

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF UASIN GISHU

THE COUNTY TREASURY

COUNTY FISCAL STRATEGY PAPER
(CFSP) 2025

**ACCELERATING IMPLEMENTATION OF *NGUZO KUMI* IN THE COUNTY
FOR SOCIO – ECONOMIC TRANSFORMATION**

FEBRUARY 2025

A County of Opportunities for all in Kenya and Beyond

DRAFT

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FOREWORD

The County Fiscal Strategy Paper (CFSP) is the primary financial policy document that sets out the county government's strategic priorities and policy goals. It outlines the strategic priority policies, initiatives, and reforms necessary for the county's transformational discourse. The CFSP guides the county in the preparation of its budget for the next financial year and over the medium term.

The CFSP 2025 has been prepared to comply with Section 117 of the Public Finance Management (PFM) Act 2012. The section mandates the County Treasury to prepare a CFSP and present it to the County Executive Committee (CEC) for approval, then submit the approved CFSP to the County Assembly by 28th February of each year. The paper has been aligned with the national objectives contained in the Budget Policy Statement, with the application of fiscal responsibility principles as required by section 107 of the PFM Act 2012.

The CFSP 2025 has been prepared against a backdrop of stabilized global and national economies as a result of the easing of global inflation and supply chain constraints. The Kenyan economy remained strong and resilient in the first three quarters of 2024, despite recording comparatively constrained growth during the same period in 2023. The growth was largely supported by the strong performance in the agriculture sector, a slight recovery of the manufacturing sector, and the resilience of the services sector. The county's 2024 Gross County Product (GCP) also increased to 2.5 percent in 2023, up from 2.4 percent the previous year, mainly driven by strong economic performance in agriculture, transport, and trade, thus positioning the county among the top ten economic contributors in the country.

In the next financial year and over the medium term, the county expects to leverage the positive growth prospects to bolster its revenue performance to facilitate the accelerated implementation of the Governor's Nguzo Kumi towards the socio-economic transformation of the county. The government will prioritize investments in the county's growth potential areas while specifically targeting roads infrastructure, agriculture and agribusiness, water services, health services, education and vocational training, trade and cooperatives, lands and physical planning, development of the city and municipalities, and governance and service delivery.

The county government will also pursue partnerships with the national government, development partners, and the private sector in implementing its transformation agenda, including Angaza and Stima. Mashinani jointly with REREC and conditional grants projects

such as NAVCDP, KISIP, among others. The county will integrate cross-cutting issues like climate change, gender, and youth into its development discourse.

The government will continue with its resource mobilization efforts to improve its own-source revenue performance in order to have an enhanced fiscal space to realize the priorities set out in this paper. Further, the county will focus on expenditure management for improved efficiency.

In conclusion, the CFSP 2025 is expected to provide a broader framework that will transform the development process in the county in the next financial year and over the medium term, thus improving the lives and livelihoods of residents.

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COUNTY GOVERNMENT OF UASIN GISHU COUNTY

ACKNOWLEDGEMENT

The County Fiscal Strategy Paper for 2025 has been developed in compliance with Section 107 of the PFM Act 2012, along with Regulations 26, 27, and 28 of the PFM Regulations. This document outlines key economic policies and structural reforms, as well as sector-specific spending programmes that will guide the preparation of the FY 2025/26 MTEF County budget. The preparation of this paper involved a collaborative approach, engaging all county government departments and entities.

We extend our sincere appreciation and gratitude to His Excellency the Governor and His Excellency the Deputy Governor for their exemplary leadership and guidance throughout the entire development process of this document.

We express our heartfelt gratitude to all members of the County Executive Committee, as well as their chief officers and technical staff, for their significant contributions and information in the development of this document.

I extend my sincere gratitude to Mr. Micah Kipkosgei Rogony, the County Executive Committee Member for Finance and Economic Planning, for his insightful direction and guidance. Additionally, I acknowledge the entire planning team for their committed time and steadfast efforts in the preparation of this document.

Lastly, I would like to extend my sincere appreciation to all stakeholders for their invaluable contributions to this paper.

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COUNTY GOVERNMENT OF UASIN GISHU

ABBREVIATIONS AND ACRONYMS

ADP	:	Annual Development Plan
AHP	:	Affordable Housing Project
AMS	:	Agricultural Mechanization Services
ARUD	:	Agriculture, Rural and Urban Development
ATC	:	Agricultural Training College
BETA	:	Bottom-Up Economic Transformation Agenda
BPS	:	Budget Policy Statement
CAIP	:	County Aggregated Industrial Park
CBR	:	Central Bank of Kenya
CBROP	:	County Budget Review and Outlook Paper
CEC	:	County Executive Committee
CFSP	:	County Fiscal Strategy Paper
CHP	:	Community Health Promoters
CIDP	:	County Integrated Development Plan
CoK	:	Constitution of Kenya
CRA	:	Commission of Revenue Allocation
DMSP	:	Debt Management Strategy Paper
ECDE	:	Early Childhood Development Education
ERP	:	Enterprise Resource Planning
FY	:	Financial Year
GDP	:	Gross Domestic Product
ICT	:	Information Communication Technology
KCPE	:	Kenya Certificate of Primary Education
KM	:	Kilometers
KSh	:	Kenya Shillings
KVDA	:	Kerio Valley Development Authority
MICE	:	Meetings, Incentives, Conference, Exhibition
MPC	:	Monetary Policy Committee
MSMEs	:	Micro, Small and Medium Enterprises
MTEF	:	Medium Term Expenditure Framework
NESP	:	National Equipment Support Programme

NSE	:	Nairobi Stock Exchange
OSR	:	Own Source Revenue
PE	:	Personnel Emoluments
PFM	:	Public Finance Management
PPP	:	Public Private Partnership
PWD	:	People with Disability
PTA	:	Parents Teachers Association
REREC	:	Rural Electrification and Renewable Energy Corporation
SME	:	Small Medium Enterprise
TVET	:	Technical and Vocational Education and Training
UGCED	:	Uasin Gishu County Equitable Development
USD	:	United States Dollar
VTC	:	Vocational Training Centres

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1. ACCELERATING IMPLEMENTATION OF NGUZO KUMI IN THE COUNTY FOR SOCIO – ECONOMIC TRANSFORMATION

1.0 Overview

The third County Fiscal Strategy Paper (CFSP) of the current administration of H.E. Dr. Jonathan Chelilim has been prepared at the time the global and national economy has stabilized due to the easing of global inflation and supply chain constraints. The outlook reflects stronger-than-expected growth both globally and at the national scene. The Kenyan economy remained strong and resilient in the first three quarters of 2024 despite its growth being relatively slower than the corresponding period in 2023. This growth was primarily supported by the strong performance in the agriculture sector, a slight recovery of the manufacturing sector, and the resilience of services sector.

The county economy has gained from these growth prospects. The 2024 Gross County Product (GCP) report by the Kenya National Bureau of Statistics (KNBS) shows that Uasin Gishu County's share of GCP rose to 2.5 percent in 2023, up from 2.4 percent the previous year, positioning it among the top ten counties nationally in terms of economic contribution. This was primarily driven by strong economic performance in agriculture, with transport and trade following closely behind. This calls for increased investments in these sectors, given its favorable climate for agriculture and strategic regional location for trade and transport.

