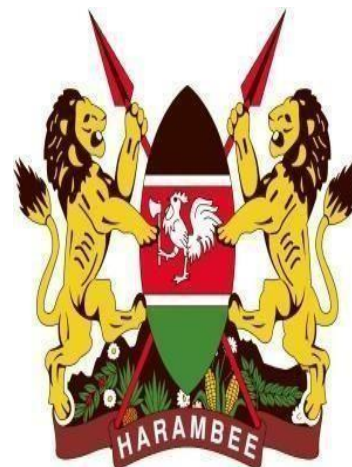


THE COUNTY GOVERNMENT OF TAITA TAVETA



MEDIUM-TERM COUNTY FISCAL STRATEGY PAPER

Peace, Love, and Prosperity for All

FEBRUARY 2025

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To obtain copies of the CFSP, please contact:

Taita Taveta County Treasury

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

County Vision

**A prosperous, cohesive, and globally competitive
county with a high quality of life for all**

County Mission

**To promote optimum socio-economic and political
development through sustainable and prudent
exploitation of
resources and good governance**

Foreword

The 2025 County Fiscal Strategy Paper (CFSP) presents the broad strategic priorities, policy goals, and reforms that will guide the County government in preparing its budget for FY 2025/2026 and the medium term.

The 2025 CFSP is the third to be prepared under the current administration and will prioritize implementing the programmes and sub-programmes proposed by various sectors and stakeholders. The County will endeavor to implement projects and programmes in line with Vision 2030, the national objectives stipulated in the 2025 Budget Policy Statement (BPS) and its Medium-Term Plan (MTP) IV, the CIDP 2023-2027, H.E the Governor's manifesto and feedback from the Public as highlighted in the Annual Development Plan.

Kenya's economic growth is expected to rise to 5.3 percent in 2025 and retain the same momentum over the medium term, primarily driven by enhanced agricultural productivity, a resilient services sector, and ongoing implementation of priorities under BETA.

As a county, exchequer revenues continue to form the most significant part of our revenue budget, contributing 62% towards our budget, 24% transfers from other government agencies, and our own generated revenues formed 9% of our budget as of 31st December 2024.

In the FY 2024/25, the County had total projected revenues of Kshs 8.4 Billion, consisting of Kshs 500 Million from local sources of revenue, Kshs 250 Million from the Health Facilities Improvement Fund, and Kshs 7.6 Billion from other sources, including County Allocation through the Exchequer and donor funding for various specific projects in the County Departments of Water, Agriculture, Municipalities, and Health Services.

Out of the projected revenue, the County realized Kshs 2.6 Billion in actual revenues, representing 32% performance. This performance was due to 40% realization of the County Allocation through the Exchequer, 14% on own-generated revenues, and 1% Transfers from other government entities.

This fiscal strategy paper articulates economic policies, budgetary reforms, and sector-based expenditure programmes the County intends to implement to achieve its broad development agenda. The proposed fiscal framework ensures continued budgetary discipline and supports sustained growth and development.

HON ELIJAH MWAZO MWAZIGHE CPA(K)

**COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE AND ECONOMIC
PLANNING**

Acknowledgment

The 2025 Taita Taveta County Fiscal Strategy Paper has been prepared by the provisions of Section 117(1) of the Public Finance Management Act, 2012. This section mandates the County Treasury to develop and submit the County Fiscal Strategy Paper to the County Executive Committee for approval each year. The approved document must then be submitted to the County Assembly by 28th February.

The preparation of this paper was a collaborative effort involving sector working groups comprised of technical staff from each county department. We extend our sincere gratitude to H.E. the Governor and the Deputy Governor for their leadership, guidance, and support throughout this process.

We also acknowledge the invaluable contributions of the County Executive Committee Members, led by Mr. Elijah Mwazo Mwazighe, CPA(K), CECM for Finance and Economic Planning, for providing strategic leadership. Special appreciation goes to all County Chief Officers and county directors for their technical input.

We further recognize the dedication of the County Budget and Economic Forum (CBEF) members and the Directorate of Planning and Budgeting, under the leadership of Benjamin Odago, for their technical expertise and coordination of the process. Their commitment, along with the efforts of their team, was instrumental in ensuring the successful completion of this document.

We extend our gratitude to officers from various county departments, as well as sub-county and ward administrators, for their role in organizing and facilitating public consultative forums at the sub-county level. Their coordination and engagement were essential in ensuring that public participation remained a key pillar in shaping this strategy paper.

Finally, we are deeply grateful to all members of the public and other stakeholders who actively participated in the public engagements and submitted their memoranda. Their valuable input has significantly enriched this paper.

LABAN MBELENGA KINYAI CPA(K)

COUNTY CHIEF OFFICER- FINANCE AND ECONOMIC PLANNING

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Legal Framework

The County Fiscal Strategy Paper is prepared per section 117 of The Public Finance Management Act, 2012, which stipulates that:

1. The County Treasury shall prepare and submit the County Fiscal Strategy Paper to the County Executive Committee for approval.
2. The County Treasury shall submit the approved County Fiscal Strategy Paper to the county Assembly by 28th February each year.
3. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
4. In preparing the County Fiscal Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
5. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook for county government revenues, expenditures, and borrowing for the coming financial year and over the medium term.
6. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of: -
 - a) The Commission on Revenue Allocation
 - b) The Public
 - c) Any interested persons or groups and
 - d) Any other forum that is established by legislation.
7. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days of the County Assembly's adoption.

Rationale

The Fiscal Strategy Paper outlines the county's fiscal policies in the context of prevailing macroeconomic policies and outlook while articulating the county's strategic priorities and policies for the fiscal year 2025/2026 and how these will be achieved with the limited available resources.

The County Fiscal Strategy Paper guides the County Budget Process, with binding policy directions on budget formulation and implementation in the medium term. This paper specifies the broad strategic priorities and policy goals that guide the County government in preparing its budget for the subsequent financial year and over the medium term.

The fiscal framework outlined in this Fiscal Strategy Paper (FSP) requires greater budgetary discipline and alignment of resources to priorities. In particular, better expenditure control and a clear focus on core mandates by county departments will be required. The Fiscal Strategy Paper contains the following:

- a) The principles that will guide the FY 2025/2026 budgetary process.
- b) The broad fiscal parameters for the 2025/2026 budget and the key strategies and policies for the management of revenues and expenditures.
- c) The broad strategic priorities and policy goals that will guide the budget preparation over the medium term.
- d) A discussion of risks to the budget parameters.
- e) The medium-term outlook for the county government's revenues and expenditures.
- f) A discussion on how the Budget Strategies relate to the County priorities as outlined in the County Integrated Development Plan (CIDP) 2023-2027.

1. County Performance Review

1.1 Overview

This 2025 County Fiscal Strategy Paper (CFSP) is prepared following the provisions of the Public Finance Management Act, 2012, cap 117, which requires the county treasury to prepare this paper for each financial year.

In line with the law's provisions, the 2024 CFSP presents the fiscal objectives and highlights the broad strategic priorities and policy goals that will guide the County government in preparing its budget for the subsequent financial year and medium term. This paper also highlights the progress report for the first half of FY 2024/2025, briefly analyzing revenue and expenditures.

The strategic objectives in this CFSP are derived from the County Integrated Development Plan (2023-2027), Annual Development Plan FY 2025/26, and consultative public participation fora on the CIDP III. In addition, the 2025 CFSP aligns with the 2025 Budget Policy Statement (BPS), which outlines national government priority policy areas and strategic objectives prioritized in the Fourth Medium Term Plan (MTP IV) and the Vision 2030 development blueprint.

This fiscal strategy paper articulates economic policies, budgetary reforms, and sector-based expenditure programmes the County intends to implement to achieve its broad development agenda. The proposed fiscal framework ensures continued budgetary discipline and supports sustained growth and development.

1.2 Fiscal Performance

In the period ended 31st December 2024, the County had total projected revenues of Kshs 8,421,509,979 consisting of Kshs 500,000,000 from local sources of revenue, Kshs 250,000,000 from the Health Facilities Improvement Fund, and Kshs 7,671,509,979 from other sources, including County Allocation through the Exchequer and donor funding for various specific projects in the County Departments of Water, Agriculture, Municipalities, and Health Services.

1.2.1 Revenue Analysis

Exchequer revenues continue to form the most significant part of our revenue budget, contributing 62% towards our budget, 24% transfers from other government agencies, and our own source revenues formed 9% of our original budget.

Out of the projected revenue, the County realized Kshs 2,643,873,964 in actual revenues, representing 31% performance. This performance was due to 40% realization of the County allocation through Exchequer releases, 14% on own-generated revenues, and 1% Transfers from other government entities.

The table below shows an analysis of revenue performance during the period ended 31st December 2024.

Table 1: Analysis of Revenue Performance

Revenue Classification	Revenue Budget (Kshs)	Actual (Kshs)	Realization (%)
Exchequer releases	5,229,266,247	2,102,447,494	40%
Transfers from other government agencies	2,039,243,732	30,000,000	1%
Own Source Revenue	750,000,000	108,134,000	14%
Return to CRF issues	403,000,000	403,292,469.75	100%
Total	8,421,509,979	2,643,873,963.75	31%

Source: County Treasury

Exchequer Releases

The County received a total of Kshs **2,102,447,494** for the period ending 31st December 2024, **40%** of the budgeted equitable share.

The quarterly analysis of the disbursements is shown in the table below:

Table 2: Exchequer Releases

Equitable Share (Exchequer Releases)	2024-2025	2023-2024
	Kshs	Kshs
Total Exchequer Releases for Quarter 1	428,436,332	1,260,106,858
Total Exchequer Releases for Quarter 2	1,674,011,162	831,670,526
Total Exchequer Releases for Quarter 3	-	831,670,526
Total Exchequer Releases for Quarter 4	-	1,713,745,327
Cumulative Amount	2,102,447,494	4,637,193,237

Source: County Treasury

County Own Source Revenues

The County administration aimed to generate Kshs **500,000,000** in the original budget from local revenue sources and Kshs **250,000,000** from Hospitals and Public Health Facilities for the fiscal year 2024/2025. As of 31st December 2024, own source revenue amounted to Kshs **108,134,000**, equivalent to **21.6%** of the budgeted sum, while Kshs **96,396,742** was accrued from Hospitals and Public Health Facilities, making a **39%** realization.

The table below shows the quarterly comparison of OSR from FY 2020/21 to FY 2024/25.

Table 3: OSR Comparative Analysis

PERIOD	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/2025
Q1	64,533,198	64,281,660	89,463,983	104,786,991	51,941,965
Q2	64,860,667	76,054,490	91,404,994	72,284,339	56,192,035
TOTAL	129,393,865	140,336,150	180,868,977	177,071,330	108,134,000

Source: County Treasury

Note: Revenues from Hospitals and Public Health facilities are not included in the fiscal year 2024/2025 table.

The table below shows a comparison of the County leading streams

Table 4: County Leading Streams

Leading OSR Streams	First Half 2022/2023	First Half 2023/24	First Half 2024/25
	Ksh	Ksh	Ksh
Cess	65,926,323.00	49,674,513.00	46,474,877.00
Land/Poll Rate	2,350,621.00	1,444,200.00	4,073,592.15
Single/Business Permits	9,433,770.00	13,499,004.00	7,403,239.00
Property Rent	4,539,715.00	2,380,149.00	3,108,191.00
Parking Fees	7,886,800.00	7,703,466.00	7,640,012.00
Market Fees	4,447,460.00	4,463,251.00	6,980,634.00
Hospital Fees (FIF)	69,204,463.00	83,185,386.00	96,396,742.00
Physical Planning and Development	2,358,839.00	4,459,331.00	4,088,452.60

Source: County Treasury

Health Improvement Financing

The Health Improvement Fund's performance for the period ended 31st December 2024 stood at Kshs **96,396,742**, which was from both the user fees and SHIF (Social Health Insurance Fund), as shown in the comparative analysis below.

Table 5: FIF Performance

Health Facility	Period Ended 31 st Dec 2023	Period Ended 31 st Dec 2024
Moi County Referral Hospital	48,935,102.50	57,283,432.50
Mwatate Sub County Hospital	8,228,125.00	11,051,037.50
Taveta Sub County Hospital	16,908,078.00	16,791,901.50
Wesu Hospital	9,114,080.00	7,945,179.50
Voi Public Health	805,899.00	1,109,900.00
Mwatate Public Health	634,802.00	1,017,450.00
Taveta Public Health	485,412.00	796,841.00
Wundanyi Public Health	432,231	401,000.00
Total	85,543,729	96,396,742

Source: Health Services

Return to CRF Issues

These relate to unspent balances in the development, recurrent, and deposit accounts at the end of the quarter, which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognized once appropriated through a supplementary budget process. The total amount budgeted for FY 2024/2025 was Kshs **403M**.

1.2.2 Expenditure Analysis

The total expenditure for both the County Executive and the County Assembly for the period ended 31st December, 2024 amounted to Kshs **2.31B** against the total approved budget of Kshs **8.1B** representing a **27%** absorption rate.

