76	75.24
Public Service	**1,749,314,256**	**2,203,292,089**	**2,117,058,672**	**86,233,417**	**3.91**	**96.09**
Personal Emoluments	1,587,012,430	2,072,896,092	2,070,886,001	2,010,091	0.10	99.90
Operation & Maintenance	162,301,826	130,395,997	46,172,671	84,223,326	64.59	35.41
Development	-				0	0
ICT	**17,244,672**	**56,478,654**	**32,618,456**	**23,860,198**	**42.25**	**57.75**
Operation & Maintenance	15,778,308	41,878,654	19,489,575	22,389,079	**53.46**	**46.54**
Development	1,466,364	14,600,000	13,128,881	1,471,119	10.08	89.92
Finance	**234,465,752**	**132,441,082**	**126,417,767**	**6,023,315**	**4.55**	**95.45**
Operation & Maintenance	174,924,913	132,441,082	126,417,767	6,023,315	4.55	95.45
Development	59,540,839	-	-		0	0
Economic Planning	**241,097,633**	**215,152,576**	**171,891,098**	**43,261,478**	**20.11**	**79.89**
Operation & Maintenance	116,303,105	67,152,576	65,462,974	1,689,602	2.52	97.48
Development	124,794,527	148,000,000	106,428,124	41,571,876	28.09	71.91
Lands, Housing and Urban Planning	**112,562,313**	**288,345,000**	**196,244,810**	**92,100,190**	**31.94**	**68.06**
Personal Emoluments	37,695,660	40,000,000	12,000,000	28,000,000	70.00	30.00
Operation & Maintenance	42,422,960	74,845,000	41,192,696	33,652,304	44.96	55.04
Development	32,443,693	173,500,000	143,052,114	30,447,886	17.55	82.45

Youth, Sports, Gender and Culture	**48,921,175**	**33,256,300**	**15,734,447**	**17,521,853**	**52.69**	**47.31**
Operation & Maintenance	48,921,175	20,256,300	15,734,447	4,521,853	22.32	77.68
Development	-	13,000,000	-	13,000,000	100.00	-
Medical Services & Public Health	**1,604,162,532**	**2,014,026,068**	**1,873,988,341**	**140,037,727**	**6.95**	**93.05**
Personal Emoluments	1,106,634,071	1,196,905,544	1,193,131,790	3,773,754	0.32	99.68
Operation & Maintenance	479,656,585	691,520,954	604,996,505	86,524,449	12.51	87.49
Development	17,871,877	125,599,570	75,860,046	49,739,524	39.60	60.40
Education and Vocational Training	**301,868,288**	**437,682,880**	**346,600,755**	**91,082,125**	**20.81**	**79.19**
Operation & Maintenance	182,376,566	298,932,880	257,992,942	40,939,938	13.70	86.30
Development	119,491,722	138,750,000	88,607,813	50,142,187	36.14	63.86
Water Sanitation and Environment	**279,977,736**	**530,230,145**	**452,305,834**	**77,924,311**	**14.70**	**85.30**
Operation & Maintenance	107,253,924	102,367,421	87,971,932	14,395,489	14.06	85.94
Development	172,723,812	427,862,724	364,333,902	63,528,822	14.85	85.15
Agriculture, Livestock and Fisheries	**201,139,815**	**522,407,309**	**306,575,793**	**215,831,516**	**41.31**	**58.69**
Operation & Maintenance	25,721,837	116,810,229	31,575,708	85,234,521	72.97	27.03
Development	175,417,978	405,597,080	275,000,085	130,596,995	32.20	67.80
Roads, Public Works & Transport	**513,850,352**	**646,917,608**	**587,519,922**	**59,397,686**	**9.18**	**90.82**
Operation & Maintenance	55,295,655	43,142,772	30,162,147	12,980,625	30.09	69.91
Development	458,554,697	603,774,836	557,357,775	46,417,061	7.69	92.31
Trade, Energy, Tourism, Industry and Investment	**51,427,422**	**121,726,738**	**44,151,601**	**77,575,137**	**63.73**	**36.27**
Operation & Maintenance	12,224,170	11,226,738	10,151,089	1,075,649	9.58	90.42
Development	39,203,252	110,500,000	34,000,512	76,499,488	69.23	30.77
Co-operatives and Enterprise Development	**80,172,342**	**36,300,000**	**28,868,824**	**7,431,176**	**20.47**	**79.53**
Operation & Maintenance	16,722,166	9,697,080	8,667,564	1,029,516	10.62	89.38
Development	63,450,176	26,602,920	20,201,260	6,401,660	24.06	75.94
Executive Total	**5,825,980,048**	**7,451,197,052**	**6,476,383,918**	**974,813,134**	**13.08**	**86.92**

County Assembly	**1,075,872,246**	**1,069,903,256**	**973,754,291**	**96,148,965**	**8.99**	**91.01**
Personal Emoluments	332,289,260	368,295,228	388,185,228	-19,890,000	-5.40	105.40
Operation & Maintenance	511,662,947	533,608,028	411,893,527	121,714,501	22.81	77.19
Development	231,920,039	168,000,000	173,675,536	-5,675,536	-3.38	103.38
County Total	**6,901,852,294**	**8,521,100,308**	**7,450,138,209**	**1,070,962,099**	**12.57**	**87.43**
Personal Emoluments	**3,063,631,421**	**3,678,096,865**	**3,664,203,019**	**13,893,846**	**0.38**	**99.62**
Operation & Maintenance	**2,332,304,887**	**2,456,216,313**	**1,910,963,487**	**545,252,826**	**22.2**	**77.8**
Development	**1,505,915,986**	**2,386,787,130**	**1,874,971,703**	**511,815,427**	**21.44**	**78.56**

Operation and Maintenance had the highest deviation from the planned performance with a variance of 0.545 Billion. This may be attributed to delay in disbursement of equitable share from the national treasury and lengthy procurement process. Personnel emoluments was below target by 0.013 Billion (0.38 per cent) while Development had a variance of 0.512 Billion (21.44%) against target.