The county has experienced increased investment inflows in recent years, significantly affecting various sectors and driving the local economy. Current transformative projects under implementation include the construction of a 64 ultra-modern market to enhance wholesale and retail trade; the establishment of an Export Processing Zone at Cherunya to facilitate manufacturing and export-oriented enterprises; the development of County Integrated Industrial Parks (CAIPs) in Moiben to support agro-industrial growth; and the construction of affordable housing in Kapsuswa, Kimumu, and Pioneer Estate to offer accessible housing to the residents. The county government is also implementing several initiatives to boost agro-processing in the county targeting dairy, poultry, coffee and potato value chains. These investments have boosted the county's economy through the creation of jobs for residents and the support of local businesses by sourcing materials locally.

The county will also leverage on the athletics which have brought fame and recognition to Eldoret City earning it the nickname ‘city of champion’ through their achievements at the global stage by developing state of the art training facilities and stadium that will attract international athletes to train here as well as sports tourism. It will also benefit on the city's growing reputation as a regional medical hub, due to the presence of Moi Teaching and Referral Hospital (MTRH), Kenya's second-largest public referral hospital, which serves the North Rift and Western Kenya, as well as parts of neighboring Uganda and South Sudan, providing high-quality healthcare to a large population.

Over the medium term, the county will continue to build on the progress made in recent years to reshape the socio-economic landscape of the county. Key projects within *Nguzo Kumi* will be prioritized and expedited to bring benefits to the residents, hence the theme ‘*accelerating the implementation of Nguzo Kumi in the county for Socio-Economic Transformation*’, with a focus on completing ongoing projects and ensuring their operationalization.

1.1 Implementing Nguzo Kumi

The county government is currently in the mid-term phase of implementing Nguzo Kumi, which is founded on ten pillars aimed to transform the county as envisioned by the Governor, H.E. Dr. Jonathan Chelilim. The manifesto reflects the overarching goals of the current administration and is aligned with the County Integrated Development Plan (2023-2027) and the Bottoms-Up Economic Transformation Agenda (BETA). The document outlines 10 key areas referred to as ‘Nguzo’ for implementation by the county departments and entities throughout the five-year term of the current administration. Progress has been made in the implementation of Nguzo Kumi; however, it remains below targets, highlighting the necessity for accelerated implementation. In light of this context, the coming year will emphasize Nguzo Kumi, with the following key milestones achieved to date:

1.1.1 Agriculture & Food security

Notable achievements under this pillar include the ongoing construction of agro-processing centers, namely the potato processing plant at Ainabkoi/Olare Ward, the coffee pulping plant at Tapsagaoui Ward, the milk processing plant at Kapseret/Simat Ward, and the animal feeds plant at Cheptiret/Chuiyat Ward, which are at different stages of completion. The county has allocated funds to operationalize the Moisoymilling plant through the County Enterprise Development Fund (CEDF) and completed the Kimoning Storage facility for post-harvest management. Also completed are 3 irrigation schemes at Chebinyiny, Kimori, and Kapchunga

under the Kenya Climate Smart Agriculture Project. NAVCDP has engaged 210 agribusinesses to offer extension services and disbursed Ksh 6.7 M to 9 Saccos as loans.

1.1.2 Health

This pillar prioritizes the completion of health infrastructure, upgrading, and modernizing Uasin Gishu County Hospital to a county referral hospital, among other initiatives. These include Ziwa level V, Kesses level 4, Turbo level 4, Moiben level 4, and the ICU/HDU in Burnt Forest Subcounty and the Uasin Gishu County Hospital Diagnostic Center. These projects have continually received funding over the last two years, with the Burnt Forest ICU/HDU structure complete and awaiting equipping, while construction of the Uasin Gishu County Diagnostic Centre will commence this FY. In June 2024, the Mama Rachel Hospital opened its doors, boasting a bed capacity of 70 and a single ICU unit.

1.1.3 ICT & e- Government

Key achievements under this pillar include the roll-out of the Sisibo pay system, the establishment of ICT hubs in all six sub-counties, and the operationalization of the Uasin Gishu Service Center. Additionally, 29 public offices and facilities have been connected with WiFi.

1.1.4 Trade, Industrialization, Cooperatives and Enterprise Development

The pillar prioritizes the development of markets and market infrastructure, diversifying tourism, and increasing access to quality early childhood education and vocational training. It has achieved the following: the establishment of the museum at Eldoret Arboretum is ongoing; jointly constructing County Aggregation and Industrial Park (CAIP) with the national government; and the development of the Sosiani River Nature Park is continuing and is expected to be complete this year.

1.1.5 Education, Youth, Sports, Culture, Social Services & Tourism

Key achievements under this pillar include confirming 1317 ECDE teachers on permanent and pensionable terms and rolling out the school milk program, from which learners from 674 ECDE centres benefit. The county also has constructed an administration block at Ngenyilel VTC and has allocated funds for equipping workshops in all the 12 VTC institutions in the current financial year. To empower youth, the county is currently constructing a youth center at Racecourse Ward, hosting the Governor's Cup, and continuing with the construction of 64 stadiums, Chagaiya High Altitude Centre, Chebolol Special Needs Centre, and Ngeria Girl Guides Centre. It is also supporting youths to access procurement opportunities through AGPO.

1.1.6 Infrastructural Development and Public Works

This pillar prioritizes roads infrastructure and public works. The county is currently setting up an asphalt plant in Baharini, which is expected to be operational in the coming year, performed routine maintenance on county roads through grading of 1,200 km and graveling of 600 km annually over the last two years, installed streetlights along roads and estates, and maintained government buildings through regular inspections.

1.1.7 Water, Environment and Natural Resources

The pillar prioritizes improving access to portable water to all ECDE schools and health centers, and 60% of the homesteads to have piped water by 2024. To achieve this, the county has operationalized the Uasin Gishu Rural Water and Sanitation Company and laid approximately 150.5 km of water pipeline that connects 12,065 households across the county over the last two years. It has also beautified Eldoret city by planting flowers and trees and established an arboretum for recreational use.

1.1.8 Land, Housing and Physical Planning

Key achievements under this pillar include: developed land management policy framework, prepared valuation roll for Marakwet Development Farm which stands at 50 percent completion, secured 5 public utilities, land banking of 5 acres, renovated 12 county houses at Kodhek, West Indies and Mayabi estates, and constructed Deputy Governors' official residence which is at 61 percent completion rate.

1.1.9 Public Service Management

The pillar focuses on developing public service management. The county has taken a significant step toward improving service delivery by implementing a performance management system, establishing a staff email system, and automating some HR processes.

1.1.10 Municipality and Urban Development

Key achievements under this pillar include the elevation of Eldoret to a city and the ongoing process of chartering 6 townships to municipalities, i.e., Burnt Forest, Mois Bridge, Ziwa, Moiben, and Turbo. The county is also currently implementing the KISIP programme in 7 settlements within the city: Kipkaren, Mailli Nne, Mwanzo, Segero, Shauri, Kasarani, and KK estates.

1.2 County Development Priorities for FY 2025/2026

The county has identified nine key areas of focus for the coming year to address the prevailing development needs aimed at bolstering economic growth, quality of life, job creation, infrastructure, and good governance as outlined in *Nguzo Kumi* and CIDP. The new priorities indicate a shift from the previous year, with roads now taking precedence over water as the top priority.

1.2.1 Investing in roads infrastructure

Improved road networks facilitate the movement of goods and services, allowing farmers to transport their produce to markets while also improving access to essential services like healthcare, education, and emergency response. The county has consistently sought to improve its road networks over the years to enhance connectivity and foster growth.