Table 6: Expenditure Performance

Payments	The period ended Dec 2023	The period ended Dec 2024
	Kshs	Kshs
Compensation of employees	1,000,285,978	1,512,309,553
Use of goods and services	453,448,528	310,755,319
Transfers to other government entities	89,418,227	124,605,663

Other grants and transfers	56,514,648	50,000
Social security benefits	50,737,103	
Acquisition of assets	27,657,147	2,257,798
Finance costs, including loan interest	194,192	2,257,798
Transfers to County Assembly	902,223,168	328,038,179
Other payments	97,174,676	
Paid pending bill		29,750,620
Total payments	2,677,713,667	2,310,024,930

Source: County Treasury

1.3 Sectoral Performance

The county government has continued implementing its programs to ensure effective and sustainable service delivery. Some of the sectoral achievements are summarized below:

1.3.1 Agriculture, Livestock, Fisheries and Irrigation

Livestock Sector

- The department employed 11 new field extension staff for livestock production and fisheries. These officers have been deployed at the wards and have increased livestock and Fisheries extension coverage in the wards by 30%. During the year, the department reached over 5400 farmers.
- The County developed and launched the first Taita Taveta County Animal Feed Strategy 2022-2032, a 10-year guide to addressing livestock feed and nutrition for the sustainable development of the livestock subsector.
- To improve access to animal feeds, the department also supplied over 100 farmers and ranchers with about 1 ton of pasture seed. The farmers have established over 50 acres under high-value forage grasses, legume fodder, and hay grass. They have been supplied with about 16 different types of equipment and trained to add value by producing silage and hay. Last year, over 125 tonnes of silage and hay were conserved.
- The department runs the Bachuma Livestock Multiplication Center to improve livestock productivity. Last year, the center auctioned 14 Boran and Sahiwal cattle and 34 galla goats to the farmers.
- The department also supported the supply of over 450 Galla goats to over 400 farmers in Voi sub-county. The aim is to upscale the spread of the galla goat breed among small-scale farmers in the County to improve our competitiveness in supplying meat goats for the local and export markets. The department has also been supporting farmers in getting superior poultry breeds in the county. Bee farmers also received 10 KTBH, 10 Langstroth hives, 10 protective kits, 5 smokers, and 5 bee brush.
- The department has also supported dairy farmer's cooperative societies, which operate 5 milk aggregation and chilling centres. The centres aggregate a total of about 3,500 lts per day. The dairy

farmers' cooperative societies also collect about 5,500 lts every three days and New KCC. Tagho Cooperative is adding 400Ltrs of Value to milk per month (currently making Yogurt and Mala in Wundanyi).

- The department sold cattle and goats at Bachuma LMC through auction and realized a Total of Kshs 939,000 as its source of revenue.
- 115,547 cattle and 79,147 sheep and goats were vaccinated against notifiable livestock diseases. Poultry keeping is a major enterprise for youth and women; to support this enterprise, the department vaccinated 44,659 poultry against vaccine-preventable diseases. Rabies remains an emerging challenge, and vaccination of dogs and cats has been prioritized to safeguard people from rabies; 5,166 dogs and cats were vaccinated against rabies.
- To enhance disease detection and response, surveillance, and case management, 2,668 clinical cases were attended to, 213 surveillance inspections were conducted, and 154 samples were submitted to the national veterinary laboratories for disease confirmation.
- To ensure access to the livestock trade, 726 movement permits were issued, translating to 14,067 cattle and 3,064 sheep and goats being sold to local and national markets. These included 1,004 cattle traded through Mombasa port to the Sultanate of Oman. These interventions have benefitted a total of 13,298 households across the County.
- To increase access to quality dairy breeds, 6 dairy cooperatives societies have been working closely with the Directorate; 2,163 inseminations have been done using high-quality semen. To improve service delivery of veterinary public health services, 7 county slaughterhouses were leased to the youth. Meat inspection services were offered for 4,415 cattle and 10,834 sheep and goats, and 20 camels. The directorate's contribution to its source revenue during the year was Kshs. 2,498,500.
- Veterinary extension services were conducted through farm visits, field days, public barazas, and farmer trainings, reaching 11,680 livestock-keeping households.
- Under the DRIVE project in 2023/2024, 3,820 livestock insurance policies were sold, covering 31,903 TLUs in Taita Taveta county.
- 4,544 Pastoralists were registered for IBLI OND 2024 sales, 84 community mobilizers trained as insurance agents, and 341 farmer groups/organizations were mapped during the exercise.

Crops

During this period, the department worked on several programs in the County, and in the end, the department achieved several milestones, including;

- Conducted 12 disease surveillance countywide.
- Procured one tonne of assorted pesticides and managed to distribute them countywide
- Procured 110 assorted spraying equipment and 10 PPEs distributed countywide.
- Training over 3200 farmers on value addition and linked to different stakeholders.
- Procured and distributed over 4 tonnes of assorted seeds, then distributed countywide.
- Promoting 7 value chains in the County: banana, green grams, cassava, avocado, Irish potato, rice, and macadamia.
- The department established and operationalized a tissue culture laboratory in Ngerenyi in collaboration with Taita Taveta University.

- In collaboration with the KALRO, the department established and operationalized 6 horticulture hardening nursery.
- The department managed to conduct 6 field days and exhibitions countywide.
- The department established and operationalized 6 FFS in the County in collaboration with different stakeholders.
- The department managed to employ 6 staff to enhance extension services in the County.
- Through KCEP CRAL and KMD, the department prepared agro-weather advisories that were distributed throughout the County to advise farmers accordingly.
- The department, ASDSP II, and MESPT collaborated to conduct a farmers' learning tour.
- The department established the County Agriculture Statistics Unit (CASU), responsible for data management and storage.
- The department promoted several CSA technologies and CA practices, and over 4200 farmers adopted the technologies.
- The department trained over 4200 farmers on soil and water conservation structures.
- The department managed to plant over 13000 trees across the County; this was done through the collaboration between the department and KFS.
- The department secures over 100 PPEs through the National Government and distributes them to the entire County.
- During the financial year 2024/2025, the department, through KCSAP, managed to establish and Operationalized 6 Producer Organizations.
- Under NAVCDP, the department managed to establish 6 EDPs for different value chain groups.
- Under the Kenya Agriculture Insurance Program (KAIP), the Department of Agriculture registered and sensitized over 2100 farmers in the insurance platform.

1.3.2 Public works, Infrastructure, transport and Housing

Roads and Transport Directorate

The department carried out a total of 50 road maintenance projects in 19 wards throughout the County.

In this section, to improve accessibility, a total of 40.88 Km of roads were opened, 207.197 km were graded, and 47.51 Km of roads were graveled. To address slippery sections on steep areas and slope protection, 556.5 meters of slab/drifts were cast, and 120 gabion boxes were installed. To address drainage on our roads, 125 meters of stone pitching was cast, 52 meters (8 lines) of 600 mm diameter of culverts were cast, 113 meters (17 lines) of 900 mm diameter of culverts were cast, and a single cell box culvert of (2.5 X 2.0 Meters) was installed. To take care of the environment and reduce erosion, the department sets aside a budget to plant trees. This year, a total of 2,365 trees were planted across the County.

Public Works, Housing & Buildings Directorate

We managed to prepare drawings, specifications, and bills of quantities for all the projects to be implemented during the 2023/2024 financial year. 20 (twenty) projects were successfully supervised to completion. 11 (eleven) projects are ongoing with adequate supervision.

Fire Section

During the 2023/2024 financial year, we successfully responded to 33 (thirty-three) fire emergencies within and outside the County. The emergencies include but are not limited to house fires, road accidents, water rescue, highway fires, highway oil spillages, and bushfires. Through the Memorandum of Understanding (MoU) signed between the County Government of Taita Taveta and the European Support Team (EST), our fire officers were trained for three weeks in April 2024 by trainers from Germany on various fire and rescue techniques. Additionally, there was an exchange programme in Germany where two of our fire officers were trained for three months. And we also received firefighting items as donations from EST.

Housing

We facilitated the repayment of the Mbela Estate loan owed by the County Government to National Housing Cooperation, amounting to Kshs 6 million. This led to the handing over of the estate's management back to the County Government in October 2023.

We also conducted a joint exercise with the state department of housing and urban development and the county department of lands to identify parcels of land for affordable housing projects in all sub-counties. A total of 14 (fourteen) parcels were identified.

Energy Directorate

The Energy Act of 2019 schedules 4,5 & 6 stipulates that each County should have its county energy plan, which will be submitted to the cabinet secretary in charge of energy and incorporated into the integrated national energy plan. In respect to this, the Directorate has advanced the energy planning process. The completion rate is 90%. The draft energy plan is at the proofreading and publishing stage.

Taita Taveta County is one of the 14 beneficiaries of the Kenya off-grid solar access project. 19 boreholes have been identified for solarization across the County. The Directorate, KOSAP officials, and REREC jointly did social screening and environmental impact assessment. The Directorate has already submitted all the required documentation. The next step will be the tendering process, which is expected to begin within this July through REREC.

The installation of the Ndii town transformer was assigned to the Energy Directorate in the financial year 2023/2024. The following activities are complete: project design, payment to Kenya Power, public awareness, and wayleave consent were signed. The installation of the Ndii town transformer is in the pipeline. It should be noted that most beneficiaries had not done wiring in their houses, which derailed the process. The project is, however, proceeding smoothly.

1.3.3 Trade, Tourism, Culture and Industrialization

Trade and market development

The Directorate of Trade managed to have 12 markets maintained in terms of bills payment and minor repairs and maintenance, renovated and completed 2 markets that are Caltex market Voi and Rukanga market, constructed 3 boda boda sheds, trained over 190 traders on various trading practices, especially those related to alcoholic drinks sale. Over 90% of inspections of liquor premises in the County were undertaken, an activity

that has been done partially for the past 3 years was covered to a greater percentage than in the past. Over three hundred youth in the Tailoring program, a collaboration between Generation Kenya and the county government in Kilifi County. Jumuiya ya Kaunti za Pwani held an agribusiness and blue economy investment conference (JABEIC) in November 2024, which brought different stakeholders under one roof for investment cooperation.

Weights and measures

The recruitment of a new inspector for weights and measures has improved services. 922 weighing instruments were verified, 88 measuring instruments were verified, and revenue was collected.

Culture

County Cultural exhibition - where the local communities exhibited Indigenous food systems, cultural dances, and medicines with detailed explanations to the Public. Taita in Mwanda did cultural prayers at Mwafunja Skull caves in February 2024, Masai at Salaita in May 2024, and Taveta & Kasighau communities in October 2024 did a cultural exhibition. Cultural groups managed to perform in the County 96th Kenya Music & Cultural Festival (KMCF) and at the National levels at Wote, Makueni County. The 97th edition of KMCF was held at TTNP (Taita Taveta National Polytechnic), bringing about 23 counties to participate. The county government sponsored it together with the State Department of Culture, and other organizations. On such platforms, the *mwazindika* spiritual dance has been picked up for inscription at UNESCO.

1.3.4 Health Services

HIV and AIDS Control

The department, in collaboration with HIV implementing partners, managed to reduce the HIV prevalence rate from 3.2% in 2022/23 to 2.1% in 2023/24.

Tuberculosis Control

In FY 2022/2023, TB detection increased by 25% compared to the previous year, exceeding the national target of 20%. This improvement was largely due to implementing a facility-based TB active case-finding strategy.

Malaria Control

The malaria burden decreased from 4.1/1000 patient population in FY 2022/23 to 2.5/1000. However, after heavy rains, the rate rose slightly to 3.16/1000 patient population in FY 2023/24.

Non-Communicable Diseases (NCDs) Prevention and Control

The County incidence rate for diabetes and hypertension decreased to 526 and 1556 per 100,000 OPD visits, respectively, compared to the previous year. This reduction is attributed to regular screenings, community education on lifestyle, and integrated medical camps focused on early diagnosis.

Cancer Control

There was an increase in the number of women of reproductive age (15-49 years) screened for cervical cancer from 7,643 to 8,506, which was a 71% achievement of set targets.

Mental Health

Mental health cases in Taita have increased to 4 per 1,000 people, up from 0.9 per 1,000 last year, possibly due to drug abuse and psychological stress. This marks a slight decrease from the 5.3 per 1,000 reported in the Kenya Health Strategic Plan, where Taita was ranked second for mental health issues.

Maternal Health

In 2022, Taita Taveta's antenatal care coverage dropped to 88%, but the fourth ANC visit remained at 70%. Maternal mortality decreased to 5 deaths, resulting in an MMR of 63/100,000, meeting the SDG target. Perinatal mortality was 16/1,000 births.

Family Planning

According to the KDHS 2022, the region's coverage of modern family planning methods was 65%, surpassing the national average of 57%. A significant number of clients have chosen long-acting reversible contraception (LARC) methods, which protect for three to ten years.

Adolescent Health

The County has seen a slight decline in teenage pregnancies, dropping from 18% to 14% in the financial year under review. This rate is also lower than the national average of 15%, according to the KDHS 2022

Nutrition

The burden of malnutrition has been marked by an increase in cases of undernutrition, including underweight (16,689 cases) and stunting (9,291 cases). Contributing factors include inadequate food intake due to poverty, low food production from droughts, and a lack of knowledge on properly utilizing locally available foods.

Vaccines and Immunization

The coverage of fully immunized children dropped from an average of 84% in previous years to 78%, falling below the national target of 80%. This decline was caused by stockouts of measles-rubella antigens in August and September, followed by irregular supplies of the measles-rubella and BCG vaccines. To address the issue, healthcare facilities implemented immunization days.