C. Adherence to Fiscal Responsibility Principles

County Government Fiscal Responsibility Principles

In line with chapter twelve of the Constitution, Section 107 of the Public Financial Management (PFM) Act, 2012

1) The County Government's recurrent expenditure shall not exceed the County Government's total revenue

2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure

3) 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.

4) 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.

5) Public debt and obligations shall be maintained at a sustainable level as approved by County Government (CG)

6) Fiscal risks shall be managed prudently

7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall

be maintained, taking into account any tax reforms that may be made in the future.

Fiscal Performance for FY 2023/2024 in Relation to Fiscal Responsibility Principles and Financial Objective

The fiscal performance achieved in financial year 2023/24 has implication on financial objectives set out in 2024 county fiscal strategy paper (CFSP) and approved budget for FY 2024/25 in the following ways:

The performance in local revenue against target in FY 2023/24 was 72%. This illustrates that the economic assumption underpinning the 2024/25 budget and over the medium term may need to be modified to reflect a realistic revenue projection i.e. a maximum growth of 10% on actual revenue collected. Cash flow projections remain unrealistic due to unsystematic transfer of funds from the National treasury thereby affecting implementation of development projects and majority end up being rolled over to the next financial year. In the financial year 2024/25 the county anticipates to collect Kshs. 456 Million and has put in place various revenue enhancing measures which includes full automation of revenue collection, mapping of all revenue streams, capacity-building of revenue collectors as well as decentralization of all revenue streams.

The compensation to employees accounted for 51% of the total Actual Expenditure which is above the fiscal responsibility set limit as outlined in the PFM Act 2012. Over the medium-term, sufficient checks should be put in place to ensure that the county does not exceed 35% of the total budget. This will ensure that more funds are allocated to development programmes. The county treasury will continue to improve capacity across all departments to further improve absorption of development budget which is still low compared to the absorption of the recurrent budget in the FY2023/24. The fiscal performance in FY 2023/24 in both development and recurrent vote across all county departments will inform the county treasury in making expenditure projections for the FY 2025/2026 and over the medium term.

Continuing in Fiscal Discipline and Responsibility Principles

During the year under review the County Government allocated 28% towards development expenditure which is below minimum 30% requirement set out in the PFM Act 2012. There was an increase in execution of development budget where 71% of the revised budget (2.387 Billion) was absorbed in FY 2023/24 compared to 52% of the revised budget (2.439 Billion) absorbed in FY 2022/23. This is attributed to increased payment of pending bills, acquisition of capital assets, existing political stability as well as steady flow of exchequer releases from the National Treasury.

The total wage bill (salaries and wages) with an allocation of 43% in 2023/24 financial year is above the recommended ratio of 35% as set out in the PFM Act 2012. However, over the medium-term, County Government has put in place measures to have salaries and wages fall within the recommended ratio of 35% so as to free additional resources towards development spending.

County Debt Management

The County's pending bills during the financial year 2023/2024 amounted to Kshs. 1,021,785,351 which is low compared to financial year 2022/2023 which amounted to Kshs. 1,437,003,954 as per the pending bills committee report. The government will continue with its commitment to maintain debt at sustainable levels pursuant to section 123 of the PFM Act 2012. During the year under review the County Government serviced huge debts and will continue to monitor and encourage financial discipline across all departments to avoid further accumulation of pending bills by spending units. The County Government will be more rational while projecting the own source revenue targets particularly putting into consideration past revenue trends and capability of new revenue streams.

Pending Bills for the Period Ending 30th June 2024 **(Kshs)**

Sector	Pending Bills
County Executives, Administration and Public Service	46,009,290
Office of the Deputy Governor	3,461,217
Office of the County Attorney	4,567,000
PSB	7,496,588
Devolution & Special Programs	-
Administration	8,169,383
Public Service	
ICT	-
Finance	8,723,403
Economic Planning	3,232,820
Lands, Housing, Urban & Municipalities	140,951,198
Gender, Culture and Social Services	26,525,050
Medical Services & Public Health	107,918,603
Education, Vocational Training	55,587,935
Youth and Sports	15,810,690
Water Sanitation and Environment	93,847,324
Agriculture Livestock and Fisheries	75,182,269
Roads, Public Works & Transport	372,351,321
Trade, Energy, Tourism, Industry and Investment	28,682,297
Co-Operatives and Enterprise Development	23,268,964
County Total	**1,021,785,351**

III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

The County performance is dependent on the National economic performance as well as formulation and implementation of prudent policies by the County Government.

A. Recent Economic Developments

Global Economic Performance

The global economy affects our economy as a county to a great extent. Global economic activity is has stabilized with global growth projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 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 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 economies lowering interest rates. International oil prices have moderated, but the risk premium from the Middle East conflict has increased following escalation.

The financial market condition has remained stable throughout 2024, reflecting improved global investor sentiment and a softening of labour markets. However, the outlook faces significant downside risks, including escalating conflicts in the Middle East, uncertainties around the US elections, and consistently high interest rates in advanced economies.

Table 6: Global Economic Performance

	Growth (%)			
	Actual	Estimate	Projections	
Economy	2022	2023	2024	2025
World	3.5	3.3	3.2	3.3
Advanced Economies	2.6	1.7	1.7	1.8
Of which: USA	*1.9*	*2.5*	*2.6*	*1.9*
Euro Area	*3.4*	*0.5*	*0.9*	*1.5*
United Kingdom	*4.3*	*0.1*	*0.7*	*1.5*
Japan	*1.0*	*1.9*	*0.7*	*1.0*
Emerging and Developing Economies	4.1	4.4	4.3	4.3
Of which: China	*3.0*	*5.2*	*5.0*	*4.5*
India	*7.0*	*8.2*	*7.0*	*6.5*
Sub-Saharan Africa	4.0	3.4	3.7	4.1
Of which: South Africa	1.9	0.7	0.9	1.2
Nigeria	3.3	2.9	3.1	3.0
Kenya*	4.9	5.6	5.2	5.4

Source: IMF World Economic Outlook, July 2024. *National Treasury Projection

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.