Over the medium term, the county government would prioritize road infrastructure as priority number one. To maintain county roads and ensure they are motorable all year round, the county will allocate sufficient fuel for grading and secure borrow pits for graveling; complete construction of all the bridges under construction; and improve the drainage systems by installing culverts and engaging youths in unblock existing ones. The county will also prioritize completion and operationalization of the asphalt plant currently being set up at Baharini to enable the tarmacking of selected roads in the 6 upcoming municipalities and other urban centers. To better manage traffic and ease congestion in Eldoret City, the county will work with other agencies, like KURA, to widen key roads within the city, create ample parking spaces, and complete the installation of traffic control lights. It will also plan to construct a city bus park and bays to better manage traffic within the city and its environs.

1.2.2 Agriculture and Agribusiness

This is a key sector in the county, significantly contributing to the local economy and livelihoods. The county government recognizes the potential of agribusiness and value addition in generating employment and wealth for residents. The county is currently implementing various agro-processing initiatives targeting dairy, potato, poultry, maize, and coffee value chains, which are at different stages of implementation. The initiatives include a milk processing plant in Kapseret, a coffee milling plant in Kamagut, a potato and horticulture processing plant in Ainabkoi, a chicken abattoir in Kuinet/kapsuswa, a maize milling plant in Soy, and an animal feeds processing plant in Cheptiret/Kipchamo ward. Upon completion,

these centres will generate employment opportunities and directly support over 60,000 residents across the county, thereby positively impacting the lives of the residents.

Over the medium term, the county will prioritize equipping and operationalization of the ongoing agro-processing centres comprising milk processing plant at Kapseret ward, potato processing plant in Ainabkoi/Olare ward, coffee palping plant in Kamagut ward, animal feeds processing in Cheptiret/Kipchamo ward and chicken abattoir in Kuinet/kapsuswa ward. The centres can access operating capital from the Co-operatives Enterprise Development Fund to ensure their sustainability. To capitalize on the ongoing CAIPs project at Moiben, the county will promote several value chains with considerable potential for aggregation, including edible oil like canola and sunflower, beans and pulses, vegetables and horticulture for export, and livestock for beef and mutton. Their production will be supported by irrigation initiatives, establishment of demonstration plots, incubation and mentorship programmes, farmer trainings, provision of seedlings targeting one million coffee seedlings, 500,000 avocado seedlings and 500,000 splits of pyrethrum, and extension services. The county will also seek to recruit more youths into agribusiness through an empowerment initiative Fanikisha Vijana Programme targeting those interested in horticulture. The county will provide them with irrigation gears and greenhouse materials and seedlings. To increase production in the dairy value chain, the county will equip and operational one milk cooler in each ward and offer subsidized AI services, among others.

1.2.3 Water

Ensuring access to safe water for both domestic and industrial use has been a top priority for the county government over the past two years. The water sub-sector has received substantial budgetary allocations over the years, including during the last financial year and the current one. This has resulted in an increased number of households connected to piped water, albeit insufficiently. While these achievements are commendable, there is still much to be done to meet the target of connecting 60 percent of households to piped water by 2025, as outlined in Nguzo Kumi.

The County Government will prioritize the distribution of water from both completed and ongoing water projects from the 2 clusters comprising 13 wards in the medium term. The cluster 3 and 4 projects will be initiated in upcoming year and will target 11 wards and the city of Eldoret, respectively. The county will also carry out a mapping exercise of all water

distribution networks to determine their current status and identify areas for expansion. This will be followed by last mile connectivity of distribution pipes spanning 180 KM, targeting over 10,000 households by Uasin Gishu Rural Water and Sanitation Company across the county.

1.2.4 Health

Provision of affordable and quality health care is critical for socio-economic development of the county. The county has invested substantial amounts of resources over time to achieve the desired health outcomes. However, ensuring access to affordable and high-quality healthcare remains a challenge that requires continued investments.

Over the medium term, the county will prioritize completion of all health infrastructures under construction including: construction and equipping of Level IV Uasin Gishu Diagnostic Centre and Moiben level 4 hospital; renovation of Turbo hospital and upgrading of Kapteldon hospital. The county also plans to develop a level 4 sports, physio therapy and chiropractic hospital at Naiberi in Ainabkoi sub-county with the assistance of the National Government. The county will upon completion of the construction of the diagnostic centre equip it through the National Equipment Support Programme (NESP). To support implementation of the Universal Health Coverage, the county will ensure availability of medicine, equipment and other resources necessary to provide quality health services in county health facilities as well as sensitize the public about the Taifa Care under the Social Health Insurance Fund (SHIF).

To increase availability of health workers in the public health sector, the county will continue to implement Afya Bora Mashinani having engaged over 2005 Community Health Promoters (CHPs) to deliver preventive and promotive healthcare at the household level. Providing comprehensive and continuous training for health workers in the county is key towards realization of the targeted health outcomes and will therefore be prioritized to ensure quality healthcare and the overall well-being of our communities. The county will also collaborate with partners such as AMPATH, MTRH and ElsMed Healthcare Solutions to deliver quality health services to the residents.

1.2.5 Education and Vocational Training

The County government places a strong emphasis on provision of quality education and training as it even aims to improve educational standards continually and support students in attaining their full potential. The county government has continually invested in this sector

through construction of educational facilities and recruitment of ECDE care givers and VTC instructors in a bid to improve educational and training outcomes. Implementation of the school milk feeding programme has positively impacted enrolment and retention rates in all ECDEs across the county.

Over the medium-term, the county will prioritize modernizing ECDEs centres by ensuring each has 2 modern classrooms, an administrative office, 2 trained ECDE care givers and adequate learning and instructional materials. The centres will also be provided with clean water and an ablution block to meet the required hygiene and sanitation standards. The county government will modernize one VTC institution in each sub county into centres of excellence to offer courses highly on demand.

To equip youths with the necessary skills, the county will re-introduce the internship programme and offer scholarships to those who enroll in the county VTC institutions; roll out Fanikisha Youth Programme in partnership with Nyota Programme of the National Government to create opportunities for the youths both within and globally; and engage them on issues affecting them including coaching and mentorship programmes. Additionally, the ultra-modern library planned for construction at the county headquarters will be expedited to offer our children resourceful learning materials.

1.2.6 Trade and Co-operatives

Trade and industrialization are significant contributors to wealth and job creation in the county, ranking third in their contribution to the county's Gross County Product (GCP). The sector possesses the potential to elevate the county's economic status, as outlined in *Nguzo Kumi* and the CIDP, through sustained investments in this sector. Over the past two years, the county government has prioritized agro-processing, focusing on key agricultural value chains it produces, and is keen to implement additional initiatives in other value chains where the county holds a competitive advantage.

In the medium term, the county will focus on completing all market projects and operationalizing those not in use by providing the requisite infrastructure. It will also revamp business development services for MSMEs to access credit, coaching and mentorship programmes; develop flexible licensing plans to foster trade in the county; and establish a database for MSMEs. It will also roll-out Fanikisha Fund to deepen financial inclusion for women and youth, establish a business incubation centre to promote the growth of cottage

industries, and fast-track completion of 64 Ultra-Modern Market and CAIPs to realize the benefits to the residents. The county will also strengthen the cooperative movement to act as a central hub for all socio-economic activities including enhancing markets access for smallholder farmers, providing financial solutions, extension services and delivering information for informed decision-making across the value chains. The county will also develop strategies to improve recovery of loans advanced to residents through various established funds to also benefit others.