Environmental Health

The department successfully triggered 30 villages across four sub-counties, with 24 certified as open defecation-free (ODF), reflecting a commitment to improving sanitation. In education, 1,118 schools were inspected to ensure compliance with health regulations in the 2023/24 financial year. Ten schools implemented the School Health Programme, four received latrine blocks, one was supplied with a reservoir tank, and another benefited from water piping. Additionally, the County received medical waste microwave equipment to manage healthcare waste as part of a project by the Kenyan Government and the Government of Belgium. The housing project at Mwatate Sub-County Hospital is ongoing with 20% completion.

Food Safety and Quality Control

The department collected 39 water samples for bacteriological analysis and 24 for chemical analysis, all submitted to a government chemist for testing. Additionally, 20 food samples were analyzed. Routine food

quality control activities included inspecting over 2,025 premises and issuing intimations to 1,018, with 613 complying with the standards. A total of 17,921 food handlers were examined during these inspections.

Vector-Borne & Neglected Tropical Diseases

The County achieved over 100% coverage in treating Lymphatic Filariasis (LF) in Taveta Sub-County. However, there was a slight decline in treatment coverage for Schistosomiasis and Soil Helminthes (SCH/SH), with a reported coverage of 87.3%.

Primary Health Services

The County has launched a Primary Care Network (PCN) in Taita (Wundanyi) Sub County, with three more PCNs being developed in other sub-counties. This initiative improves healthcare access and service integration. All spokes, including Community Health Units (CHUs) and Level 2 and 3 facilities, are connected to Level 4 hubs, ensuring coordinated care from the community to higher facilities.

Community Health

The County has 1,322 Community Health Promoters (CHPs) working across 99 Community Health Units (CHUs), linked to Level 2 and 3 facilities. Of these, 1,288 CHPs have been equipped with kits and smartphones and receive a 6-month stipend from the National Government to support their work.

Primary Health services - Levels 2 & 3

95 % of facilities were able to conduct outreaches to improve outpatient utilization; however, for this outcome to be measurable, there is a need to conduct that assessment at the facility level.

Hospital Level Services

Outpatient department.

General outpatient services were improved in MCRH and Taveta. Mwatate and Wesu do not have standard Outpatient Departments and require infrastructural investment.

Inpatient Services

In FY 2023/2024, bed occupancy was below target at 52%, but the average length of stay met the goal at 4 days. Only one hospital conducted customer satisfaction surveys, while all four implemented grievance mechanisms. Improvements are needed to meet all service and satisfaction targets.

Special Clinics (Gynae, general surgery, ENT, Ortho trauma, Urology)

In FY 2023/2024, the County achieved two special clinic and theatre days per week, meeting the planned target. Special Clinics (Diabetes, Hypertension, Dermatology)

In FY 2023/2024, four hospitals implemented special clinic days per week, exceeding the planned target of two hospitals. This reflects significant progress in enhancing specialized care services across the County.

Rehabilitation Services

In FY 2023/2024, 8,294 clients received physiotherapy, 9,196 received occupational therapy, and 5,698 accessed orthopedic services, slightly under the planned targets. Four hospitals now provide all three services (physiotherapy, occupational therapy, and orthopedic). Community-based rehabilitation achieved 80 outreaches, slightly below the target of 100, and completed assessments and PWD registrations in four facilities as planned.

Eye Services

In FY 2023/2024, 18,754 clients received eye services, exceeding the target of 14,029. Cataract surgeries were notably higher than expected, with 1,149 performed compared to the target of 291. Ongoing efforts aim to improve access to comprehensive ophthalmic services.

Imaging Services

In FY 2023/2024, three hospitals (MCRH, Taveta SCH, and Wesu SCH) had functional X-ray units, meeting the target. MCRH also achieved the planned target by having a functional CT scan, while four hospitals provided functional ultrasound services, meeting expectations. Overall, this reflects steady progress in improving radiology services.

Mortuary Services

In FY 2023/2024, only 74 postmortems were conducted, well below the target of 225. Three hospitals (MCRH, Taveta SCH, and Wesu SCH) met the cold chamber target, but no facilities offered autopsy cavity treatment or had pathologists. Body embalming services met the target at 100%, and one facility provided body reconstruction as planned. Key challenges included a shortage of specialized personnel and inadequate treatment facilities.

Renal Services

In FY 2023/2024, two hospitals provided renal services, meeting the target. However, only six dialysis machines were operational, falling short of the target of 10. The number of nephrology nurses exceeded the target, reaching 12, while the target for engaging a nephrology physician was unmet. To improve service delivery, additional dialysis machines and specialized personnel are needed.

Theatre Services

Five operating rooms were functional in FY 2023/2024, meeting the planned target. The turnaround time for operative procedures was reduced to 30 minutes, aligning with the target, after a temporary increase to 120 minutes in the prior year. This reflects improvements in theatre efficiency and service delivery.

Satellite Blood Transfusion Unit

In FY 2023/2024, there were no days out of stock for key blood products, meeting the target. 4,000 blood pints were collected, falling short of the target of 4,320. Additionally, blood processing achieved three products per pint, exceeding the 50% target, demonstrating efficiency in blood product utilization.

Gender-Based Violence (GBV) Clinic

In FY 2023/2024, 404 new outpatient cases attributed to GBV were reported. Only 60 healthcare workers, CHVs, and paralegals were trained on LIVES and referral pathways against a target of 75.

Human Resource Management

Over the past three years, the department recruited 172 new staff members and promoted 409 employees, focusing on expanding the workforce and supporting internal career growth. This balanced approach has strengthened the department's capabilities and morale.

Construction and maintenance of the building

During the review period, 10 healthcare facilities and 2 maternity blocks were completed and operationalized. Partners helped facelift 3 staff houses and 3 facilities, including Sagala, Kajire, Ndome, and Ghazi Dispensaries.

Management and Coordination of Health Services

The Facility Improvement Fund (FIF) ensured utilities and operations were supported in facilities. FIF collections grew from Ksh 41.3 million in FY 2020/2021 to Ksh 161.1 million in FY 2022/2023.

Health sector planning, budgeting, monitoring and evaluation

The department has made notable progress in health sector planning, budgeting, and monitoring, completing key documents such as the Annual Performance Review Report, Annual Development Plan, and Program-Based Budgeting. It also met its target for stakeholder forums in FY 2023/24 and conducted effective Data Quality Audits (DQAs) for HIV and eye services.

Health Research, Innovation and Quality Improvement

The Department of Health has made strides in health research and innovation by establishing the County Research Committee and creating a registry for ongoing research. Healthcare workers exceeded expectations by presenting 15 abstracts, surpassing the target of 7. However, the department only achieved 50% progress in operational research, as only one of two planned studies was initiated. On a positive note, two capacity-building training sessions on research methods were completed, meeting the target.

1.3.5 Education, Libraries, and VTCs

Early Childhood Development Education

- Construction and Completion of ECDE projects, that is, Shamba la Bibi ECDE classroom, Mwachanza ECDE, Construction of Ghazi ECD modern toilet, fencing of Manga, Kimala and Mamdagha ECDEs Mlilo class, Mwakinyungu latrine, Maseketeni class, Ndilidau Mata class, Tangaini ECDEs, Bomtonyi modern kitchen and toilet.
- Improvement of learning through the digital learning program across 41 ECDEs benefitting more than 2,000 pupils.
- Increased nourishment and pupil retention through the ECDE feeding program countywide.
- Provision of ECDE teaching/learning material in Mahoo ward.

Vocational Training Centers

- Completion of projects: Bungule VTC dormitory, Talio Nyika classroom, Kiloghwa and Mwanda VTC complex.

- Certification of 2,502 VTCs trainees in NITA and NAVCET Examination for 1st to 4th December, April, and August examination series.
- Education, Libraries, and VTCs Partnered with Generation Kenya to train youth in EPZ for employment in the EPZ industry. (Training taking place in Kikambala)
- Enrolled Ufundi Plus trainees in Mwanda VTC and Kiloghwa VTC in part-time programs for the youth and adults to acquire knowledge and skills.
- Renewed registration certificate for 28 VTCs and registered 3 new VTCs with TVETA.
- Carried out monitoring and evaluation for all 31 VTCs to ensure access and quality training among the trainees and implementation of the NITA curriculum.
- Reviewed and harmonized fee structure for all 31 VTCs to have a standard fee structure.
- VTCs Trainers contract terms were converted from 3 years to permanent and pensionable.
- Partnered with Stanbic Foundation, where the digital program was rolled out in five VTCs: Voi VTC, Mwanjila VTC, Taveta VTC, Mraru VTC, and Mwagafwa VTC.

Education Fund Board

- Disbursed 30 Million, benefiting 400 scholars in the county sponsorship program.
- Disbursement of bursaries worth 130 million benefiting a total of 21,645 students from all secondary schools, special primary schools, colleges, and universities.
- Achieved quality grades in the KCSE, a C+ and above. A total of **53** KCSE candidates of the year 2023 scored C+ and above, compared to the 2022 KCSE candidates, who scored **47** with C+ and above. This was a **12.76%** increase in quality grades.
- The absorption rate of 69% of the bursary and scholarship budget.
- Conducted a mentorship program for the 400 scholars across the County, bringing awareness of issues such as drug abuse, emphasis on quality grades, life skills, and mental health.
- Conducted a visit to an institution that benefited from the bursaries and had the county scholars.
- Complied with the law by ensuring the Education Fund account was opened with the central bank.

Library

- Renovation of Wundanyi Library.
- In collaboration with the Kenya National Library Service, the Directorate equipped Voi, Wundanyi, and Werugha libraries with 1,600 books.
- Distributed 6,000 ECDE books in Kasigau ward.
- Facilitated smooth transition of all 17 staff and equipment including buildings, furniture, computers, and a collection of about 50,000 books for the 3 libraries that is Wundanyi, Werugha, and Voi.

1.3.6 Lands, Physical Planning, Mining, and Urban Development

Planning of Informal Settlements through the KISIP 2 Programme

The Department of Land and Physical Planning, in Conjunction with the National Government, has undertaken the planning of informal settlements in Taita Taveta County through consultants. In Taveta Municipality,

planning of Kijiji Chachewa, Majengo Mapya, and Bura Ndogo C informal settlements was started in November, completed, approved, and surveyed in March 2024. In Voi Municipality, planning of Kaloleni Phase A and B started in December 2023 has been completed, approved, and surveyed in December 2024. In Mwatate Municipality, the planning of Mwatate old market and Kariobangi started in December 2023. Mwatate Old Market planning has been completed, approved, and surveyed, while Kariobangi planning proposals have been validated and are awaiting approval from the county assembly.

Preparation of Taita Taveta County Spatial Plan

The department has achieved several milestones towards the preparation of the County Spatial Plan as per the scheduled activities. The county spatial plan is in the draft phase, with draft proposals and policies being prepared. The draft county spatial plan is a product of a process undertaken by the Department of Land and Physical Planning, State Department of Lands and Physical Planning, and development partners. The Department of Lands and Physical Planning has executed the process in consultation with various stakeholders. The process has been participatory and involved a series of meetings and consultative workshops with the stakeholders.

Preparation of Maungu Urban Development

The Department of Lands and Physical Planning has made tremendous progress towards revising the Maungu Local Physical and Land Use Development Plan. The department has undertaken several activities, including reconnaissance, social economic surveys, structure mapping, and the preparation of a situational analysis report.

Community Awareness

The department has engaged the community in various ways to sensitize and create awareness on land matters. The meetings have been conducted occasionally across the four sub-counties of Taita Taveta.

Establishment of GIS Laboratory

The department has established a GIS laboratory at Wundanyi by partnering with the Food Agriculture Organization to manage land information. The GIS lab is a key tool in planning and decision-making regarding land use planning and information management.

Facilitation of titles and Dispute resolution

The department has enabled the facilitation of titling programmes through the preparation of Advisory Plans with the help of relevant departments and stakeholders, which has aided in the issuance of title deeds and resolution of boundary disputes.

Mining

During the period under review, the directorate has been able to achieve the following. Collaborated with AWEIK and PACT international and conducted Artisanal Miners Training on Gemology and the importance of mining permitting and Occupational Health and Safety in the mines. Organized Moyo Gems II Market Day at the county where more than 150 artisanal miners participated. Developed an inventory of 153 mining activities and has been able to georeference 40 mines as part of developing the County Mining and Mineral Geodatabase.

Carried out a baseline County-wide mineral survey for more than 50 mineral sites where critical minerals were identified for further mineral studies.

1.3.7 Water, Environment, Climate Change and Natural Resources

Drilling of 46m³/h Uthiani B Borehole in Challa Ward, 20m³/h Riata Kubwa Borehole Mbogholi Ward, 30m³/h Paranga Community Borehole, drilling of Modambogho Borehole (musisinenyi) and drilling of 8no. borehole for point source water abstractions targeting 1,600 people in Mahandakini, Njukini, Challa, Tangini, Taveta Central, Sagalla, Taveta Prison and Miembeni in Taveta and Voi Sub-Counties. in Mwatate Sub-County.

The Taita Taveta Investments and Development Cooperation (TTIDC), Directorate of Public Private Partnerships of the National Treasury, entered into a partnership to prepare and structure the high-impact, proposed Njoro-Kubwa Bulk Water Supply Project, which is projected to directly benefit over 150,000 people in Taita Taveta County.