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.

Domestic Economic Performance

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, pilling pressure on public debt.

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.

GDP Growth

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

Bomet Gross County Product (GCP) at current prices was estimated at KSh.194.8 billion over the period from 2018 to 2022. The county's GDP share remained stable during this period, with an average of 1.5%. With the initiatives such as subsidized farm inputs which improves agricultural productivity, promotion of livestock production, investment in cash crops like tea and pyrethrum, alongside food crops like maize and potatoes, improved infrastructure, improved market access and grants to cooperative societies, the county's GDP is expected to grow in the coming years.

Inflation in Kenya

The annual headline inflation rate as measured by the Consumer Price Index (CPI) was 4.6 per cent, in June 2024. This means that the general price level in June 2024 was 4.6 per cent higher than that of June 2023. The price increase was mainly driven by the rise in prices of commodities under Transport (7.7%); Food and Non-Alcoholic Beverages (5.6%); and Housing, Water, Electricity, Gas and other fuels (3.1%) between June 2023 and June 2024. These three divisions account for over 57 per cent of the weights of the 13 broad categories. The inflation rate was 5.0 per cent in May 2024. ***Source: Kenya National Bureau of Statistics***

Kenya Inflation Rate

The overall year-on year inflation is within the Government target range of 5±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

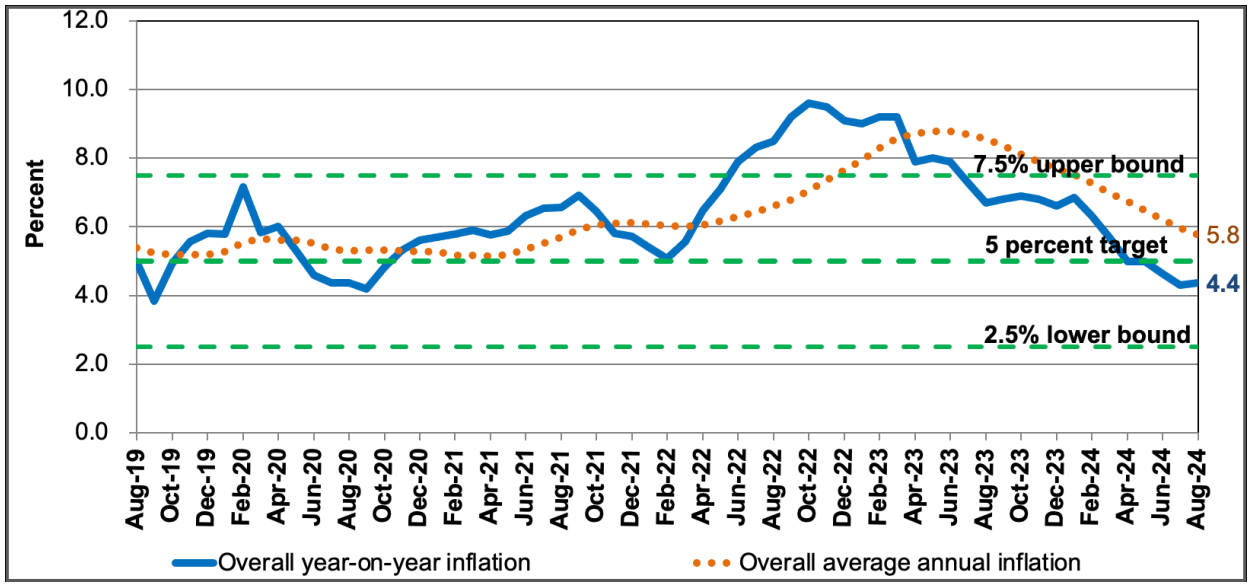
for three consecutive months. This is a drop from 6.7 percent in August 2023, and a peak of 9.6 percent in October 2022 **(Figure 3).** Favorable weather conditions coupled with targeted government interventions have partly led to the reduction in the cost of food production thereby lowering food inflation. 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.

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.

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.

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.

Figure 3: Inflation Rate, Percent

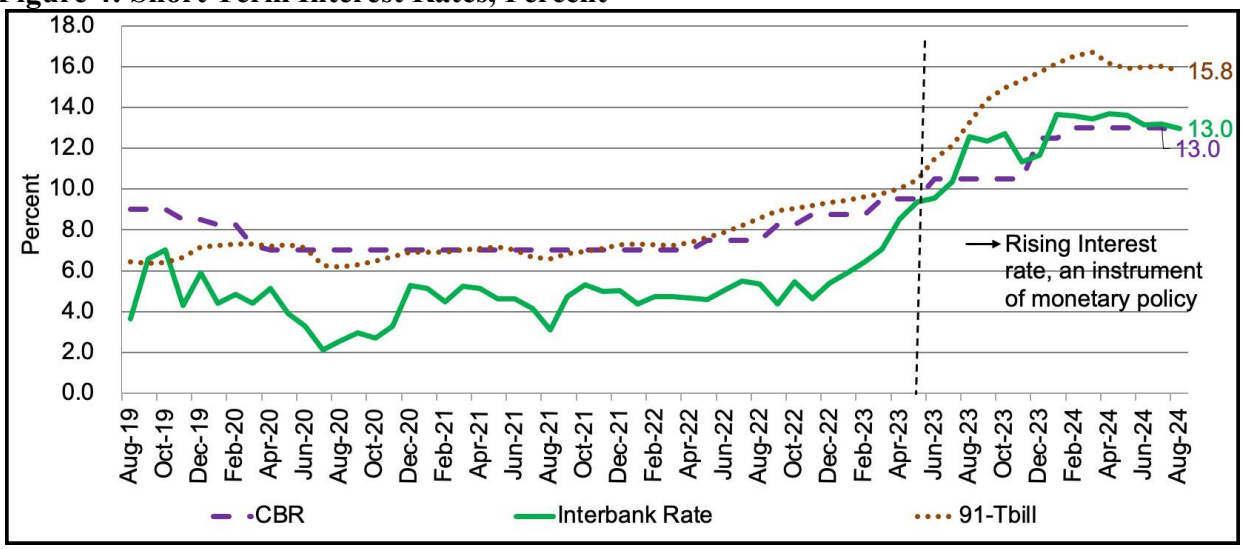


Source of Data: Kenya National Bureau of Statistics

Interest rates

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) (**Figure 4**). 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