1.2.7 Lands and Physical Planning

Land management and administration support secure land tenure rights, land valuation and taxation, and managing the use of land and land development. This can facilitate investment and economic growth, reduced conflicts, and upscaled environmental outcomes. In the next financial year and over the medium term, the government will strengthen this function through development of valuation rolls, land banking for public utility and investment, valuation of county properties, supporting titling of land with prolonged untitled lands and titling of public utilities, and strengthening survey services by geo-referencing land parcels.

In a bid to entrench coordinated physical developments in the county, the government will strengthen its physical planning services. The county plans to prepare valuation roll for the city and 6 upcoming municipalities and trading centres, complete preparation of the Spatial Plan for the county, prepare master plans for urban and peri-urban areas, and local physical development plans (LPDPs). The government will also fast track implementation of all the LPDPs.

1.2.8 City of Eldoret

Eldoret, a long-standing municipality, was conferred a city status on 15th August, 2024, and this portends great potential for the city. The potential lies in infrastructure development, development plan, investment opportunities and economic growth, and administrative capabilities.

In the medium term, the government will need to leverage the opportunities created by the conferment to develop the city for improved service delivery to residents. The government will invest in infrastructure such as roads, non-motorized transport, bus termini, street lighting, markets, solid waste management, upgrading 64 Stadium to develop sports in the county, and modernize fire and emergency equipment. It will also invest in place making to improve open

spaces, and beautification of the four entry points (along Cheplaskei, Airport Road, Cheplaso junction and mailli tisa roads) to enhance aesthetic value of the city.

Over the medium term, the county government will also bolster the business environment in the county through structural reforms in trade and investment, and prepare city development plan, to tap into the anticipated opportunities for economic growth.

1.2. 9 Governance and Service Delivery

Service delivery defines the very existence of the county government, and this is reinforced by the government's governance discourse. In the next financial year and over the medium term, the government will observe the crucial governance principles such as participation, transparency, accountability, responsiveness, rule of law, equity and efficiency to support service delivery to residents of the county. The government will collaborate, partner and network with National Government, private sector, and development partners in implementing policies, programmes and projects. The government will also engage citizens in projects identification as well as during monitoring and evaluation.

Over the medium term, priority will be given to operationalization of all subcounty and ward offices, including completion of construction works, equipping and facilitation of operations. The county will also complete the construction of Ultra-Modern Library, Youth and Innovation Centre, conduct revenue mapping, and prepare sectoral plans.

The above priority programmes will be implemented alongside other sectoral programmes identified during the sector working group meetings. Programmes such Angaza and Stima Mashinani being implemented jointly with REREC and conditional grants projects such as NAVCDP, among others, will be re-aligned to the aforementioned priorities to achieve the targeted outcomes. To build on progress made on the solarization of the county headquarters, more facilities will be targeted for solarization to save on utility costs. Additionally, cross-cutting issues such as climate change, gender and youths will be integrated into all other county development programmes.

2. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

The section presents an overview in which 2024/25 budget was prepared, and outlining the recent economic development at the Global, National and County level.

2.1 Overview of Recent Economic Developments

Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 2025 from 3.3 percent in 2023 supported by easing of global inflation and supply chain constraints. The outlook reflects stronger-than-expected growth in the USA, some large emerging market economies such as India, and improved growth prospects in the UK. The main risks to the global growth outlook relate to disruptions to the disinflation process, potentially triggered by new spikes in commodity prices amid persistent geopolitical tensions, a possible resurgence of financial market volatility with adverse effects on sovereign debt markets, a deeper growth slowdown in China and an intensification of protectionist policies which would exacerbate trade tensions, reduce market efficiency, and further disrupt supply chains.

The Kenyan economy remained strong and resilient in the first three quarters of 2024 despite its growth being relatively slower than the corresponding period in 2023. In the first three quarters of 2024, the 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 services sector. All the economic sub-sectors except mining and construction recorded positive growth rates in the first the quarters of 2024, though the magnitudes varied across the economic activities. The diversified structure of the Kenyan economy remains a key source of resilience to domestic and external shocks.

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 abundant supply of food arising from favorable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices, and the decline

in non-food non-fuel (NFF) inflation reflecting impact of previous monetary policy tightening.

Interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 11.4 percent in December 2024 compared to 11.7 percent in December 2023 and has remained within the prescribed corridor around the CBR (set at CBR $\pm$ 150 basis points). The 91-day Treasury Bills rate also declined to 10.0 percent in December 2024 from 15.7 percent in December 2023. Commercial banks average lending and deposit rates increased in the year to November 2024 in tandem with prevailing tight monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 17.2 percent in November 2024 from 14.6 percent in November 2023 while the average deposit rate increased to 10.4 percent from 10.1 percent over the same period.

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. 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 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 US dollar averaged at KSh.129.4 compared to an average of KSh.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 KSh.135.6 in December 2024 compared to an average of KSh.174.3 in January 2024 while against the Sterling Pound the Kenyan Shilling strengthened by 19.3 percent to exchange at an average of KSh.163.6 compared to an average KSh.202.9, over the same period.

In the capital markets, economic recovery, appreciation of the Kenya Shilling against major international currencies and macroeconomic stability have created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 2,011 points in December 2024 compared to 1,501 points

in December 2023 while market capitalization also improved to KSh 1,940 billion over the same period.

2.2 Impact of National Macroeconomic Variables on County Development

Global and national economic performance impacts either negatively or positively on the development discourse of counties. The global and national macroeconomic variables discussed above have several implications at the county level, influencing economic activity, public finances, and household welfare.

The stabilization of the global economy and improved growth in key economies (USA, India, UK) could enhance trade and investment flows, benefiting counties engaged in export-driven activities such as horticulture, tea, and coffee farming. Kenya's moderate economic growth (4.5% in 2024 vs. 5.6% in 2023) suggests a slowdown that might affect county-level economic activities, particularly in sectors reliant on national government funding and private sector investments. Slower national growth may result in lower revenue collection, potentially reducing county allocations from the national government.

Easing inflation (down to 3.0% in Dec 2024) is positive for households as it reduces the cost of essential goods, particularly food and energy. However, the extent of relief depends on local market dynamics. With agriculture performing well, supported by favorable weather conditions and improved food production, Uasin Gishu county being heavily dependent on farming will see increased farm incomes and improved household purchasing power. Lower fuel prices translate to cheaper transportation and logistics, reducing the cost of doing business and household expenditure.

Declining interest rates (91-day T-bill at 10.0% from 15.7%) indicate improved access to credit, benefiting county-level businesses and households seeking loans. Lower interest rates may encourage county governments to borrow for infrastructure projects, stimulating local economies. However, high commercial bank lending rates (17.2% in Nov 2024) suggest that small businesses and farmers may still face expensive credit, limiting expansion opportunities.

Stronger Kenya Shilling reduces import costs, making inputs for businesses cheaper. Uasin Gishu county being reliant on imported goods and services such as machinery and fertilizers will greatly benefit from cost reductions.