The department conducted hydrogeological surveys for 12 selected proposed boreholes in Taveta and Voi Sub-County, constructed Bungule Water Pan to increase water availability for sanitation, livestock, and micro-irrigation, and solarized 5 community water supply projects running on national grid power supply and fuel generators.

Improvement of the functionality and sustainability of 21 small-scale community-based rural water supply schemes selected across the County through interventions, including, but not limited to, pipeline rehabilitations, extensions, and repairs of 19 small-scale community-based rural water supply schemes targeting a combined 5,700 households.

Public sensitization on improved governance of rural water services through community meetings and engagements of the water management committees.

Preparation and Publishing of the Taita Taveta County Water Master Plan 2023-2045. Launching the Taita Taveta WASH and Environment Coordinating Forum (TTAWECOF) and establishing sector-specific thematic working groups. – *Platform for coordinating WASH and Environmental Initiatives to ensure joint and coordinated planning, resource mobilization, implementation, monitoring, evaluation, learning, and adaptation.* Mobilization of donor support from USAID-STAWI to prepare the Taita Taveta County Water Policy, Bill/Act, rules, and regulations, including preparation of the Taita Taveta County Water Services Strategy and Investment Planning.

Environment Sector Achievements

- A Waste Audit was carried out with the support of UNHABITAT, which established the status of the County's solid waste management in terms of the amount of waste generated, collected, and recycled. This critical data, which had been lacking, has shaped and informed planning and decision-making on matters of Solid Waste Management.
- Development of a County Solid Waste Management Strategy. This was also achieved through the support of UNHABITAT under the Go Blue Project through EU Funding. The 5-year strategy clearly outlines a road map for strengthening and improving the County's Solid Waste Management capacity

- UNHABITAT is also supporting the construction of a Materials Recovery Facility (MRF) in Chakaleri. This facility aims to enhance a circular economy in which waste recycling becomes a key component in Solid Waste Management in the County.
- Mapping of Waste Actors and registration of a County Waste Actors Association.
- Piloting of door-to-door waste collection in Voi and Taveta Municipalities.
- Construction of 3 additional receptacles in Kaloleni Ward.

Climate Change Achievements

- The County Climate Change Policy, a legal, institutional, and regulatory framework developed.
- The County Climate Change Fund was established and operationalized.
- A County Participatory Climate Risk Assessment (PCRA) was carried out.
- A 5-year County Climate Change Action Plan (2023-2027) was developed outlining the priority climate actions and interventions to build resilience and adaptive capacity.
- 20 Ward Climate Change Committees established and capacity built.
- The County Climate Change Planning and Steering Committees were established and capacity built.
- 11 members of the Directorate trained at KSG as part of the capacity-building plan on climate change action.
- Rolled out a Forest and landscape Restoration Program through Roadside tree planting and degraded area restoration projects. So far, 18,000 trees have been planted in Kishenyi, Mwarunga, Ndi, Njoro VTC, Chawia Forest, and 10 km of roadside in Mwatate and Taveta municipalities.
- Developed a draft County Climate Finance Policy with support from GIZ.

Natural Resources / Forestry Unit

- Conducted a review of the Transition Implementation Plans (TIPs) with support from AWF.
- Formulation of the Draft Forest Conservation and Management Bill. The bill is awaiting approval from the County Executive Committee and County Assembly. Nature Kenya supports the process.
- Ongoing Review of the County Forest Policy with AWF & Nature Kenya support.
- Strengthen Kitobo, Sagalla, Chawia, and Vuria CFAs with the management and executive committee supported by AWF.
- Commercial forestry on *Melia volkensii* (Kirumbutu) is being developed through a pilot project involving 9 farmers and supported by JICA.
- AWF supports the development of PFMP for Sagala Forest.
- 30 community scouts were trained on basic skills from three CFA (New Mambo, Vucofa, and Chacofa)
- Training of 4 community groups on tree nursery establishment.
- Managed to grow more than 20,000 seedlings with a survival rate of 60%.
- Preparation of the Draft County Forest and Landscape Restoration Plan (2023-2032) with support from ICRAF and FAO with Funding from UKPACT.
- Woodlot development by 13 farmers, a project supported by JICA.
- Establishment of Kariokor Recreation Park by Haki-Africa
- Training on tree nursery establishment and fruit tree raising by TTWCA, in which 14 tree nurseries benefitted.

1.3.8 Youth Affairs, Sports, Gender and Social Services

The department issued grants and empowerment equipment to community groups countywide amounting to Kshs. 34M, which benefited 620 groups (188 Women's groups, 338 Self-help groups, 25 Men's groups, 36 Youth groups, 22 PWD groups, and 11 SACCOs).

Drafting and making 3 County Policies (Gender Mainstreaming, Grant Management, and Poverty Alleviation) and Gender Based Violence Bill.

Commemorations of International Days: International Women's Week and Day in March 2024, Day of the African Child, Deaf Sensitization Day, 16 Days of Gender Activism & Community Sensitizations in all four Sub Counties, and International Day of the Disability.

Capacity building for Youths and Empowerment through the provision of equipment amounting to Kshs.700,000, County wide sports events, stadium, and equipment to the tune of Kshs. 3.7M. Construction of stadium shade at Wundanyi at a cost of Kshs. 2M and conducting of AK Cross-County both at Sub County and County Level.

1.3.9 Finance and Economic Planning

The department derives its functions from the Public Finance Management (PFM) Act 2012, the County Government Act 2012, and the Procurement and Disposal Act 2005. The department executes its mandate through the following directorates: accounting services, Internal Audit, Budgeting and economic planning, Supply Chain Management, and Revenue Management. Below are some of the achievements.

- a. Coordinated the preparation of all requisite planning and budgeting documents, including CIDP 2023-27, 2024 CFSP, 2025/26 CADP, 2023-24 Q1-Q4 BIRs, and 2024 CBROP
- b. Established, inaugurated, and operationalized the County Budget and Economic Forum (CBEF).
- c. Actively and adequately involved respective departments, members of the Public, and other stakeholders in preparing the planning and budgeting documents.
- d. The County has performed exemplary well in budget transparency for the second year running, as highlighted in the 2024 County Budget Transparency Survey (CBTS).
- e. Established and launched the County Integrated Revenue Management System (CIRMIS). Capacity-building sessions have also been organized for all staff concerned.
- f. Established, inaugurated, and operationalized the County Audit Committee.
- g. Continued to have a qualified audit opinion from the Auditor general.
- h. Established the pending bills review and verification committee to report on all eligible pending bills to facilitate payments of the same.
- i. Ensured staff welfare was prioritized by offsetting all the salary and statutory deduction arrears.
- j. Successfully implemented the first phase of decentralization of county treasury services. (deployment of accountants, internal auditors, procurement officers, and budget officers)
- k. Ensured adequate allocation for county contribution to counter-part funded projects.

2. Recent Economic Development and Medium-Term Outlook

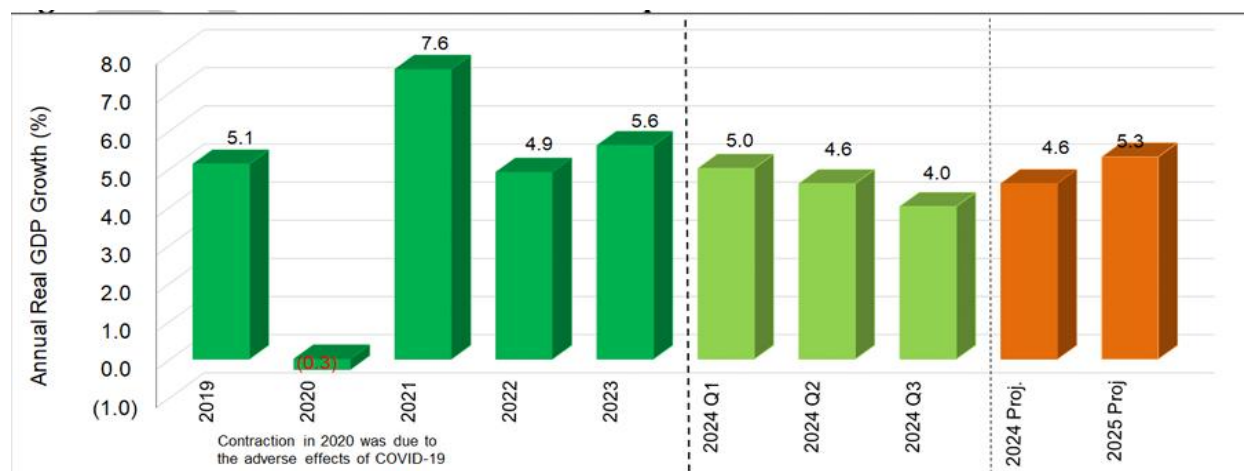
2.1 Overview of Domestic Economic Performance

According to the 2025 National Treasury's Budget Policy Statement (BPS), the Kenyan economy remained strong and resilient in the first three quarters of 2024 despite its growth being slower than the corresponding period in 2023. In the first three quarters of 2024, economic growth averaged 4.5 percent (5.0 percent Q1, 4.6 percent Q2, and 4.0 percent in Q3), compared to an average growth of 5.6 percent (5.5 percent Q1, 5.6 percent Q2, and 6.0 percent in Q3) in 2023.

The growth in the first three quarters of 2024 was primarily underpinned by strong performance in the agriculture sector, a slight recovery of the manufacturing sector, and the resilience of the services sector. All the economic sub-sectors except mining and construction recorded positive growth rates in the first quarters of 2024. Activities in mining and quarrying contracted in the first three quarters of 2024 mainly due to a decline in the production of most minerals, such as titanium, soda ash, and gemstones. This resulted from the closure of Kwale miner Base Titanium, which formally shut down its mining activity in Kenya in December 2024 due to the depletion of commercially viable ore.

Taking into account the economy's performance in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy, growth is estimated to expand overall by 4.6 percent in 2024 and 5.3 percent in 2025. These projections are mainly supported by a robust services sector and recovery of the manufacturing sector, robust agricultural productivity, and improvement in exports.

The outlook will be reinforced by the implementation of policies and reforms under the priority sectors of the Bottom-Up Economic Transformation Agenda (BETA) and improvement in aggregate demand. Additionally, prudent fiscal and monetary policies will continue to support economic activities. The figure below shows the real annual GDP growth rates.



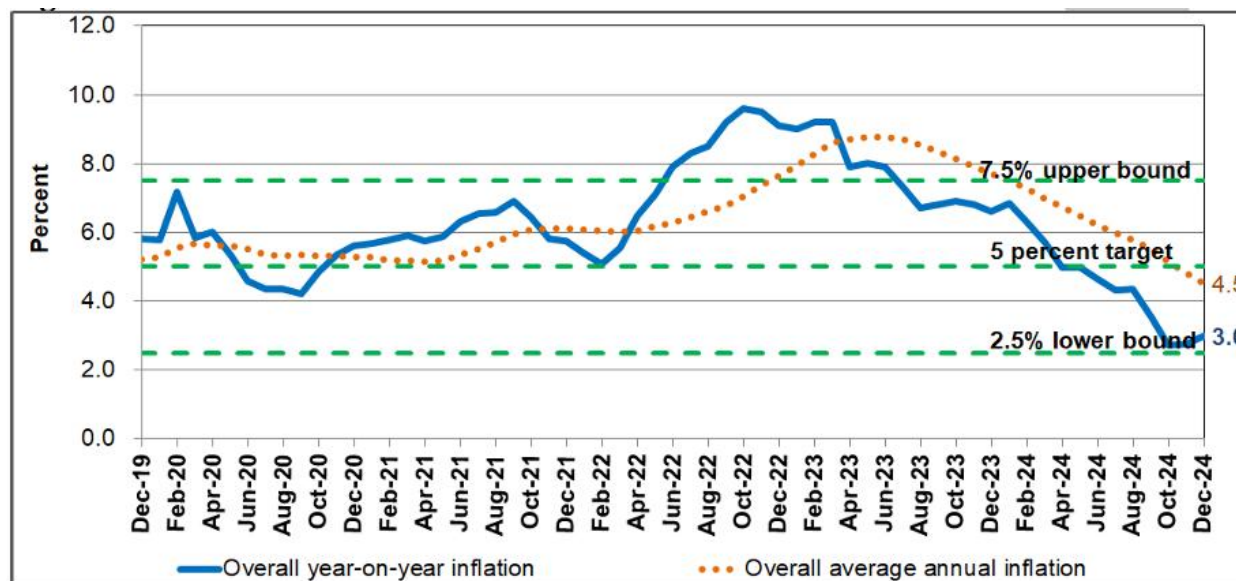
Source of Data: Kenya National Bureau of Statistics

Figure 1: Annual Real GDP Growth Rates, Percent

2.1.1 Inflation Developments

Overall inflation declined and has remained below the mid-point of the target band of 5.0 percent since June 2024, mainly reflecting significant declines in energy prices and continued easing of food prices.

Inflation declined to 3.0 percent in December 2024 from 6.6 percent in December 2024 and a peak of 9.6 percent in October 2022. Easing inflation has been supported by an abundant supply of food arising from favorable weather conditions, lower fuel inflation attributed to the appreciation of the exchange rate and lower international oil prices, and the decline in non-food non-fuel (NFNF) inflation reflecting the impact of previous monetary policy tightening.