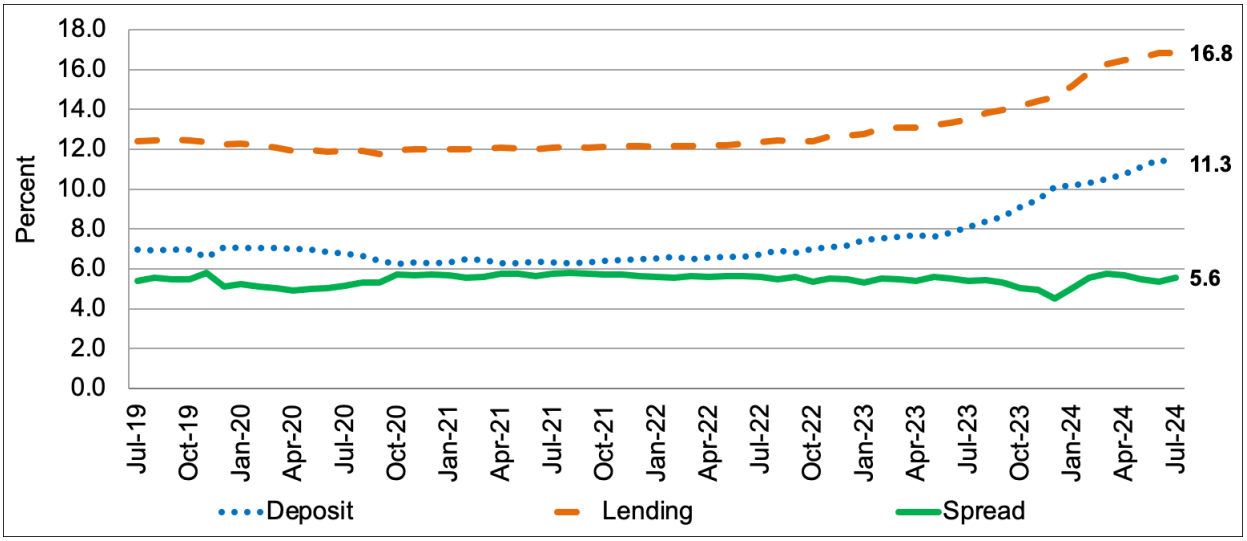
Figure 4: Short Term Interest Rates, Percent



Source of Data: Central Bank of Kenya

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 **(Figure 5).**

Figure 5: Commercial Bank Rates, Percent



B. Medium Term Economic Outlook

Global Growth Outlook

World real GDP growth is estimated to have slowed from 3.5 percent in 2022 to 3.1 percent in 2023. The decline in the growth was attributed to disruptions from the remnant effects of COVID-19, the Russia-Ukraine conflicts and tightened monetary policies in a number of economies. Advanced economies expanded by 1.6 percent.

Domestic Growth Outlook

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.

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.

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.

Government consumption and investments are expected to slowdown in 2024 and 2025 due to the ongoing growth friendly fiscal consolidation efforts. However, the development will be complimented with private sector investments in commercially viable development projects. Growth over the medium term will also be driven by sustained Government investments in the Bottom Up Economic Transformation Agenda. Particularly, investments in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials). Government interventions towards climate change adaptation and mitigation measures that include rehabilitation of wetlands and reforestation are expected to support growth over the medium term.

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.

Monetary Policy Outlook

The monetary policy stance over the medium term will aim at achieving and maintaining overall inflation within the target range of 5±2.5 percent while maintaining a competitive exchange rate and stable interest rates. The flexible margin of 2.5 percent on either side of the inflation target is to cater for effects of external and domestic shocks and recurrence of extreme weather events that not only affect economic activities but also pose major fiscal risk. Maintaining the inflation rate at this level will help preserve macroeconomic stability and reduce undesirable fluctuations in economic performance. The targeted inflation will be supported by muted demand pressures

consistent with prudent monetary policy and easing of domestic and global food and oil prices coupled with Government measures to lower cost of production.

The ongoing implementation of reforms to modernize Monetary Policy Framework and Operations continues to enhance monetary policy transmission and improve distribution of liquidity in the interbank market. In particular, the introduction of the interest rate corridor, currently set at CBR ± 250 basis points, has ensured that the interbank rate (operating target), closely tracks the CBR. The reduction of the applicable interest rate to the Discount Window from the current 600 basis points above CBR to 400 basis points above CBR has improved access to the Window. In addition, the width of the interest rate corridor was narrowed to ± 150 basis points in June 2024, and the discount window lowered from 400 basis points above CBR to 300 basis points to further enhance efficiency in the interbank market and strengthen alignment of the policy rate with the interbank rate. The Central Bank of Kenya has recently undertaken the following major reforms in the operation of the interbank foreign exchange market:

i. Introduction of electronic matching systems (EMS) in the interbank market;

ii. Requirement of maximum spread of 20 cents on indicative quotes in the interbank market removed; and

iii. The CBK published exchange rate is now a weighted average rate of all interbank transactions executed the previous day. Previously, the published rate was based on the indicative rate provided by selected major players in the interbank market.

Additionally, the implementation of the Dhow CSD, an upgraded Central Securities Depository infrastructure, has greatly enhanced efficiency in investment in Government Securities. The Dhow CSD also continues to improve the functioning of the interbank market by facilitating collateralized lending amongst commercial banks and further reducing segmentation in the interbank market.