Uasin Gishu County has demonstrated notable economic performance in 2023, contributing significantly to Kenya's overall economy. According to the 2024 Gross County Product (GCP) report by the Kenya National Bureau of Statistics (KNBS), Uasin Gishu accounted for approximately 2.5% of the national Gross Value Added (GVA), ranking it among the top ten counties in economic contribution. This was largely supported by high economic performance in agriculture, followed by transport and trade. In terms of GCP per capita, Uasin Gishu stood at KSh.277,799 in 2023, which is slightly lower than the national GDP per capita of KSh.293.229.

In conclusion, Uasin Gishu county with strong agricultural, trade, and service sectors is likely to experience positive effects. The governments should therefore leverage on these macroeconomic trends to support local businesses, enhance financial inclusion, and improve infrastructure to sustain growth.

2.3 Update on Fiscal Performance and Emerging Challenges

Robust local revenue collection enhances the equitable allocation from the National Treasury, thereby facilitating prudent expenditure controls and fostering a commitment to maintaining a sound balance between developmental and recurrent expenditures. According to Section 107(b) of the Public Finance Management Act of 2012, it is mandated that, over the medium term, at least 30 percent of each County Government's budget must be designated for development expenditures. Consequently, the County will continue to strive for improved efficiency in public spending, ensuring value for money by eliminating non-priority expenditures and implementing effective, efficient, and transparent financial management practices

Fiscal Performance

Revenue collection

During the period under review, the county government collected a total of KSh 1,421,327,951 against a targeted amount of KSh 1,578,147,614, which translates to an achievement of 90 percent.

Expenditure analysis

Additionally, the county government spent a total of KSh. 10,256.01 million on both development and recurrent activities, compared to an approved budget of KSh. 13,286.62

million, resulting in an absorption rate of 77 percent. Actual development expenditure amounted to KSh. 2,522.4 million against a target of KSh. 7,733.61, translating to a 48.9 percent absorption rate, while actual recurrent expenditure stood at KSh. 5,162.11 million against a budget of KSh. 8,124.51 million, translating to a 95 percent absorption level.

Emerging Challenges

- Delayed exchequer releases.
- Existence of numerous incomplete projects.
- The accumulation of unpaid bills at elevated levels adversely affects both the business community and the broader economy.
- Significant spending on personnel emoluments

2.4 Revised Estimates

2.5 County Economic Policy and Outlook

This document outlines the key strategic priorities and policy objectives that will direct the County government in the formulation of its budget for the fiscal year 2025/26 and the subsequent medium term. The anticipated national economic growth will enhance the County's fiscal capacity to execute the policies, programs, and projects delineated in the CIDP III, which is in accordance with the Governor's *Nguzo Kumi* Manifesto and the National Bottom-Up Economic Transformation Agenda.

The County Government will continue to pursue a balanced budget in line with the state fiscal policy objectives over the medium-term period and efforts towards a sustainable County fiscal framework. Recognizing trade as a vital component for wealth generation and job creation, the government will promote both retail and wholesale trade by establishing the Eldoret 64 Ultra-Modern market, promote exports through completion of Export Processing Zone which will support industrialization and economic transformation by providing a conducive environment for manufacturing and export-oriented businesses, advancing the *Inua Biashara* programme to facilitate access to affordable credit for micro, small, and medium enterprises (MSMEs), promote tourism through development of Museum at Eldoret Arboretum and strengthening cooperative through enhancing cooperative revolving fund and capacity building and training. Additionally, the government will maintain its collaboration with the National government to

foster industrialization within the County through the establishment of County Integrated Industrial Parks (CAIPs).

The agricultural sector serves as the foundation of our county's economy, employing over two-thirds of the rural population. Recognizing the sector's critical role in poverty reduction, it is essential to enhance and optimize its performance. Consequently, the County Government will operationalize maize milling plant and persist in its support for the National Fertilizer Subsidy Programme by facilitating last-mile distribution, encouraging value addition initiatives through cooperatives, expanding irrigated land, and promoting the cultivation of high-value crops.

During this timeframe, the County will focus on mobilizing resources to advance the development agenda across various sectors. Efforts will be made to enhance partnerships, collaborations, and connections by implementing inter-governmental consultative forums and securing resources from development partners. Revenue collection will be bolstered by establishing robust legislation to oversee the process, closing any existing loopholes, enhancing enforcement and compliance measures, and fully integrating revenue collection in collaboration with local banks and Safaricom through the adopted revenue system, Sisibo Pay.

2.6 Risks to the Economic Outlook

- Since Uasin Gishu is highly dependent on agriculture, unpredictable weather patterns such as droughts, floods, or erratic rainfall could reduce crop yields and farm incomes.
- Over-reliance on maize farming exposes the county to market price fluctuations and poor harvest seasons.
- Disruptions in fertilizer and farm input supply chains could affect agricultural productivity.
- The decline in Kenya's overall economic growth from 5.6% in 2023 to 4.5% in 2024 could reduce national revenues, affecting county allocations from the National Treasury.
- Poor rural roads and market linkages could limit farmers' ability to sell produce efficiently, leading to post-harvest losses.
- Smallholder farmers and small businesses struggle to access affordable credit due to high interest rates and stringent lending conditions.

- If the county struggles to collect enough local revenue, it may become overly dependent on national transfers, making development projects vulnerable to budget cuts.
- Ballooning wage bill can divert funds from development projects and other critical areas putting a strain of fiscal space.

2.7 Proposed Interventions to the Risks

- Invest in irrigation systems, drought-resistant crops, and climate-smart agriculture to mitigate weather-related risks.
- Promote agricultural diversification. Encourage farmers to grow alternative high-value crops (e.g., horticulture, avocados) to reduce dependence on maize.
- Enhance access to farm inputs & credit by working with financial institutions to provide low-interest credit facilities and subsidized farm inputs.
- Invest in rural roads & market linkages through expansion and improvement of rural road networks to enhance access to markets
- Establish County-based loan & credit schemes with lower interest rates for farmers
- Enhance local revenue collection by implementing better tax administration systems to boost local revenue without overburdening businesses.
- Diversify county revenue streams exploring alternative revenue sources such as tourism, real estate and digital services.
- Retaining both recurrent and development expenditures as stipulated in the Public Financial Management Act of 2012

3. FISCAL PERFORMANCE AND BUDGET FRAMEWORK

This section provides a summary of County's fiscal performance and achievements for the financial year 2023/24 and half year 2024/25. This is key in informing the development path for the FY 2025/26, illuminating the key areas that need more focus in resource allocation.

3.1 Fiscal Performance

The implementation of the budget for FY 2023/24 encountered challenges as a result of economic disruptions arising from the withdrawal of Finance Bill 2024, leading to reductions in allocations to counties by the National Government. This necessitated adjustments to the Budget via supplementary measures. The current budget's performance has also been impeded by the delay in passing of CARA, 2024, which saw expenditures capped at 50 percent at the beginning of the fiscal year, further affecting programme execution.

3.2 Revenue Performance

a) Revenue Performance FY 2023/24

The county received a total of KSh 7.75 billion as its equitable share of the revenue, KSh 992.92 million in additional allocations and conditional grants, a cash balance of KSh 1.47 billion from FY 2022/23, and KSh 1.42 billion in own source revenue (OSR) as indicated in Table 3.1.