Source of Data: Kenya National Bureau of Statistics

Figure 2: Inflation Rate, Percent

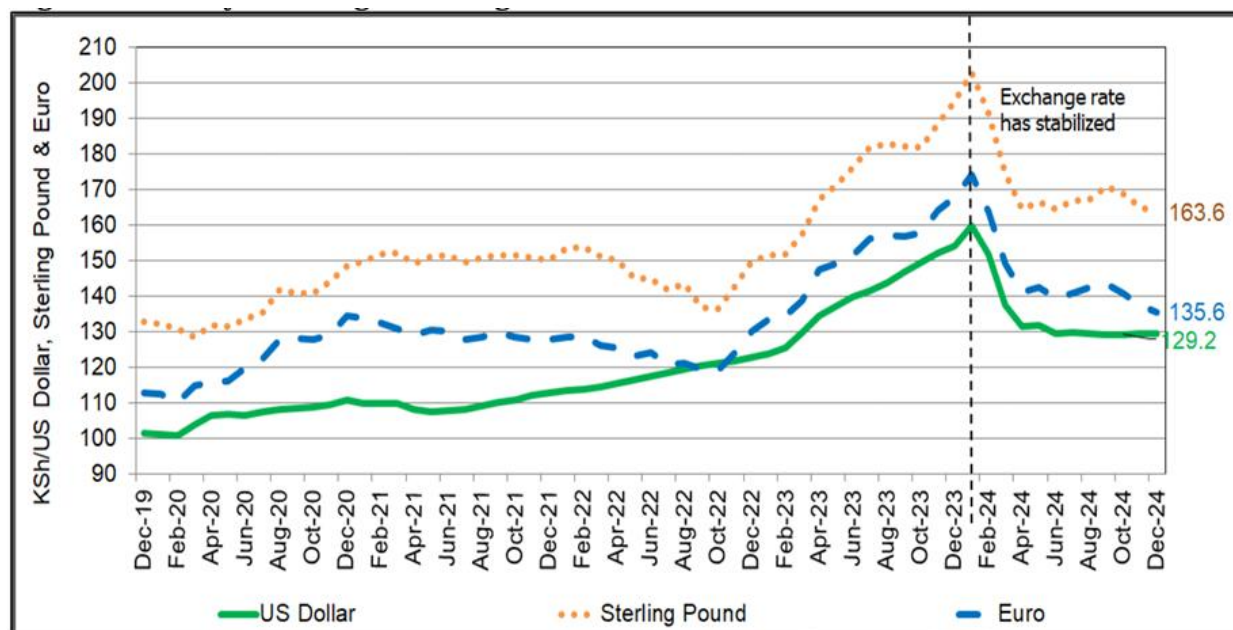
2.1.2 Exchange Rate Developments

The foreign exchange market remained stable in 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 and has now stabilized against major international currencies.

In December 2024, the exchange rate against the U.S. dollar averaged Kshs 129.4 compared to an average of Kshs 159.7 in January 2024, an appreciation of 19.0 percent. Against the Euro, the Kenya shilling strengthened by 22.2 percent to exchange at an average of Kshs 135.6 in December 2024 compared to an average of Kshs 174.3 in January 2024, while against the Sterling Pound, the Kenyan Shilling strengthened by 19.3 percent to exchange at an average of Kshs 163.6 compared to an average Kshs 202.9, over the same period.

The foreign exchange market was mainly supported by inflows from agricultural exports, remittances, and portfolio investors, while demand was driven by a pickup in economic activities, specifically in the manufacturing, wholesale, and retail subsectors. The appreciation and stability of the exchange rate have created

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



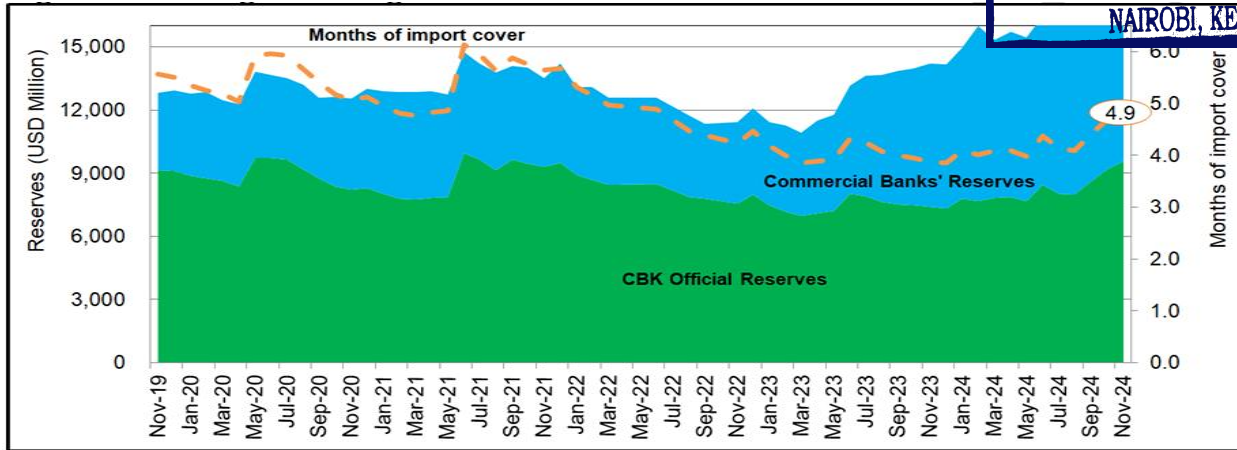
Source of Data: Central Bank of Kenya

Figure 3: Kenya Shillings Exchange Rate

2.1.3 Foreign Exchange Reserves

The banking system's foreign exchange holdings remained strong at US\$. 16,312.1 million in November 2024, an improvement from US\$. 14,211.1 million in November 2023. The official foreign exchange reserves held by the Central Bank stood at US\$. 9,578.0 million compared to US\$7,397.6 million over the same period in 2023 (See Figure 4). Commercial banks' foreign exchange holdings decreased to US\$. 6,734.1 million in November 2024 from US\$. 6,813.5 million in November 2023.

The official reserves held by the Central Bank in November 2024 represented 4.9 months of import cover, compared to 3.9 months of import cover in November 2023. These reserves provide adequate cover and buffer against any short-term shocks in the foreign exchange market.



Source of Data: Central Bank of Kenya

Figure 4: Foreign Exchange Reserves (USD Million)

2.2 County Economic Outlook

According to the Kenya National Bureau of Statistics (KNBS), between 2019 and 2023, Taita Taveta County contributed an average of 0.6% to the national economy. The figure below shows the 5-year average of how different counties contributed to the gross domestic product.

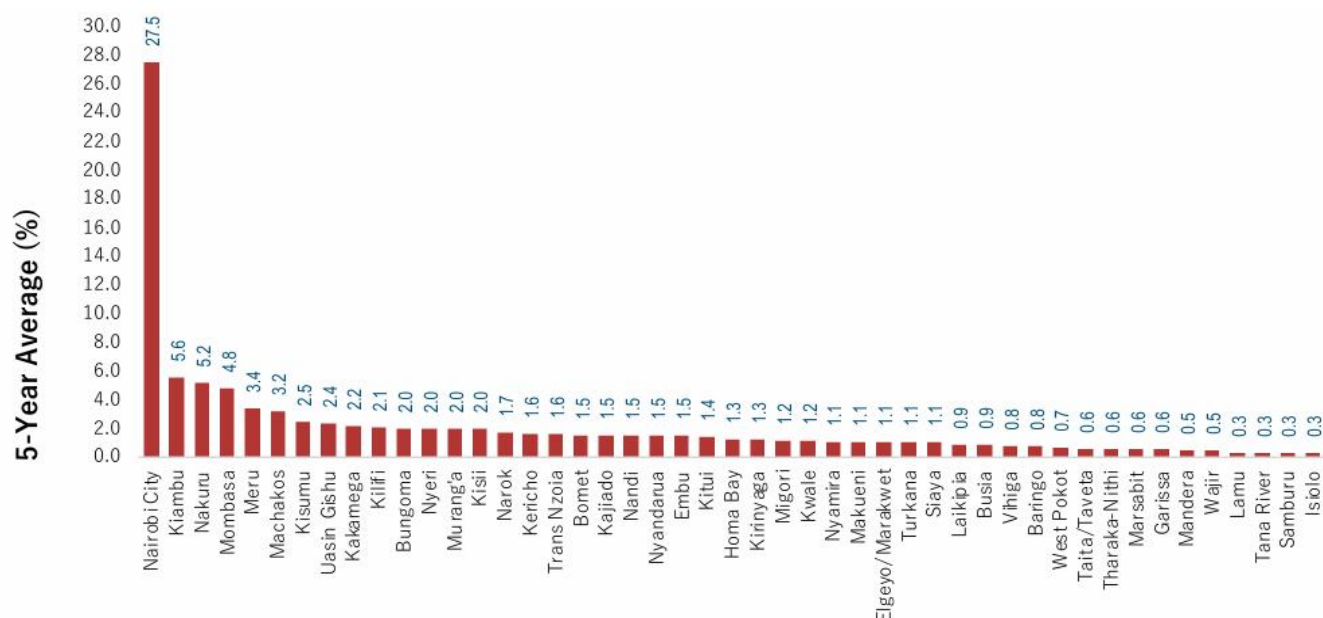


Figure 5: Average County Share of Gross Domestic Product, 2019-2023

The County contributed 0.7% to the Agricultural sector, which is key to the overall economic growth and development of the County. This sector, therefore, is expected to lead the growth and transformation of the county economy. Other sectors include the secondary sector economic activities, which include mining and quarrying activities. The County contributed an average share of 0.5% in the 5-year period.

In the Services sector, which covers all economic sectors except agriculture, forestry and fishing, manufacturing, mining and quarrying, construction, electricity, and water supply activities, the County contributed an average share of 0.7% during the 5-year period.

The County is set to benefit from the additional, conditional allocation from the National Government of Kshs. 250M for the establishment of County Aggregation and Industrial Park (CAIP), whose main objective is to grow manufacturing and investments through Agro-Industries and enhance the productivity of the agriculture sector sustainably, hence creating inclusive decent jobs, increase farmers' income; increase foreign exchange, provide platforms where farmers, processors, exporters, research institutions, industrial bodies, and Government can engage for agro-industrial development.

3. Budget Priorities and Fiscal Framework For 2025/26 and The Medium-Term

The FY 2025/26 and medium-term budget are based on the County Government's development and policy priorities, which aim to build its agenda of promoting peace, love, and sustainable socio-economic development across the County. This will be achieved through the implementation of priority programmes aimed at improving service delivery while enhancing revenue mobilization and maintaining prudent expenditures.

3.1 County Broad Priorities for FY 2025/2026

The main goal of the MTEF 2025/2026 is accelerated social-economic transformation, with special emphasis on food security, empowerment of special groups, and open and transparent Government to steer our county's development agenda forward.

The broad priorities are therefore aimed at:

- a) Fostering good governance and public participation
- b) Effective land use planning and sustainable management of resources.
- c) Human Resources Development and Management.
- d) Access to quality and affordable education and training
- e) Investing sufficiently in Climate Smart Agriculture for improved food and nutrition security.
- f) Increased access to quality, affordable, adequate, and timely Health Care and Medical Services
- g) Access to adequate and safe water for domestic, livestock, and agricultural use.
- h) Investing sufficiently in renewable energy and training on modern energy conservation measures are also important.
- i) Promotion of small, medium, and micro enterprises, partnering with the local and private sectors, as well as uplifting the cooperatives movement for posterity
- j) Investing significantly in the special interest groups (Youth, women, PWDs, elderly), Culture, sports, and Performing Arts
- k) Sustainable management of mineral resources - through value addition, marketing, and support to small and artisanal miners.
- l) Diversification of tourism through the promotion of eco-tourism, cultural tourism, and sports tourism, as well as the protection of historical sites
- m) Investing in physical Infrastructure and Communication - Improving and maintaining the entire road infrastructure and internet connectivity.

3.1.1 Sectoral Budget Priorities for FY 2025/2026 and The Medium Term

The detailed sectoral and departmental priorities are as discussed below based on their resource requirement for the FY 2025/2026:

3.1.1.1 Sector I: Agriculture, Livestock, Fisheries, And Irrigation

The sector's strategic objective is to improve crop, livestock, and fisheries production, productivity, sustainable development, and land and water resource management to achieve food security for the county's economic growth and development.

The priorities are to improve food and nutrition security through strengthening the delivery of extension services, developing disease and pest control, developing and improving the fish market, developing and improving irrigation infrastructure, and developing policy.

Improve income and employment creation through promotion of the commercialization of agricultural value chains, development of livestock marketing infrastructure, facilitation of livestock trade and animal movement control, and promotion of fish trade.

Promote natural resource management by promoting agroforestry and fodder trees, soil and water conservation, water harvesting for irrigation, and sustainable use of natural resources (Land, water).

Public health, food safety, and hygiene through the promotion of appropriate post-harvest management practices, safe and wholesome food of animal origin, safe fish and fish products, and management and control of zoonotic diseases and microbial residues.