Fiscal Policy Outlook

In order to complement the monetary policy and anchor macroeconomic stability, the fiscal policy supporting the financial year 2023/24 and the medium-term budget framework aims at undertaking a growth-friendly fiscal consolidation designed to slow down the annual growth in public debt. This will be achieved through improved revenue collection, primarily through broadening of the tax base, and containing overall expenditure to the set targets, while prioritizing high impact social

and investment expenditure.

Inflation

In order to sustain macroeconomic stability, the inflation target for financial year 2024/25 is set at 5.0 percent, with a flexible margin of 2.5 percent on either side in the event of adverse shocks. The inflation target will be measured by the 12 months' increase in Consumer Price Index (CPI) as published by the Kenya National Bureau of Statistics (KNBS). The target is in line with macroeconomic developments underlying the financial year 2024/25.

C. Risks to the Domestic Economic Outlook

The domestic economy continued to face risks, among others, external risks which includes 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 while domestically, 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.

IV. RESOURCE ALLOCATION FRAMEWORK

A. Adjustments to the FY 2024/2025 MTEF Budget

The Medium-Term Expenditure Framework (MTEF) for the FY 2024/25 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities in a bid to re-position the economy on a steady and sustainable growth trajectory. This will ensure that the pending bills are maintained at the sustainable levels as well as continued fiscal discipline.

The underperformance in both revenue collection and expenditure in the FY 2023/24 has implications on the financial objectives outlined in the CFSP 2024 and the 2024/25 Budget estimates. In particular, the baseline for projecting both the revenue and expenditures for the FY 2024/25 and Medium Term has changed given the outcome of FY 2023/24 and the first two months of FY 2024/25. Amendments are therefore expected on the following basis;

i. The revenue projections have been revised taking into account revenue shortfall in FY 2023/24, revenue performance by end August 2024 and the measures put in place to boost SMES.

ii. Expenditures have been revised to reflect the expected increase in revenue performance arising from revenue enhancing measures such as automation and mapping of revenue streams hence budget reallocation and additional expenditure on productive areas of spending across the County.

iii. Some projects executed in the 2023/24 fiscal year, and whose payment was expected to have been cleared in June 2024, were actually not paid due to the following reasons:

- Delay in exchequer releases from the National treasury also affected the implementation of projects which eventually gave rise pending bills that needs to be cleared.
- Underperforming own source revenue collection.
- Harsh weather conditions i.e. heavy rainfall delayed the completion of projects.

B. FY 2025/2026 Budget Framework

The Bomet County FY 2025/26 Budget framework builds up on County priorities and provided in the Bottom up agenda, MTP IV, CIDP 2023-27 and ADP 2025/2026. This is in addition to expenditure rationalization and revenue enhancement measures that the County Government has

put in place.

To protect the gains already made, the County will continue to emphasize on the review of portfolio of externally funded projects so as to re-align them with the County Integrated Development Plan (CIDP) 2023-27 and reducing spending on those programmes which are not of high priority hence reducing the overall fiscal deficit. The fiscal deficit in the FY 2025/26 will be financed by doing resource mobilization with development partners and enhancing our own source revenues.

C. Medium-Term Expenditure Framework (MTEF)

The FY 2025/26 and the Medium-Term Budget will continue to focus on the implementation of the priorities of the Medium-Term Plan IV and Bottom-Up Economic Transformation Agenda (BETA) as well priorities contained in the CIDP 2023-27 and ADP 2025/2026 with the following key priority areas:

- Integration of the Sustainable Development Goals (SDGs) into County Development Planning;
- Mainstreaming of the cross-cutting issues, including gender, youth & Climate Change;
- Promotion of equitable development value addition support of MSMEs among others;
- Improvement of county social and physical infrastructure and;

All County Government entities should strive to ensure that there are effective linkages between the Annual Development Plan (ADP) 2025/2026, CIDP 2023-2027 and the next MTEF budget process. The next budget process is readjusted to conform to major timelines of the PFM Act 2012. Additionally, the national focus on improving the ease of doing business and job creation is expected to result in broad based growth in the priorities sector of the economy. Specifically, the 2025/2026 MTEF Budget will aim at achieving efficiency and productivity of public spending and is based on the assumption of a stable macro-economic environment, subdued national transfers to the counties and the enhanced own source of revenue collection. Emphasis will be on development of infrastructure which includes road construction and maintenance, supporting SMEs, water supply and health care provision among others.

D. Policy Framework Supporting the Medium-Term Budget for FY 2025/26-2027/28

As outlined in the Public Finance Management Act, 2012 and its attendant regulations, the budget

process involves preparation of key policy documents for approval by Cabinet and County Assembly. The budget estimates should be prepared and approved by the County Assembly within the stipulated timeline for smooth execution of county programmes. In this regard, the following policy documents will require to be prepared and approved within stipulated timeframes:

- The County Budget Review and Outlook Paper (CBROP) 2024;
- The County Fiscal Strategy Paper (CFSP) 2025;
- Debt Management Strategy Paper;
- Programme based Budget;
- The County Appropriation Bill; and
- The Finance Bill.

To facilitate finalization and approval of the above documents and Bills within the stipulated timelines, Accounting Officers are required to strictly undertake the outlined activities in the Budget Calendar within the set timeframes. The County will continue with its policy of prioritization with a view to achieving the transformative agenda as outlined in the County Integrated Development Plan (CIDP) 2023-27. The fiscal strategies contained in the planning and budgeting documents are as follows: Improved Agribusiness for all Households; Empowerment of Youth, Women and PWDs; ECDE support, Quality Education and development; Accessible Universal Healthcare; Improvement of Land and Urban Planning Services; Promotion of Water for Domestic and Irrigation Services; Transport and Infrastructure; Enhanced access to clean energy; Developing the ICT infrastructure(s) to ensure effective service delivery; Promotion of value addition for agricultural produce, food security and environmental conservation; Promotion of equitable social economic development for county stability; Enhancing governance, transparency and accountability in the delivery of public goods and service by promoting participation of the people in governance; Promoting equitable access to resources for local beneficiaries; Creating an enabling environment for business and private sector participation in County Economic growth and development; Providing skilled, financial and technical human resource capacity and adequate policy development; Having an efficient and effective intergovernmental unit. All these are aimed at ensuring that inclusive socio-economic growth and development of the county is achieved. Particular emphasis will be placed on: Ensuring development expenditures are scrutinized and aligned with the Fourth Medium Term Planning (MTP IV) and the Governor's manifesto as contained in the CIDP; Increasing efficiency, effectiveness and accountability of public spending; Containing the growth of recurrent

expenditure in favour of development expenditure.