Table 3.1: Fiscal Performance for FY 2023/24 and First Half-Year of FY 2024/25

	FY2023/ 24			FY2024/ 25		
	Rev. Estimates	Actual	%of Budget	Approved Budget	Actual as at 31st Dec, 2024	%of Budget
Total Revenue & Grants	13,286,620,000	11,646,130,000	88%	12,088,783,366	4,566,593,641	38
Unspent Bal b/ f	1,479,890,000	1,479,890,000	100%	0	0	0
Revenue (Total)	11,806,730,000	10,166,240,000	86%	12,088,783,366	4,566,593,641	38
Equitable Shareable Revenue	8,426,070,000	7,751,990,000	92%	8,766,325,224	4,190,131,643	48
Local Revenue	1,578,150,000	1,421,330,000	90%	1,395,000,000	376,461,998	27
Grants & Others	1,802,510,000	992,920,000	55%	1,927,458,142	0	0
County Government Expenditure	13,286,620,000	10,256,010,000	77%	12,088,783,366	4,288,835,543	35
Recurrent	8,124,510,000	7,733,610,000	95%	7,374,717,042	3,016,815,358	41
Development	5,162,110,000	2,522,400,000	49%	4,714,066,324	1,272,020,185	27

Own Source Revenue for FY 2023/24

The county recorded its best ever performance in revenue collection last year, collecting a total of KSh 1,404,777,904, representing an 89 percent achievement of the annual target. This performance was attributed to the new system, collection from disposal of assets and compliance, among other measures. The improved performance was mainly driven by the key revenue streams namely rates, single business permits, street parking fees and signboards and advertisement that make up the major internal sources contributing the major component of the internal revenue as indicated in Table 3.2.

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Table 3.2. Own Source Revenue Performance by Stream (July – December FY2024/2025)

REVENUE STREAM	Actual Collection July-June FY 2022/2023	Projections Estimates 2023/2024	Actual Collection July-June FY 2023- 2024	Variance Projections vs Actual Collection July-June FY 2023/2024	Performance Actual vs Budget %
		(A)	(B)	(A-B)	%
Court Fines	9,581,724	8,000,000	2,049,852	-5,950,148	26%
Library fee			396,024		0%
Staff Loan commission	536,739		5,332,144		0%
Impounding charges	4,227,319	5,000,000	4,807,363	-192,637	96%
All Admin/ miscellaneous fees	5,666,275	1,500,000	4,589,800	3,089,800	306%
County Markets	19,251,535	40,000,000	25,125,959	-14,874,041	63%
Business Permits Current Year	215,321,972	250,000,000	198,737,081	-51,262,919	79%
Betting Control	1,131,539	2,000,000	1,535,320	-464,680	77%
Weights and Measures	2,281,440	3,800,000	1,320,100	-2,479,900	35%
Cooperative societies Audit and supervision	4,174,675	4,000,000	3,314,200	-685,800	83%
Sign Boards & Advertisement Fee	79,902,850	100,000,000	116,472,860	16,472,860	116%
Ict & E-government Led Screen	176,550	300,000	1,169,002	869,002	390%
Enclosed Bus Park Fee	112,471,738	125,000,000	114,201,758	-10,798,242	91%
Street Parking Fee	127,008,840	135,000,000	129,823,622	-5,176,378	96%
Clamping Fee	4,352,645	6,000,000	1,639,961	-4,360,039	27%
Right-of-Way / Way-Leave Fee (KPLN, Telkom)	4,621,599	6,000,000	2,075,919	-3,924,081	35%
Fire-Fighting Services	5,548,096	9,000,000	11,548,680	2,548,680	128%
Motor bike Fees	21,096,617	30,000,000	22,968,009	-7,031,991	77%
Land Rates Current Year & Penalties	104,760,334	125,000,000	104,714,832	-20,285,168	84%
Housing Estates Monthly Rent	29,358,556	30,000,000	17,723,237	-12,276,763	59%

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Buildings Plan Approval Fee	17,184,082	40,000,000	14,928,857	-25,071,143	37%
Council Premises Occasional Hire (Offices, etc.)	803,220	1,000,000	182,201	-817,799	18%
Inoculation Fee	2,534,969	5,000,000	1,474,196	-3,525,804	29%
Public Health - Medical Examination	8,342,026	10,000,000	13,885,744	3,885,744	139%
Burial Fees	796,750	800,000	384,730	-415,270	48%
Food Quality Inspection Fee	4,130,417	5,000,000	1,164,658	-3,835,342	23%
Health Centres Services Fee	37,472,079	50,000,000	42,862,000	-7,138,000	86%
Refuse Collection Fee (Conservancy)	27,030,691	30,000,000	27,777,770	-2,222,230	93%
Cleansing Fees (Eldowas)	-	10,000,000	-	-10,000,000	0%
Water Kiosk Sales	44,461	200,000	46,400	-153,600	23%
Sand,Gravel and Ballast Extraction fees	25,713,660	27,918,370	44,275,673	16,357,303	159%
Log/Bark Cess	861,484	2,000,000	1,150,650	-849,350	58%
Public Toilets	988,400	1,500,000	55,000	-1,445,000	4%
Wheat Maize,Milk,and other Produce fees	70,254,427	83,000,000	57,684,190	-25,315,810	69%
Sugar Cess	1,589,676	2,000,000	1,766,982	-233,018	88%
Slaughtering Fee	22,706,698	25,000,000	22,908,907	-2,091,093	92%
Veterinary Services	3,027,694	4,000,000	2,031,926	-1,968,074	51%
Fisheries Fees	18,080	25,000	136,100	111,100	544%
AMS	2,099,384	1,000,000	2,088,010	1,088,010	209%
Staff Insurance	36,450	-	-	-	0%
Staff Surcharge	-	-	1,014,128	-	0%
Disability insurance claim	-	-	249,815	-	0%
Salary Refund	2,673,731	-	60,000	-	0%
Proceeds from sale of assets.	-	399,104,244	399,104,244	-	100%
Direct Banking	341	-	-	-	0%
Total Local Revenue	979,779,764	1,578,147,614	1,404,777,904	-173,369,710	89%

b) Revenue Performance for Half-Year FY 2024/25

As of 31st December 2024, total revenue received was KSh 4,566,593,641, which included KSh 4,190,131,643 as equitable share and KSh 376,461,998 as own source revenue as indicated in Table 3.2. The county did not receive any conditional grants in the period under review because of delays in the passage of County Additional Allocation of Revenue Act.

Own Source Revenue as of 31st December, 2024

Own Source Revenue collection for the first half-year of FY 2024/25 was KSh 376,461,998, against a target of KSh 593,975,000. This represented a 63 percent revenue performance of the half-year target. However, this represented an improvement of 35 percent over the same period previous year, when the collection was KSh. 277,896,565. All but six of the 40 revenue streams fell short of their targets. The top revenue earners for the period under review were land rates, street parking, and business permits as indicated in Table 3.3.

The underperformance in OSR collection during the period under review is attributed to the following challenges:

- Inconsistent property valuation because of lack of valuation rolls
- System challenges (down time) which leads to inability of system to bill customers
- Matatus terminus and boda-boda eating into parking areas
- Inadequate enforcement and compliance
- Inadequate data for compliance
- Use of outdated gadgets for query by compliance team
- Migration of data to Sisibo Pay system registering fewer clients than in the previous system affecting land rates and housing rent
- County houses demolished to pave way for affordable housing led to loss of revenues in form of rent

In the medium term, the County plans to address the underperformance by involving all stakeholders to enhance the OSR performance. Strategies for revenue mobilization in FY 2024/25 and the medium term will encompass:

- Invest in technology gadgets for automated and efficient collections
- Conduct regular awareness campaigns to educate taxpayers about their obligations
- Encourage formalization of businesses through incentives and simplified registration processes.