3.1.1.2 Sector II: Public Works, Infrastructure, Roads, Energy, Transport and Housing

This sector is responsible for quality road construction and maintenance, quality building construction and maintenance, improving living standards by maintaining existing county government buildings, reducing damages due to fire incidents, and increasing road safety.

The priorities include general administration, planning and support services, road infrastructure development, which includes opening and maintaining county roads and building structures, housing, disaster management, transport, energy, and public works and infrastructure. To implement this, more road-making equipment and machinery will be purchased, and regular site inspection and reporting will be conducted.

Improve road safety and controlled parking by creating road safety awareness, increasing road furniture (bumps, signs), and maintaining designated parking areas.

Housing infrastructure development and maintenance services are provided through maintaining and managing inspection of existing government buildings and allocating more funds for maintenance.

3.1.1.3 Sector III: Trade, Tourism, Cooperatives, Development and Industrialization

The sector is committed to achieving prosperity through the promotion of tourism and markets for local products, the empowerment and marketing of Taita Culture, the championing of value-added ventures, and private sector development.

The priorities are improving Market infrastructure improvement, GIS mapping, and data collection of all businesses.

Creation of Legislative framework (policies, Acts, and Research).

Tourism and Culture promotion- Mapping all culture & Tourist sites, tourism diversification, tourist attraction sites infrastructure improvement, sporting tourism.

Cultural tourism promotion and marketing of Taita heritage: traditional dances, music, and foods through exhibitions and festivals. Development of cultural sites to preserve their value and policies.

3.1.1.4 Sector IV: Health Services

The health services sector is committed to ensuring everyone's access to quality, affordable, and timely preventive, promotive, curative, and rehabilitative healthcare.

To achieve its objective, the sector has outlined the following strategies for implementation in FY 2024-25 and the medium term.

Priorities	Strategies
Promote Community Health Interventions	Adopt the Primary Health Care Act and Pay Stipends for Community Health Promoters to promote advocacy and health education at the Community level.
Control HIV/AIDS, TB & Malaria	Education and advocacy on change and health-seeking behaviors, including schools and Learning institutions
Promote Nutrition status for the children.	Sensitization of community of Agricultural practices, Food farming, and Dieting
Improved worker's skills in curative & rehabilitative services	Ensure Continuous Training & capacity building of health care workers on skills such as CEMONC, EMONC, MPDSR, LARC, FANC
Improved Emergency and chronic disease services	Mobilize resources for identified works at hospitals including Ambulances.
improved accessibility & utilization of health services	Mobilize resources for identified renovations and construction works at health centers & dispensaries.
Improved functionality & availability of Medical Equipment	Adopt a special Medical Equipment Service for Routine purchasing and maintaining medical equipment.
Improved Stock of HPTs (medical drugs & Surgical supplies)	Operationalize HPTs Unit to Lobby & Quantify for a Standalone budgetary allocation by County Treasury
Improved Human Resource Welfare	Ensure adequate Re numeration, Training, Promotion & Motivation for Staff
Improved Facility Improvement Fund (FIF)	Enhance internal Audits and automation for Revenue collection and Reporting at hospitals and points of collection. Review the hospitals' price lists to market trends. Operationalize Hospital Boards.
Reduced Pending Bills	Strengthen Monitoring, Evaluation, and Reporting in County Health System

Managed Wage bill	Put up an elaborate Human Resource Management System to coordinate planning, career progression, succession planning & knowledge management in the health department.
Improved Resource Mobilization	Expand from equitable share & Own Source revenue to Inviting External investors.

3.1.1.5 Sector V: Education, Libraries and VTCs

The sector's overall objective is to ensure access to quality education and training, which is aimed at building a productive society for socio-economic development.

The priorities are improving the infrastructure in ECDEs and VTCs by equipping and staffing them, providing capitation and digital learning in ECDEs, specializing and developing home crafts in VTCs, and enhancing the school feeding programme.

The department also endeavors to adequately fund bursaries and scholarships, provide mobile library equipment, stock books, and construct community libraries.

3.1.1.6 Sector VI: Lands, Mining and Energy

The sector's mandate includes ensuring proper land use planning and management, promoting sustainable mining and environmental conservation, and improving mineral resource management.

The priorities are preparing the County spatial plan, strategic urban development, upgrading informal settlements, urban and local areas, settlement planning, and development control.

Establishment of Voi and Taveta municipalities, the opening of municipality roads, and formation of urban management committees and boards.

Support artisanal and small-scale miners, minerals exploration and extraction, and develop a minerals marketing strategy.

Solar electrification in hospitals, schools, markets, irrigation systems, feed formulation machines, solarized honey refining machines, street lighting, installation of solar water heaters, and use of solar energy in mining sites.

3.1.1.7 Sector VII: Public Administration and Intergovernmental Relations

The sector is committed to ensuring inclusive leadership, sound fiscal policy formulation, prudent management of public resources, and public service welfare.

Conduct a mid-term review of the implementation of CIDP2023-2027 to revise or uphold the key deliverables and indicators.

Strengthening M&E by capacity building the Unit and collaborating with KNBS to strengthen the county statistics function (Preparation of CSA, surveys, and other statistical information)

Enhancing OSR generation through capacity building of all revenue-generating entities, exploration of new streams, and full automation of OSR management.

Enhance budget absorption by departments through capacity building and fast-tracking of procurement processes.

Minimize the accumulation of new pending bills while at the same time offsetting the historical bills.

Adequate remuneration and continuous promotion of staff, conducting and implementing training needs, and bench-marking.

Enforcing internal control mechanisms and internal audit and ensuring timely preparation of statutory documents and reports.

3.1.1.8 Sector VIII: Youth, Gender, Sports and Social Services

The sector comprises Sports development, Youth development, Social Services, Gender, and Culture Development. It is mandated to promote youth empowerment, training, and investment and promote sports at all levels to enhance youth participation in development activities.

Youth Affairs

Empowering youth through education, training, and entrepreneurship (i.e. Material support), Enhancing skills development (i.e. establishment of youth-friendly centers fully equipped), Promoting youth participation in governance and decision-making (involving the youth in public participation in policy-making and other relevant government documents).

Social Services

Addressing issues affecting vulnerable groups such as orphans, PWDs, and the elderly (through capacity building forums and community barazas), drafting and implementation of policies (Grant policy and social development policy), Equipping social halls and grant/material support to community groups).

Gender

Achieving gender equality and equity in all sectors (Formulation of Gender mainstreaming policy, GBV Bill), addressing gender-based violence (GBV) and discrimination (Equipping of the Bura GBV rescue center, purchase of the GBV Rescue Van and sensitization forums on GBV), Promoting women's economic empowerment and leadership (holding conferences in women leadership).

Sports

Talent identification and development in sports i.e. Ngerenyi High Altitude, Cross country, sports tournaments like football, and training of match officials), Building and maintaining sports infrastructure (Moi Stadium, Dawson Mwanyumba, and Mwatunge Stadium).

3.1.1.9 Sector IX: Water, Environment, Sanitation, Climate Change and Natural Resources

The sector is committed to improving safe water supply in a clean environment and building a county that is resilient to adverse climate change.

The priorities are the establishment of new water sources, the rehabilitation of existing ones, and the reticulation and augmentation of the water supply.

Protection of all catchment areas and fragile ecosystems, enforcement of all EMCA provisions, and waste water and solid waste management.

Building resilience of community through empowerment on climate change responses, measures, and actions.

Demarcation of all county forests, urban forestry, participatory forests, invasive species management, and conservation of endemic species.

Flagship projects

These are high-priority, large-scale initiatives undertaken to achieve significant development goals and create a lasting impact. They include the following, as shown in the table below.

Project Name	Location	Objective	Description of activities	Key Output	Time frame	Estimated cost	Source of Funds	Lead agency
County Headquarters	Mwatate Sub-County	To Improve service delivery	Construction of Buildings	Improved delivery services	4 years	800 M	CGTT and NG	Department of PWI
Ward offices	In all Wards	To Improve service delivery	Construction of Buildings and equipping	Improved delivery services	2 years	100 M	CGTT	Department of PWI
County-aggregated Industrial Parks	Mbololo ward	To improve business turnover	Construction of warehouse and storage rooms	Improved economic growth	2years	500 M	CGTT & NG	Department of Trade.
Macadamia Value Chain development	Wundanyi Sub-County	To enhance the production of macadamia	Establishment of macadamia processing plant	Increased production of macadamia	1 year	32M	CGTT and DP	Department of ALVFI
Mwatate Abattoir-Livestock Value Chain development	Mwatate Sub-County	To produce hygienically prepared meat	Construction of Mwatate Abattoir	Hygienically prepared meat	1 year	15M	CGTT	Department of ALVFI

Water reticulation augmentation and distribution in Taveta Sub-county	Taveta Sub-County	To improve accessibility to safe water	Pipeline extension, pump replacement, and construction of masonry tanks	Water supply augmented	90 days			Department of WSECC NR
Upgrading of Moi County Referral Hospital	Voi Sub-County	To provide specialized services	Upgrading of Moi County referral hospital	Moi County Referral Hospital upgraded	-	150 M	CGTT	Department of Health Services
Upgrading of Taveta Sub-County Hospital	Taveta Sub-County	To provide specialized services	Upgrading of Taveta Sub-County Hospital	Taveta Hospital upgraded	2 years	100 M	CGTT	Department of Health Services
Upgrading of Wesu Hospital	Wundanyi Sub-County	To provide specialized services	Upgrading of Wesu Hospital	Wesu hospital upgraded	-	100 M	CGTT	Department of Health Services
Upgrading of Mwatate Sub County hospital	Mwatate Sub-County	To provide specialized services	Upgrading of Mwatate Sub County hospital	Mwatate Sub County hospital upgraded	-	100 M	CGTT	Department of Health Services
County Medical Supplies	Countywide	To provide essential Health Products and technologies (HPTs_	County medical drugs and other supplies		1 Year	400 M	CGTT	Department of Health Services
Mwatunge stadium	Mwatate Sub-County	To hold events and sports activities	Grass soccer pit, athletic track, perimeter fence	Standard athletic track and pitch	1 year	20M	CGTT	Department of YGSCS S
Moi stadium	Voi Sub-County	To hold events and sports activities	Fencing and pavilion	Standard athletic track and pitch	1 year	40M	CGTT	Department of YGSCS S
Dawson Mwanumbwa	Wundanyi Sub-County	To hold events and sports activities	Athletic track, perimeter fence, and sanitation	Standard athletic track and pitch	1 year	20M	CGTT	Department of YGSCS S

Ngeranyi high altitude	Mwate Sub-County	Improved sporting environment	Completion of Buildings and equipping	Number of teams trained	year			Department of YGSCS
Mining Exploration	County wide	To find and acquire a maximum number of such economic mineral deposits at a minimum cost and within a minimum time	Field surveys and excursions, facilitation of fieldwork for mapping mineral distribution, collection of samples, grading /testing, and quantification. Data analysis. Data compilation and computation. Geo-database Development. Map generation and map printing. Purchase of mineral survey equipment, logistics support, and sample storage facilities. Development and maintenance of county mineral information portal.	Development of County mineral information portal	6 months	25M	CGTT	Department of LMEUD
Land Titling	County wide	To increase the security of land tenure, support the development of markets in land, and allow better access to credit (using land titles as collateral)	Scoping, Reconnaissance survey, public participation, public notices, Data collection, technical working group meeting, Preparation of plans, Mapping of resources, Ground truthing, plan circulation, and approval	Provision of title deeds	1 year	25M	CGTT	Department of LMEUD
ECDE Feeding Programme (Uji project)	County wide	To retain learners in the ECDEs and improve their health and well-being	Purchase of sugar and porridge flour	Increased enrollment	1 year	20M	CGTT	Department of Education
County Modern Market	Voi Town	To Improve trading environment	Demolish and construction of one County Modern market (Voi Upper Market, Mitumba Open air Market &	Conducive working environment for traders	1 year	150 M	CGTT & NG	Department of Trade

			Marikiti Market Combined)					
Modern Wundanyi Market	Wundanyi Sub-County	To Improve trading environment	Construction of a modern market in Wundanyi	Conducive working environment for traders	2 years	100 M	CGTT	Department of Trade
Taveta Border Inland Depot	Taveta	To Improve the trading environment	Buildings/warehouses constructed for Taveta border Inland depot	Provide a freight terminal for goods in transit to Northern Tanzania, Burundi, DRC	4 years	700 M	CGTT, NG, and PPP	Department of Trade
EPZ (Export manufacturing zone)	Voi Sub-County (Ndii)	Attract Investments, spur local area growth & development, increase county revenue	Construction of buildings and warehouses	Creation of local Jobs & wealth.	4year	950 M	CGTT &PP	Department of Trade
Bulk Water Project	Countywide	To increase water supply in the County	Construction and completion of Njoro Kubwa Spring and Mzima II water project	Adequate water supply	5 years	56 B	CGTT, NG and PPP	Department of WSECC NR

3.2 Fiscal Framework for FY 2025/2026 and the Medium Term

3.2.1 Revenue Projections

In FY 2025/26, the County Government expects to receive Kshs **5.7B** as an equitable share from the national Government. The County has further projected to raise Kshs **650M** as Own-Source Revenue and Kshs **250M** from our health facilities. This implies that the shareable revenue allocated to the county departments for FY 2025/26 is Kshs **6.4B**.