The allocation of resources in the 2025/26-2027/28 will be geared towards the actualization of core programmes and sub-programmes contained in the CIDP (2023-2027), as well as programmes in Sectoral strategic plans, the 2025/26 Annual Development Plan, and fiscal initiatives of the County Government enumerated in the CFSP 2025.

The following criteria will serve as a guide for allocating resources:

i. linkage of the programme to the CIDP 2023-2027 and other budget documents such as CADP 2025/26
ii. Degree to which the programme is addressing the core mandate of each department/unit.
iii. Expected outputs and outcomes from a programme.
iv. Linkage of the programme with the objectives of MTP IV of vision 2030.

V. Conclusion and Next Steps

The fiscal outcome for FY 2023/24 does not affect the County objectives as laid out in the last County Fiscal Strategy Paper 2023 but has implication on the current budget because of the pending bills and the balance brought forward from the 2023/24 fiscal year. Kenya's economic performance is projected to remain stable over the medium term. Growth is expected to moderate 5.2 percent in 2024 and 5.4 percent in 2025 from 5.6 percent in 2023. The growth outlook will be largely driven by a strong agricultural productivity aided by policy interventions on seeds and fertilizer to farmers, adequate rainfall, robust services sector and improvement in global commodity prices.

The medium term macroeconomic and fiscal projections in the CBROP 2024 have been revised from those of the CFSP 2024 taking into account the macroeconomic and fiscal outcome of the financial year 2023/24 and the impact of the withdrawal of the Finance Bill, 2024. The CBROP 2024 forms the basis for the development of the CFSP 2025 that will detail the progress in the implementation of the priority policies and strategies of the County Government as prioritized in the CIDP 2023-27; and preparation of the FY 2025/26 and the medium-term budget that will be guided by the Budget Calendar. The Budget calendar for FY 2025/26 is guided by the timelines provided in the PFM Act, 2012.

Taking into account the constrained fiscal environment, the Government has adopted Zero Based Budgeting Approach to guide the prioritization and allocation of the scarce resources to projects

and programmes in the FY 2025/26. MDAs will therefore be required to re-evaluate all the existing/planned activities, projects, and programmes to be funded in the FY 2025/26 and medium-term budget. SWGs should therefore eliminate wasteful expenditures and pursue priorities which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery. The hard sector ceilings provided for the FY 2025/26 budget and the Medium Term will form inputs into the 2025 Budget Policy Statement. All Sector Working Groups (SWGs) are required to adhere to the sector ceilings and the strict deadlines provided in this document in order to facilitate the finalization and appropriation of the FY2025/26 and the medium-term budget.

The resource envelope and ceilings for each sector provided in this County Budget Review and Outlook Paper (CBROP) will form inputs into the next County Fiscal Strategy Paper (CFSP) 2025 and the Budgetary estimates for 2025/26 fiscal year.

Annex I: County Government Total Revenue Ceilings FY 2025/2026-2027/2028

Resource Envelope				
County Revenue	**Approved Estimates for FY 2024/2025**	**CBROP Ceiling FY 2025/2026**	**Projection**	
			FY2025/2026	**FY2026/2027**
Equitable share +Local Revenue+ Balance C/F	**8,492,503,177**	**7,959,777,241**	**8,118,972,785**	**8,281,352,241**
Equitable share	7,251,128,230	7,396,150,795	7,544,073,810	7,694,955,287
Local Revenue	455,750,929	464,865,948	474,163,267	483,646,532
Balance C/F- Executive	628,800,000	0	0	0
Balance c/f County Contribution to FloCCA	60,000,000	0	0	0
Balance C/F- Assembly-Hansard Equipment and furniture	96,824,018	98,760,498	100,735,708	102,750,422
Conditional Grants from National Government Revenue	**238,705,470**	**243,479,579**	**248,349,171**	**253,316,154**
Road Maintenance Fuel Levy (KRB)	163,685,211	166,958,915	170,298,093	173,704,055
Community Health Promoters	74,070,000	75,551,400	77,062,428	78,603,677
Conditional Allocation for Libraries	950,259	969,264	988,649	1,008,422
Conditional allocations to County Governments from Loans and Grants from Development Partners	**1,048,921,230**	**1,066,533,655**	**1,087,864,328**	**1,109,621,614**
Primary Healthcare in Devolved Context	8,482,500	8,652,150	8,825,193	9,001,697
Kenya Urban Support Programme (KUSP) - UIG	35,000,000	35,700,000	36,414,000	37,142,280
IDA Kenya Urban Development Grant (UDG)	18,278,289	18,643,855	19,016,732	19,397,067
KDSP (Level 1)	37,500,000	38,250,000	39,015,000	39,795,300
KDSP (Level 1 Grant) B/F-Recurrent	3,300,000	0	0	0
WASH - Health & Water-DIG DEEP	80,000,000	81,600,000	83,232,000	84,896,640
Kenya Water, Sanitation and Hygiene (K-WASH) Program	197,903,000	201,861,060	205,898,281	210,016,247
Nutritional International	15,000,000	15,300,000	15,606,000	15,918,120
HSSF Danida	20,056,500	20,457,630	20,866,783	21,284,118