- Strengthen and update regulatory frameworks to plug loopholes and enhance compliance.
- Invest in data analytics for better decision-making and revenue forecasting. (Carry out data cleansing, migration)
- Diversify revenue sources to reduce dependence on specific sectors by including them in the Finance Bill
- Provide incentives for compliant taxpayers to encourage adherence
- Update and digitize property ownership records for accurate tax assessments
- Enhance enforcement mechanisms across all revenue streams
- Sensitize the public on online registration and payment of County Fees and charges and the consequences of non-payment.
- Cascade the inspections and enforcement in all sub counties and wards
- Prepare valuation roll for the city and 6 upcoming municipalities
- Continuously update the Business Permit database and widen the database of licensed businesses

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Table 3.3. Own Source Revenue Performance by Stream as at 31st December 2024 (July – December FY2024/2025)

Revenue Streams	Projections July-Dec 2024/2025	Actual Collection July- Dec.2024/2025	Variance = Actual Collection vs Projections July-Dec 2024/2025	Growth
	(a)	(b)	(b-a)	{{(b-a)/a} %
Court Fines	250,000	39,900.00	-210,100	-84
Library fee	250,000	-	-250,000	-100
Staff Loan commission	2,750,000	5,172,761.05	2,422,761	88
Staff Payroll Charges	50,000	324,027.85	274,028	548
Impounding charges	3,350,000.00	1,363,050.00	-1,986,950	-59
All Admin/ miscellaneous fees	2,730,000	226,001.00	-2,503,999	-92
County Markets	17,500,000	12,867,315.00	-4,632,685	-26
Business Permits	140,000,000	10,758,250.00	-129,241,750	-92
Betting Control	1,000,000	897,000.00	-103,000	-10
Weights and Measures	1,500,000	764,500	-735,500	-49
Livestock Auction sales	500,000	1,380,400	880,400	176
Cooperative societies Audit	2,000,000	1,292,201	-707,799	-35
Sign Boards & Advertisement Fee	45,500,000	11,759,440	-33,740,560	-74
ICT & E-government Led Screen	800,000	527,124	-272,876	-34
Enclosed Bus Park Fee	62,500,000	57,908,900	-4,591,100	-7
Street Parking Fee	72,500,000	44,825,215	-27,674,785	-38
Clamping Fee	3,000,000	469,000	-2,531,000	-84
Right-of-Way / Way-Leave Fee	3,500,000	164,114	-3,335,886	-95
Fire-Fighting Services	5,250,000	660,500	-4,589,500	-87
Motor bike Fees	15,000,000	8,775,600	-6,224,400	-41
Land Rates Current Year & Penalties	47,250,000	17,346,941	-29,903,059	-63
Housing Estates Monthly Rent	10,000,000	6,781,196	-3,218,804	-32

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Revenue Streams	Projections July-Dec 2024/2025	Actual Collection July- Dec.2024/2025	Variance = Actual Collection vs Projections July-Dec 2024/2025	Growth
Buildings Plan Approval Fee	15,000,000	12,216,604	-2,783,396	-19
Council Premises Occasional Hire	150,000	58,001	-91,999	-61
Inoculation Fee	2,000,000	604,601	-1,395,399	-70
Public Health - Medical Examination	5,495,000	3,562,905	-1,932,095	-35
Burial Fees	400,000	139,201	-260,799	-65
Food Quality Inspection Fee	2,000,000	-	-2,000,000	-100
Health Centres Services Fee	22,500,000	16,386,502	-6,113,498	-27
Refuse Collection Fee (Conservancy)	14,000,000	4,059,940	-9,940,060	-71
Water Kiosk Sales	25,000	1,560,000	1,535,000	6140
Sand, Gravel & Ballast Extraction fees	27,500,000	22,742,461	-4,757,539	-17
Log/Bark CESS	1,250,000	502,304	-747,696	-60
Public Toilets	250,000	-	-250,000	-100
Wheat Maize, Milk & other Produce	48,000,000	18,968,276	-29,031,724	-60
Sugar CESS	1,100,000	1,599,351	499,351	45
Slaughtering Fee	13,500,000	10,604,541	-2,895,459	-21
Veterinary Services	1,750,000	454,210	-1,295,790	-74
Fisheries Fees	100,000	185,900	85,900	86
AMS	1,750,000	126,163	-1,623,837	-93
Staff Insurance	25,000			-100
Asset Recovery		94,072,000.00	94,072,000	-100
Salary Refund		47,591.00	47,591	-100
Direct Banking		4,268,010.55	4,268,011	-100
Total	593,975,000.00	376,461,997.70	-217,488,002.30	-37

a) Expenditure Performance for FY 2023/24

In FY 2023/24, the county spent a total of KSh 10.25 billion on both development and recurrent expenditures, achieving an overall absorption rate of 77 percent. The absorption rates for recurrent and development were 95 percent and 48 percent, respectively. Table 3.2 indicates both revenue and expenditure performance for the previous year and mid-year, 2024.

b) Expenditure Performance for First Half-Year FY 2024/25

In the first half of FY 2024/25, the County spent KSh 4,288,835,543 on both development and recurrent expenditures against a total budget of KSh 12,088,783,366, representing 35 percent of the total budget. Actual recurrent expenditure amounted to KSh 3,016,815,358 against a budget of 6,548,541,506 and development expenditure KSh 1,272,020,185 against a budget of KSh 4,654,066,324 translating to an absorption rates of 46 percent and 27 percent, respectively, as indicated in Table 3.3.

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Table 3.3 Expenditure Performance as at 31st December 2024 (Half- year FY 2024/25)

Economic Item & Title	Recurrent Expenditure				Development Expenditure			
	Approved Estimates FY2024/ 2025 (KSh)	Actual Expenditure FY 2024/ 2025 (KSh)	Variance (KSh.)	Absorption %	Approved Estimates FY2024/ 2025 (KSh)	Actual Expenditure FY 2024/ 2025 (KSh)	Variance (KSh.)	Absorption %
Governor's Office	110,182,319	53,190,961	56,991,358	48	0	0	0	0
Finance	392,244,340	253,524,904	138,719,436	65	0	0	0	0
Public Service Management	866,611,766	464,166,044	402,445,722	54	0	0	0	0
ICT and E-Government	63,506,559	29,316,250	34,190,309	46	26,000,000	6,065,000	19,935,000	23
Roads, Transport and Infrastructure	588,413,328	257,978,294	330,435,034	44	770,085,565	308,255,749	461,829,816	40
Health Services	1,603,720,748	800,959,311	802,761,437	50	240,000,000	97,047,966	142,952,034	40
Agriculture, Livestock and Fisheries	225,523,285	86,315,585	139,207,700	38	342,515,152	64,843,432	277,671,720	19
Trade, Industry, Investment and Tourism	68,539,837	15,843,274	52,696,563	23	128,179,000	8,081,959	120,097,041	6
Education, Social, Cultural, Youths and Sports	626,806,634	228,017,531	398,789,103	36	144,250,113	39,500,000	104,750,113	27
County Public Service Board	63,645,936	19,637,801	44,008,135	31	0	0	0	0
Economic Planning	115,085,896	78,188,996	36,896,900	68	0	0	0	0
Devolution and Public Administration	169,808,210	57,823,675	111,984,535	34	110,379,850	57,913,223	52,466,627	52
Youth and Sports Development	201,065,220	71,703,470	129,361,750	36	117,100,000	32,868,930	84,231,070	28
Co-operatives and Enterprise Development	60,215,854	7,468,995	52,746,859	12	16,500,000	0	16,500,000	0
Livestock Development and Fisheries	48,148,410	11,903,001	36,245,409	25	125,275,000	14,100,900	111,174,100	11
City of Eldoret	168,788,710	92,418,034	76,370,676	55	515,055,948	3,634,000	511,421,948	1
Promotive and Preventive Health	515,176,243	378,776,724	136,399,519	74	74,900,000	1,531,290	73,368,710	2
Energy, Environment, Climate Change and Natural Resources	48,598,038	2,296,197	46,301,841	5	204,000,000	38,838,410	165,161,590	19
Partnership Liaison and Linkages	53,474,235	9,814,638	43,659,597	18				
Gender Social Protection and Culture	148,217,942	63,575,930	84,642,012	43	30,600,000	13,692,234	16,907,766	45
Housing and Urban Development	78,397,619	2,161,110	76,236,509	3	1,012,000,244	379,638,192	632,362,052	38
Lands and Physical Planning	57,049,119	1,384,745	55,664,374	2	80,800,000	11,350,000	69,450,000	14
Water, Irrigation and Sanitation	209,782,767	19,752,132	190,030,635	9	716,425,452	194,658,900	521,766,552	27
Office of the County Attorney	65,538,491	10,597,756	54,940,735	16				
TOTALS	6,548,541,506	3,016,815,358	3,531,726,148	46	4,654,066,324	1,272,020,185	3,382,046,139	27