Below is a summary table of the revenue projection:

Revenue Source	FY 2024/2025	FY 2025/2026 Estimates	FY 2026/2027 Projections
Equitable Share	5,066,138,537	5,711,000,000	5,900,000,000
Own Source Revenue	600,000,000	650,000,000	700,000,000
Mineral Royalties	8,603,601		9,000,000
Facility Improvement Fund	250,000,000	250,000,000	300,000,000
Total Revenue	5,924,742,138	6,611,000,000	6,909,000,000

Besides the sources of revenue highlighted above, the County expects to benefit from additional allocations from the National Governments share of revenue, that is;

1. Unconditional Additional Allocations

- a. **20% Share of Mineral Royalties to the Counties – Kshs 2,934,923,148.**

2. Conditional Additional Allocations

- a. Conditional Grant for Community Health Promoters – Kshs **3,234,930,000**
- b. Conditional Grant for County Aggregated Industrial Parks (CAIPS) Programme – Kshs. **4,500,000,000**

Further, the County will get additional allocations financed from proceeds of grants and loans from development partners for FY 2025/2026 to fund various programmes. These include:

- a) World Bank – National Agricultural Value Chain Development Project (NAVCDP) – Kshs **7.7B**
- b) World Bank - Water and Sanitation Development Project (WSDP) – Kshs **3B**
- c) DANIDA Grant - Primary Healthcare in Devolved Context Programme – Kshs **510M**
- d) World Bank - Kenya Devolution Support Programme – Kshs **1.7B**
- e) World Bank – Kenya Urban Support Programme (UDG)– Kshs **10.3B**
- f) World Bank – Kenya Urban Support Programme (UIG)– Kshs **1.3B**
- g) Financing Locally Led Climate Change Action Plan (CCIS)- Kshs **121M**
- h) Financing Locally Led Climate Change Action Plan (CCRI)- Kshs **7.3B**
- i) Kenya Water, Sanitation and Hygiene (K-WASH) Programme – Kshs **4.6B**

3.2.2 Pending Bills

Pending bills continue to be an issue of concern for both the national and county governments. In Taita Taveta County, the outstanding bills are historical spanning over past financial years. According to the pending bills committee report, the County has a stock of payable pending bills amounting to Kshs 1.9 Billion comprising of Kshs 1.2 Billion recurrent bills and Kshs 717 Million development bills.

PENDING BILLS	TOTAL
Total Payable Pending Bills	1,920,398,515
Recurrent	1,203,348,196
Statutory deductions	612,497,002
Legal services	53,105,338
Other recurrent supplies	537,745,856
Development	717,050,318
NOT Payable Pending Bills	154,277,834

In the approved FY 2024-25 Supplementary I budget estimates, the provision for pending bills stands at Kshs 310 Million, comprising of Kshs 100 Million for recurrent and Kshs 210 Million for development. Further, in this 2025 County Fiscal Strategy Paper, Kshs 390 Million has been provided for the settlement of pending bills.

Furthermore, in a concerted effort to meticulously monitor and mitigate the escalation of pending bills, the County Government has fully embraced the E-Procurement cycle. This strategic move will facilitate the meticulous alignment of all procurement for goods and services with budgeted provisions before the commencement of activities.

3.2.3 Resource Allocation Criteria

Given the constrained fiscal space, each sector's expenditure requirements must be prioritized and rationalized by eliminating non-core expenditures and improving efficiency in development and project implementation.

The following criterion has been used in the proposed FY 2025/2026 departmental allocations.

1. Non-discretionary expenditure takes priority.
2. Sectoral priority areas proposed by the Public in the CIDP and CADP influence the planning and funding framework.
3. Completion of ongoing and stalled critical infrastructure projects. This is to ensure the Government gets value for money and citizens reap from investment of public resources.

4. Ensure adequate funding, upgrading and equipping of the to health facilities.
5. Pending bills. Significant resources must be set aside to reduce and clear the county debt.

3.2.4 Proposed Departmental Allocations (See Annex 1)

In the FY 2025-26, the county assembly of Taita Taveta has been allocated Kshs 718 Million comprising of Kshs 306 Million and Kshs 372 Million for personnel emoluments and operations and maintenance respectively. Further, Kshs 40 Million is proposed for the completion of the new chambers currently under construction.

The Department of Devolution, Public Service and Administration has been allocated Kshs 80.7 Million for Personnel emoluments and operations. Further, Kshs 20 Million has been budgeted as counterpart funding to the Kshs 390 Million World Bank funded-Kenya Devolution Support Project II. Additionally, Kshs 190 Million has been set aside to cater for the comprehensive staff medical cover.

To effectively execute its mandate in the next financial year, Kshs 419 Million is allocated to the office of the Governor comprising of Kshs 229 Million for personnel emoluments and Kshs 190 Million for coordination of all county affairs.

The Department of Finance and Economic Planning has been allocated Kshs 194 Million for Personnel emoluments and Kshs 245 for operations and maintenance. A provision of Kshs 30 Million has been given for the County Emergency Fund and County Car loans and mortgages. Provisions have also been made for Kshs 100 Million (electricity bills-arrears & current), Kshs 310 Million for revamping of stalled projects and development pending bills and Kshs 80 Million for statutory deductions arrears

To ensure food and nutrition security in the County, the Department of Agriculture, Livestock, and Blue Economy has been allocated Kshs 225 Million for personnel emoluments and operations and maintenance. Further Kshs 55 Million has been set aside for development expenditure including Kshs 5 Million for counterpart funding to the Kshs 151 Million World Bank-funded NAVCDP project.

In the FY 2025-26, the Department of Water has been allocated Kshs 123 Million for personnel emoluments and operations and maintenance. Additional funding is expected in the form of the Kshs 750 Million World Bank funded Water and Sanitation Development Project. Further, Kshs 150 Million is expected from the Financing Locally Led Climate Action Plan Project (FLLoCAP). The county will fund the Climate Change Fund (CCF) with an amount equivalent to 2% of the development budget as required to be sourced from the Kshs 300 Million Wards Equalization Projects.

In a bid to ensure the highest standards and quality in education, the department has been allocated Kshs 541 Million for personnel emoluments and operations and maintenance.

With the realization that health services plays a critical role in the development of the county, the department has been allocated Kshs 1.86 Billion for personnel emoluments. Further, Kshs 300 Million has been set aside for the purchase of medical supplies (medical drugs) and operations of the department. This is in addition to Kshs 250 Million set aside as Appropriation-in-Aid (AIA) in the form of Health Facilities Improvement Financing (FIF). In terms of health infrastructure improvement, Kshs 150 Million has been set aside for the upgrading of Moi County Referral Hospital.

The Department of Trade, Tourism, Culture, and Industrialization has been allocated Kshs 54 Million for human resource development and operations and maintenance. On the other hand, the County Public Service Board (CPSB) has an allocation of Kshs 65 Million

To ensure the routine maintenance of county roads, the Department of Public Works and Infrastructure has been allocated Kshs 84 Million for personnel emoluments and other recurrent expenditures. Further, Kshs 50 Million has been set aside for development expenditure.

The Department of Lands, Physical Planning, Mining and Urban Development has an allocation of Kshs 54 Million while that of Youths, Gender, Sports and Social Services has been allocated Kshs 52 million for personnel emoluments and operations and maintenance.

To ensure improved service delivery by the 3 municipalities of Mwatate, Voi and Taveta, Kshs 19.5 Million, Kshs 24 Million and Kshs 22 Million respectively have been allocated for their recurrent and development expenditures. These amounts exclude personnel costs which once computed will be allocated to each municipality and deducted from the departments where the staff are deployed from.

To facilitate equity in the distribution of development and service delivery, Kshs 300 Million has been proposed for the Wards Equalization Projects implying Kshs 15 Million per ward.

3.3 Public Participation and Stakeholders Engagement

Public participation is a necessary tool in policy formulation. The constitution of Kenya considers public participation a principle of public finance management. The County Government Act (Section 115) makes public participation mandatory during the county planning and budgeting process.

The main objectives of public participation are as follows:

1. To share information and create public awareness on policies, programmes, and projects to be undertaken by the Government on their behalf.
2. To ensure that the issues of concern from the Public are considered in the decision-making process.
3. To enhance public understanding and collaboration in deciding on programmes and projects that best suit the interests of citizens.

In fulfillment of this, the draft document was subjected to Public for a countywide at the sub-county level in February 2025.

4. Fiscal Framework and Fiscal Risk

4.1 Fiscal Responsibility Principles

The Public Finance Management Act, 2012 sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(2) states that in managing the county government's public finances, the county treasury shall enforce the following fiscal responsibility principles:

- (a) The county government's recurrent expenditure shall not exceed 70 percent of the county government's total revenue;
- (b) Over the medium term, a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- (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 Assembly;
- (d) Over the medium term, the Government's borrowings shall be used only for financing development expenditure and not for recurrent expenditure;
- (e) The county debt shall be maintained at a sustainable level as approved by the county assembly;
- (f) The fiscal risks shall be managed prudently; and
- (g) A reasonable degree of predictability regarding tax rates and tax bases shall be maintained, taking into account any future tax reforms.

4.2 Fiscal Policies and Strategies

Some of the policies and strategies to be adopted in the FY 2025/2026 and the medium term include:

- a) Implementation of a Projects' Management framework where project planning, approval, and implementation will be based on suitability, acceptability, viability, impact, and sustainability.
- b) Ongoing and Stalled projects will be given priority to prevent wastage of resources.
- c) The planning and implementation will be done in phases for huge capital projects to ensure efficiency.
- d) The county government will implement measures and strategies to enhance its Own-Source revenue collection and supplement the funds received from the Exchequer.
- e) County Spatial Planning will be prioritized as strategy for streamlining development processes and enhancing County OSR.
- f) Establishment of the Monitoring, Evaluation, and Statistics unit to enhance access to data and information for decision-making purposes

ANNEX 1: DEPARTMENTAL PROPOSED ALLOCATIONS

VOTE	DEPARTMENT/ARM	SALARIES	RECURRENT	DEVELOPMENT	TOTAL	GRANTS	GRAND TOTAL
3261	County Assembly	306,075,000	372,000,000	40,000,000	718,075,000	0	718,075,000
3262	Devolution, Public Service, and Administration	64,296,273	226,500,000		290,796,273	390,000,000	680,796,273
3263	Governor and Deputy Governor's	229,446,522	190,000,000		419,446,522	0	419,446,522
3264	Finance and Economic Planning	194,000,000	455,381,599	310,000,000	959,381,599	0	959,381,599
3265	Agriculture, livestock, Fisheries and Irrigation	206,950,454	18,500,000	55,000,000	280,450,454	151,000,000	431,450,454
3267	Water, Environment and Climate Change	106,918,846	17,000,000		123,918,846	920,000,000	1,043,918,846
3268	Education, Libraries, and VTCs	513,231,595	28,000,000		541,231,595		541,231,595
3269	Health Services	1,854,477,640	300,000,000	150,000,000	2,304,477,640		2,304,477,640
3270	Trade, Tourism, Industrialization & Culture	40,935,571	10,550,000		51,485,571		51,485,571
3271	County Public Service Board	50,083,789	15,000,000		65,083,789		65,083,789
3272	Public Works, Housing, and Infrastructure	58,718,679	25,500,000	50,000,000	134,218,679		134,218,679
3273	Lands, Mining and Energy	35,731,938	18,400,000		54,131,938		54,131,938
3276	Youth, Sports, Gender, and Social Services	37,636,950	15,165,145		52,802,095		52,802,095
	Mwatate Municipality		14,500,000	5,000,000	19,500,000		19,500,000
	Voi Municipality		12,000,000	12,000,000	24,000,000		24,000,000
	Taveta Municipality		12,000,000	10,000,000	22,000,000		22,000,000
	Wards Equalization Projects			300,000,000	300,000,000		300,000,000
	TOTAL	3,698,503,256	1,730,496,744	932,000,000	6,361,000,000	1,461,000,000	7,822,000,000
		5,429,000,000	Recurrent			2,393,000,000	Development
		69%				31%	

ANNEX 2: CONSOLIDATED PUBLIC PARTICIPATION VIEWS

MWATATE SUB COUNTY	WARD	SECTOR	PRIORITIES
	Wusi/Kishamba	Health Services	Supply of drugs in hospitals for patients
			Supply of medical equipment such as gloves and needles
		Water, Environment, Sanitation and Natural Resources	Construction of a check dam
		Agriculture, Livestock, Fisheries and Blue Economy	Timely supply of Seeds
			Construction of a site that would bring fertilizers close to farmers
		Education, Libraries, and VTC's	Start a feeding programme in the institutions.
	Bura	Water, Environment, Sanitation and Natural Resources	Mcholo - Mlughu water project intake
			Mnamo juu storage tank and piping
		Health Services	Completion of staff quarters
		Education, Libraries, and VTC's	Completion of Mnengwa ECDE classrooms
		Public works, Roads, Housing, Energy and Infrastructure	Grading, murrum ming, and culvert installation for Mwashuma-Godoma road
		Youths, Sports, Gender and Social Services	Funding in the special interest groups
	Rong'e	Education, Libraries, and VTC's	Complete the stalling projects in schools as well as doing renovation.
		Public works, Roads, Housing, Energy and Infrastructure	Putting up streetlights
		Health Services	Putting up of a health center: Dispensary
	Mwatate	Health Services	Improved service delivery and equipped facilities with medicine
			Construction of a Dispensary for Mwatate town
			Building of a mortuary near Mwatate sub-county hospital
		Education, Libraries, and VTC's	Feeding programmes for schools
			Building of hostels in the Polytechnic
		Water, Environment, Sanitation and Natural Resources	Improved service delivery (replacing a meter is more expensive than placing a new one)
		Public works, Roads, Housing, Energy and Infrastructure	Town planning
			Sewage management
		Agriculture, Livestock, Fisheries and Blue Economy	Empowering small and medium-scale farmers
	Chawia	Agriculture, Livestock, Fisheries and Blue Economy	Investing in climate-smart agriculture