IDA Kenya/Climate Change Resilience Invest (CCRI) - BAL C/F	65,063,344	66,364,611	67,691,903	69,045,741
IDA Kenya/Climate Change Resilience Invest (CCRI)KfW	85,000,000	86,700,000	88,434,000	90,202,680
IDA Kenya/Climate Change Resilience Invest (CCRI)	130,126,688	132,729,222	135,383,806	138,091,482
IDA Kenya/Climate Change Institutional Support (CCIS)	11,000,000	11,220,000	11,444,400	11,673,288
Fertilizer Subsidy Program	131,684,382	134,318,070	137,004,431	139,744,520
Agriculture Sector Development Support Programme (ASDSP)	1,716,655	1,750,988	1,786,008	1,821,728
Livestock Value chain support project - GRANTS	57,294,720	58,440,614	59,609,427	60,801,615
IDA World Bank-Value Chain NAVCDP	151,515,152	154,545,455	157,636,364	160,789,091
Total Revenue	**9,780,129,877**	**9,269,790,475**	**9,455,186,284**	**9,644,290,009**

Annex II: Trend in Growth of Equitable share of Revenue

Equitable share of revenue	Allocation	Growth	% Growth
2019/20 (Base year)	5,507,100,000	(427,500,000)	-8
2020/21	5,507,100,000	-	0
2021/22	6,691,099,118	1,183,999,118	21
2022/23	6,691,099,118	-	0
2023/2024	6,977,924,070	286,824,952	4
CBROP Ceiling 2024/2025	7,251,128,230	273,204,160	4

Annex III: Total Expenditure Sector Ceilings for the Period FY 2025/2026-2027/2028

Sector	Approved Budget Estimates FY 2024/2025	CBROP Ceilings 2025/2026	Projections	
			F/Y 2026/2027	F/Y 2027/2028
County Executives	**116,830,072**	**119,166,673**	**121,550,007**	**123,981,007**
Personal Emoluments		-	-	-
Operation & Maintenance	116,830,072	119,166,673	121,550,007	123,981,007
Office of the Deputy Governor	**43,000,000**	**43,860,000**	**44,737,200**	**45,631,944**
Personal Emoluments		-	-	-
Operation & Maintenance	43,000,000	43,860,000	44,737,200	45,631,944
Office of the County Attorney	**13,350,000**	**13,617,000**	**13,889,340**	**14,167,127**
Personal Emoluments		-	-	-
Operation & Maintenance	13,350,000	13,617,000	13,889,340	14,167,127
PSB	**23,798,200**	**24,274,164**	**24,759,647**	**25,254,840**
Operation & Maintenance	23,798,200	24,274,164	24,759,647	25,254,840
Devolution & Special Programs	**46,342,859**	**47,269,716**	**48,215,111**	**49,179,413**
Operation & Maintenance	46,342,859	47,269,716	48,215,111	49,179,413
Development	-	-	-	-
Administration	**139,473,432**	**142,262,901**	**145,108,159**	**148,010,322**
Operation & Maintenance	83,473,432	85,142,901	86,845,759	88,582,674
Development	56,000,000	57,120,000	58,262,400	59,427,648
Public Service	**2,213,752,795**	**2,258,027,851**	**2,303,188,408**	**2,349,252,176**
Personal Emoluments	2,014,648,000	2,054,940,960	2,096,039,779	2,137,960,575
Operation & Maintenance	199,104,795	203,086,891	207,148,629	211,291,601
ICT	**40,670,000**	**41,483,400**	**42,313,068**	**43,159,329**
Personal Emoluments	500,000	510,000	520,200	530,604
Operation & Maintenance	29,170,000	29,753,400	30,348,468	30,955,437
Development	11,000,000	11,220,000	11,444,400	11,673,288
Finance	193,885,173	197,762,876	201,718,134	205,752,497
Operation & Maintenance	134,885,173	137,582,876	140,334,534	143,141,225
Development	59,000,000	60,180,000	61,383,600	62,611,272
Economic Planning	**265,736,569**	**271,051,300**	**276,472,326**	**282,001,773**
Operation & Maintenance	95,736,569	97,651,300	99,604,326	101,596,413
Development	170,000,000	173,400,000	176,868,000	180,405,360

Lands, Housing, Urban & Municipalities	**315,420,289**	**321,728,695**	**328,163,269**	**334,726,534**
Personal Emoluments	40,000,000	40,800,000	41,616,000	42,448,320
Operation & Maintenance	144,022,000	146,902,440	149,840,489	152,837,299
Development	131,398,289	134,026,255	136,706,780	139,440,915
Gender, Culture and Social Services	**52,625,184**	**53,677,688**	**54,751,241**	**55,846,266**
Personal Emoluments		-	-	-
Operation & Maintenance	45,651,628	46,564,661	47,495,954	48,445,873
Development	6,973,556	7,113,027	7,255,288	7,400,393
Medical Services & Public Health	**2,387,512,146**	**2,435,262,389**	**2,483,967,637**	**2,533,646,989**
Personal Emoluments	1,436,120,219	1,464,842,623	1,494,139,476	1,524,022,265
Operation & Maintenance	786,391,927	802,119,766	818,162,161	834,525,404
Development	165,000,000	168,300,000	171,666,000	175,099,320
Education, Vocational Training	**479,237,070**	**488,821,811**	**498,598,248**	**508,570,213**
Operation & Maintenance	206,614,159	210,746,442	214,961,371	219,260,598
Development	272,622,911	278,075,369	283,636,877	289,309,614
Youth and Sports	**36,706,245**	**37,440,370**	**38,189,177**	**38,952,961**
Operation & Maintenance	28,706,245	29,280,370	29,865,977	30,463,297
Development	8,000,000	8,160,000	8,323,200	8,489,664
Water Sanitation and Environment	**1,023,783,985**	**1,044,259,665**	**1,065,144,858**	**1,086,447,755**
Operation & Maintenance	133,789,842	136,465,639	139,194,952	141,978,851
Development	889,994,143	907,794,026	925,949,906	944,468,905
Agriculture Livestock and Fisheries	**473,450,909**	**482,919,927**	**492,578,326**	**502,429,892**
Operation & Maintenance	16,040,000	16,360,800	16,688,016	17,021,776
Development	457,410,909	466,559,127	475,890,310	485,408,116
Roads, Public Works & Transport	**721,977,376**	**736,416,924**	**751,145,262**	**766,168,167**
Operation & Maintenance	75,792,165	77,308,008	78,854,168	80,431,252
Development	646,185,211	659,108,915	672,291,094	685,736,915
Trade, Energy, Tourism, Industry and Investment	**70,165,000**	**71,568,300**	**72,999,666**	**74,459,659**
Personal Emoluments	-	-	-	-
Operation & Maintenance	11,365,000	11,592,300	11,824,146	12,060,629
Development	58,800,000	59,976,000	61,175,520	62,399,030

Co-operatives and Enterprise Development	**73,130,000**	**74,592,600**	**76,084,452**	**77,606,141**
Operation & Maintenance	20,530,000	20,940,600	21,359,412	21,786,600
Development	52,600,000	53,652,000	54,725,040	55,819,541
Executive Total	**8,730,847,304**	**8,905,464,250**	**9,083,573,535**	**9,265,245,005**
County Assembly	**1,049,282,573**	**1,070,268,224**	**1,091,673,589**	**1,113,507,061**
Personal Emoluments	400,387,231	408,394,976	416,562,875	424,894,133
Operation & Maintenance	398,071,324	406,032,750	414,153,405	422,436,474
Development	250,824,018	255,840,498	260,957,308	266,176,454
County Total	**9,780,129,877**	**9,975,732,474**	**10,175,247,124**	**10,378,752,066**
Personal Emoluments	**3,891,655,450**	**3,969,488,559**	4,048,878,330	4,129,855,897
Operation & Maintenance	**2,652,665,390**	**2,705,718,698**	**2,759,833,071**	**2,815,029,733**
Development	**3,235,809,037**	**3,300,525,218**	**3,366,535,722**	**3,433,866,437**
Personal Emoluments	**40%**	**40%**	**40%**	**40%**
Operation & Maintenance	**27%**	**27%**	**27%**	**27%**
Development	**33%**	**33%**	**33%**	**33%**

Annex IV: Bomet County Budget Calendar for the FY 2025/2026

	Activity	Responsibility	Deadline
1	**Performance Review and strategic planning**	**County Treasury**	**July-Aug 2024**
	1.1 Expenditure review	"	"
	1.2 Preparation of annual Work plans and procurement plans	"	
2	**Develop and issue MTEF guidelines**	**County Treasury**	**30th August 2024**
3	**Launch of sector Working Groups**	**County Treasury**	**30th August 2024**
4	**Determination of Fiscal Framework.**	**Sector Working Groups**	**15th Sept. 2024**
	4.1 Estimation of Resource Envelope	**County Treasury**	"
	4.2 Determination of policy priorities	"	"
	4.3 Preliminary Resource allocation to sectors, Assembly & Sub Counties	"	"
5	**Draft County Budget Review and outlook paper (CBROP)**	**"**	**20th Sept. 2024**
	5.1 Submission and approval by cabinet	"	30th Sept. 2024
	5.2 Submission of CBROP TO County Assembly	"	21st Oct 2024
	5.3Capacity building for MTEF Programme Based Budget	"	10th-14th October 2024
6	**Preparation of County Budget Proposals**	**SECTORS**	
	6.1 Draft Sector Report	Sector Working Group	1st Nov. 2024
	6.2 Submission of Sector Report to County Treasury	Sector Working Group	30th Nov. 2024
	6.3 Review of the Departmental budget proposals	Macro Working Group	11th-15th Jan. 2025
7	**The 2024/25 Supplementary Budget**		
	7.1 Develop and issue guidelines on the 2024/25 Revised Budget	County Treasury	Sept . 2024
	7.2 Submission of supplementary Budget proposals	Departments	Oct . 2024
	7.3 Review of the supplementary Budget proposals	County Treasury	Oct . 2024
	7.4 submission of supplementary budget proposals to cabinet	County Treasury	Oct . 2024
	7.5 submission of supplementary Budget proposals to County Assembly	County Treasury	Oct . 2024

	Activity	Responsibility	Deadline
8.	**Prepare Annual Development Plans**	**County Treasury**	**30 August 2024**
	9.1 Annual Development Plan submitted to county assembly	County Treasury	1st Sept. 2024
9.	**Draft County Fiscal Strategy paper(CFSP)**		
	10.1 Draft CFSP	Sector Working Group	31st January. 2025
	10.2 Public Participation on CFSP	County Treasury	15th Feb 2025
	10.3 Submission of CFSP to cabinet for approval	County Treasury	20th Feb. 2025
	10.4 Submission of CFSP to County Assembly for approval.	County Treasury	28th Feb. 2025
10	**Submission of Debt management strategy to County Assembly for approval.**	**County Treasury**	**28th Feb. 2025**
11	**Preparation and approval of final Departmental Programme Based Budgets**		
	11.1 Issue final guidelines on preparation of 2025/2026 County Budget.	County Treasury	15th March, 2025
	11.2 Submission of Budget proposals to Treasury	All sectors	23rd March. 2025
	11.3 Consolidation of the Draft Budget Estimates	County Treasury	10th April 2025
	11.4 Public Participation on Budget estimates	County Treasury	17th April 2025
	11.5 Submission of Draft Budget Estimates for County Government to County assembly	County Treasury	30th April 2025
	11.6 Review of Draft Budget Estimates by Departmental committee	County Assembly	22nd May 2025
	11.7 Report on the budget and appropriation committee Draft Budget Estimates from County Assembly	County Assembly	24th May 2025
	11.8 Preparation of annual cash flow	County Treasury	15th June 2025
	11.9 Resolution of county assembly on Estimates and approval	County Assembly	15th June 2025
12	**Submission of Appropriation Bill to**	**County Treasury**	**20th June 2025**

	Activity	Responsibility	Deadline
	County Assembly		
	11.1Consideration and passage of Appropriation Bill	County Assembly	30th June 2025