		Lands, Physical Planning, and Mining	Management of mineral resources
		Water, Environment, Sanitation and Natural Resources	Access to adequate and safe water for domestic, Livestock & agricultural use
		Health Services	Timely healthcare services Equip medical centers with necessary medical equipment.
		Education, Libraries, and VTCs	Offer educational training on mining.
VOI SUB-COUNTY	Kaloleni	Health Services	Expansion of Ndovu Dispensary Construction of a doctors' plaza in Voi
		Youth Affairs, Sports, Gender and Social Services	Community Empowerment Introduction of all sports tournaments every year
		Agriculture, Livestock, Fisheries and Blue Economy	Irrigation programmes of the Makajini-Msinga basin along the Voi River
		Lands, Physical Planning, and Mining	Land titling
		Trade, Tourism, Culture and Industrialization	Identifying tourism attractions along Sagalla Hills
	Mbololo	Health services	Upgrading of Ndovu Hospital to a Sub- County Hospital Efficient supply of medicine Prioritization of facility and equipment maintenance
		Agriculture, Livestock, Fisheries and Blue Economy	Boards to be enacted and empowered Construction of a market for livestock Enhancement of climate-smart agriculture
		Education, Libraries, and VTCs	ECDE centers to be geographically planned Utilization and Improvement of libraries and VTCs
		Lands, Physical Planning, and Mining	Special focus on the mining department to generate more revenues Advocate for more Royalties from the government. Implementation of mining policy
		Trade, Tourism, Culture and Industrialization	Free market so that everyone to sell whatever they have
	Marungu	Health services	Equipping of Marungu Hospitals Psychosocial support to be offered to youth, women, and the community at large
		Water, Sanitation, Climate change, and Natural resources	Extension of water pipes
		Lands, Physical Planning, and Mining	Makina Land titling
		Public works, Roads Transport and Infrastructure	Upgrading of Marungu roads Installation of cabros in Marungu

		Education, Libraries, and VTCs	Fencing of ECDEs
			Construction of gates in the ECDEs
	Sagalla	Health services	Upgrading of Health facilities
			The salaries of CHPS to be increased
			Completion of Kishamba Dispensary
			Supply of adequate medicines in the health facilities
			Upgrading of Kajire Dispensary to a health center
		Water, Sanitation, Climate change, and Natural resources	Mzima Spring is to be spread throughout the entire ward.
			Drilling of boreholes in Sagalla
		Agriculture, Livestock, Fisheries and Blue Economy	Opening of a slaughterhouse at Kirumbi
			Livestock development
		Finance and Economic Planning	Payment of contractors to be given priority
		Education, Libraries, and VTC`s	equipping all ECDEs
			Employ more teachers for ECDEs
		Public works, Roads Transport and Infrastructure	Opening of all feeder roads
		Lands, Physical Planning, and Mining	Title deeds for Schools and Hospital facilities
	Kasighau	Health services	Purchase an ambulance for Kasighau residents.
		Youth Affairs, Sports, Gender and Social Services	A vote head should be introduced to empower youth to service county machines.
		Lands, Physical Planning, and Mining	Issuance of Title deeds for residents in Kasighau Ward
			Sealing of loopholes in cess in kasighau
	Ngolia	Health services	Increase allocation for health sectors.
			Upgrading of Dispensaries in Ngolia Ward
			Installation of oxygen plant in Moi Referral Hospital
			Construction of more wards in hospitals
			Upgrading of Moi referral Mortuary
			Fencing of Moi Referral Hospital
			Construction of more delivery units
			Collection of funds to be digitized in hospital facilities
			Title deed for Moi Referral Hospital
		Finance and Economic Planning	Pay all pending bills.
		Education, Libraries, and VTC`s	Renovation of all kitchens in the ECDEs
			Employment of qualified teachers for the VTCs

		Water, Sanitation, Climate change, and Natural resources	Reviving of water projects in Wongonyi, Ghazi, and Ndome,
			Water from Mzima 2 to be spread over Ngolia
		Public works, Roads Transport and Infrastructure	Opening of all feeder roads
		Lands, Physical Planning, and Mining	Harvesting of sand for revenue collection
	Civil Society	Health services	Mtito Andei /Mackinnon Road boundary case to be finalized
			Construction of an ICU
			Construction of a rehabilitation center
			Construction of a rescue center
			CHPS to be paid their full salary
			Public hospitals to come up with a way of absorbing private insurance coverage.
		Lands, Physical Planning, and Mining	Mining to be added 200M
			Equip the mining department fully.
		Public works, Roads, Transport and Infrastructure	Purchase more maintenance vehicles.
		Finance and Planning	Plan only with what is available to reduce pending bills.
TAVETA SUB COUNTY	Mahoo	Water, Sanitation, Climate change, and Natural resources	Construction of a borehole
			Construction of Dumping sites
			Extension of water pipes
		Public works, road transport, and infrastructure	Grading, murraming, and culvert installation
		Health services	Construction of toilets in the hospitals
			Supply of drugs in the hospitals
			Employment of more doctors in health facilities
		Education, Libraries, and VTC's	Construction of ECDE classrooms
	Njukini	Agriculture, Livestock, fisheries, and Blue Economy	Cleaning of drainages
		Lands, physical planning, and mining	Issuance of Title deeds
		Water, Sanitation, Climate change, and Natural resources	Extension of water pipes
			Construction of a borehole
		Public works, roads transport, and infrastructure	grading, murraming, and culvert installation of roads
		Health services	Construction of more toilets within the hospitals
			Supply of water within hospital premises
			Employment of more doctors
			Supply of drugs

		Education, Libraries, and VTC's	Construction of extra ECDE classrooms
		Agriculture, Livestock, Fisheries and blue economy	Cleaning of drainage
	Chala	Water, Sanitation, Climate change, and Natural resources	Extension of water pipes
			Construction of dumping sites
		Public works, roads transport, and infrastructure	Street lights installation
		Health services	Supply of enough drugs
			Enough supply of water within hospital premises
		Education, Libraries, and VTC's	Construction of classrooms
	Bomeni	Water, Sanitation, Climate change, and Natural resources	Extension of water pipes
			Construction of dumping sites
		Public works, Roads Transport and Infrastructure	Grading, murraming, and culvert installation of roads
			Streets lights installation
		Health services	Construction of toilets
			Supply of drugs
		Education, Libraries, and VTC's	Construction of classrooms
WUNDANYI SUB COUNTY	Werugha	Water, Sanitation, Climate change, and Natural resources	Protection and conservation of water catchment areas
			Fencing and distilling of Kishenyi Dam
			Fencing, distilling, and construction of kisughusa Madima
			Desilting of water pans (Malela and Mwanasambo)
		Health Services	Boundary establishment and fencing of George Faraji dispensary
			Need for placenta kit, incinerator, Medicine (ARV, TB, Malaria), and laboratory at George Faraji dispensary.
			Need for a cleaner at Sangeroko dispensary.
			Electrification at George Faraji dispensary
		Education, Libraries, and VTC's	Equipping of VTCs
			Stationeries of ECDEs
			Upgrading of VTCs and ECDEs
			Construction of ECDEs classrooms
			Need for mattresses for ECDEs
			Need for playing materials for ECDEs
			The county government is to close and relocate star Sungululu ECDE to either Msangarinyi or Sungululu primary.
			Facilitation of ECDEs assessment officers

			Standardization of ECDEs school fees across the county
		Agriculture, Livestock, Fisheries, and Blue Economy	Certified seeds and manure
			Sensitization of modern agriculture on farmers
			Sensitization on AI
	Wumingu/Kishushe	Health services	Upgrading of Kishushe dispensaries and laboratory
			Electrification of dispensary
			Supply of medicines
			Facilitation of CHPs
			Need for maternity wing, a laboratory at Paranga dispensary.
		Water, Sanitation, Climate change, and Natural resources	Construction of Check Dam
			Piping from Kishenyi to Funzi
			Construction of boreholes and water pans
		Education, Libraries, and VTC's	Completion of Mchungunyi ECDE
		Agriculture, Livestock, Fisheries, and Blue Economy	Certified seeds and manure
			Sensitization of modern agriculture on farmers
			Sensitization on AI
		Lands, Physical Planning, and Mining	Establishment of cess station at Kishushe center
			Boundary identification at Kishushe
			land adjudication at Kishushe
		Youth Affairs, Sports, Gender and Social Services	Upgrading of Kishagha primary playground
			Construction of cultural center
		Public works, Roads, Transport and Infrastructure	All proposed roads since 2013 are to be completed.
			Construction of Sebenga-Teri bridge
	Mwanda/Mghange	Health services	Uplifting of all health facilities and infrastructure
			Drug distribution in time
		Water, Sanitation, Climate change, and Natural resources	Protection of water Catchment areas
			Construction of water pans
			Piping and distribution of water to residents
		Public works, Roads, Transport and Infrastructure	Roads maintenance and Murraming
			Proper drainage Systems
			Roads excavation
		Education, Libraries, and VTC's	Upgrading and equipping of VTC

			Increase bursary distribution on time.
			Electrification of Mlamba ECDE
		Agriculture, Livestock, Fisheries, and Blue Economy	Revival of the milking cooling plant
			Sensitization of dairy farmers
			Supply of Subsidized seeds and manure
			Improved breed
		Youth Affairs, Sports, Gender and Social Services	Sports facilitation inwards
			Youth, PWDs & women empowerment workshops
		Water, Sanitation, Climate change, and Natural resources	Conservation of water
			Waste management and collection of waste on time
	Wundanyi/Mbale	Water, Sanitation, Climate change, and Natural resources	Completion of Ngerenyi-Mogho water project
			Completion of the Tambale water project
		Health services	Equipping of Wesu hospital
			Construction of: Pit latrines, placenta Kit, staff quarters, and fence at Shigharo Dispensary
			Fencing and Construction of Toilets at Wundanyi Health Center
			Mbale Health to be fully equipped.
			Murraming of roads to Wundanyi Health Center
		Education, Libraries, and VTCs	Electrification of Wesu ECDE
			Fencing and gating of star Sungululu ECDE
			Construction of New ECDE-Kidule,sienenyi
			Disposal of unserviceable vehicles to VTCs to be used for training
			Repair and maintenance of ECDEs leaking roofs
		Trade, Tourism, Culture and Industrialization	Construction of new modern stalls at the Wundanyi stage
			Public toilet –Posta stalls stadium
			Construction of Toilets at Wundanyi Social Hall
			Development of investment policies
		Agriculture, Livestock, Fisheries and blue economy	Supply of farm yard manure
		Public works, Roads, Transport and Infrastructure	All feeder roads are to be improved.

NAME	SECTOR	PRIORITIES
Ahmed Gure	Health Services	We need a maternity theater.
		We need an accident and emergency unit.
		We need a female surgical ward.
		We need fencing of the hospital compound.
		We need the removal and replacement of Asbestos since it is a health hazard.
		We need an isolation ward since we are at the border and sometimes, we receive patients that need isolation like the case of monkeypox.
John Mwanjala	Water, Environment, Climate Change and Natural resources	Can we please use the rock catchment areas for water harvesting?
Abdikizo Kizo	Special Programmes	Disaster management preparedness (training of rescue swimmers' team)
Artisanal and small-scale miners	Lands, Physical Planning, Mining and Urban Development	Implementation of the comprehensive legal framework for the extraction of natural resources
		Artisanal and Small-Scale Miners onsite training on OHS, mineral identification, geology of minerals, and marketing options
		Purchase of equipment like Compressor for groups and excavator for cooperatives, bead maker faceting machine & Tambling machine
		Prioritization of value addition as a way to create more opportunities for making extra income
	Water, Environment, Climate Change and Natural resources	provision of clean water and sanitation at the mining sites
	Finance and Economic Planning	Realistic targets should be set based on historic OSR performance and prevailing economic conditions.
		Boost OSR collections by expanding the county's tax base.
		Addressing any revenue leakages that may be present by mapping out new revenue streams and updating existing databases such as businesses eligible to pay the single business permits
		The county needs to publish and publicize all budget documents through the official county website within the required statutory timelines.
Coast Regional Budget Hub	Finance and Economic Planning	The County Government needs to align revenue projections in the CFSP and supplementary budget to ensure consistency and fiscal credibility.

		The county needs to strengthen revenue forecasting mechanisms through data-driven analysis.
		The County Government should enhance transparency and accountability in budget formulation to build public and stakeholder confidence.
		The County Government ought to base OSR estimates on realistic collection trends, avoiding overly optimistic revisions. The County may utilize the CRA revenue potential to optimize revenue collection.