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3.4 Adherence to Fiscal Responsibility Principles

In accordance with Section 107 of the Public Finance Management (PFM) Act of 2012 and the PFM (County Government) Regulations 2015, and in keeping with prudent and transparent management of public resources, the county government will strive to adhere to the fiscal responsibility principles outlined in these statutes. Thus,

Maintaining a Balanced Budget – The law states that the county government’s recurrent expenditure shall not surpass its total revenues. In compliance to this, the county has maintained a balanced budget and commits to implement the same over the medium-term period.

Compliance with the Requirement for Expenditure on Wages – Regulation 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that county governments’ wage bill shall not exceed 35 percent of its total revenues. In conformity to this requirement, the expenditure on wages and benefits now stands at 38 percent and it’s anticipated to grow by 7 percent in FY 2025/26 and over the medium term. The high wage bill calls for measures to keep it within the prescribed limits.

Adherence with the Requirement for Development Spending Allocations – In compliance with Section 107(2) (b) of the PFM Act, 2012 the government allocation to development expenditures stood at 39 percent during the review period and it’s expected to decline by 19 percent in the FY 2024/25 and over the medium-term plan as indicated in table 3.2, attributable to the overall decrease in grants.

County Debt Financing to be used for development – Any government borrowing shall be utilized in financing development expenditure and not recurrent expenditure. The county will continue to implement a balanced budget. However, any borrowing undertaken will be solely used to finance development programmes and projects in accordance with Section 107 (2) (d) of the PFM Act, 2012 and the Borrowing Framework for sub-nationals.

3.5 Fiscal and Policy statements towards the 2025/26 budget

Management of pending bills: There has been a rapid accumulation of the county pending bills resolving it remains a key priority to keep the county afloat. The county treasury plans to reverse the accumulation of pending bills in the FY 2025/26 by prioritizing their payment.

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Expenditure Management: In the previous years, revenue has continuously failed to meet its target. The expenditure resulting from uncontrolled commitments has led to a relentless accumulation and rise in pending bills. To counter this challenge, and to ensure proper management of expenditure by sectors, the county treasury will synchronize quarterly cash flow projections with sector commitments. This will be accomplished through the issuance of regular expenditure circulars. This will ensure that the county's spending aligns with the cash flow.

Project Management: The county has had challenges in implementation of development projects. This has been established to stem from poor conceptualization of projects, compounded by poor financing and payment to contractors. In the medium term, the county will entrench Public Investment Management (PIM) process in all sectors and continue the sector-wide capacity development on project design, planning and management. This will ensure that only projects with the highest impact to the communities are funded. The pre-feasibility and feasibility studies, along with Monitoring and Evaluation, will serve as pivotal factors in the successful completion of projects and the effective utilization of development funds.

Untapped revenue potential: The county will continue to expand its revenue base by targeting previously untapped segments. According to CRA, the County has a revenue potential of KSh 2.7 billion, which it aims to achieve. The county will develop more effective strategies to increase revenue collection and bring on board sectors that have hitherto operated outside the scope of our revenue net.

Debt Financing Policy: The county will only borrow for development purposes, in accordance with the County Debt Management Strategy and the National Treasury's Borrowing Frameworks for counties. Only bankable projects will be considered for finance through borrowing under a predetermined framework established by the County Treasury.

External resource mobilization: Overreliance on OSR and Equitable share has tethered the County to a cyclical trap of underfunding and under-achievement from the onset of County government. A radical shift in sourcing for budget financing options will unclog this challenge and channel the county towards an enhanced fiscal space. In the medium term, the county will enhance its Resource Mobilization Committee to seek more resources to supplement Own Source Revenue.

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It will also seek assistance from the National Government and partners to see its main flagship projects through to completion.

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4. FY 2025/26 BUDGET & MEDIUM-TERM EXPENDITURE FRAMEWORK

This section addresses the County Government's three-year budget framework as well as its FY 2025/26 MTEF expenditure priorities.

4.1 FY 2025/26 Fiscal Framework

The county budget is expected to fall by 0.65 per cent to KSh 10,181,035,213 in FY 2025/26 compared to the current fiscal year due to the exclusion of grants, as the same for 2024/25FY has not been approved by both houses of the Senate and the National Assembly, with all indications that the disagreement will not be resolved in the near term.

4.1.1 Resource Projections

The equitable share allocation is expected to remain steady at KSh 8,881,035,213 in FY 2025/26, while Own Source Revenue (OSR) is expected to decrease by 0.93 percent to KSh 1,300,000,000 in FY 2024/25, up from KSh 1,395,000.00 in the current fiscal year.

4.1.2 Expenditure Projections

Overall spending is expected to fall by 0.65% to KSh 10,181,035,213 in FY 2024/25, down from KSh 10,247,307,488 in FY 2023/24. Recurrent spending is forecasted at KSh 7,126,724,649, while development spending is set at KSh 3,054,310,564, contributing for 70% and 30%, respectively. This is due to poor performance in own-source income in the first half year of this fiscal year. Furthermore, employee remuneration will remain the most major expense in the medium future, accounting for 45 percent of the entire budget.

4.1.3 Ward Projects Allocation

In accordance with the Uasin Gishu County Equitable Development (UGCED) Act of 2019, which requires the executive to commit 40% of total development expenditure to fund ward projects identified by residents, the county has allocated a total of KSh 1,221,724,226 to be divided equally among all thirty (30) wards, equating to KSh 40,724,140 per ward.

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4.1.4 Overall Budget Financing

For the fiscal years 2024/25 to 2026/27, the County desires to keep its budget balanced. Any shortfalls will be resolved by borrowing in accordance with the PFM Act of 2012, and the money will be utilized solely for development. The County will improve its own source revenue performance, explore Public Private Partnership (PPP) ideas, and increase public spending efficiency.

4.2 Medium-Term Spending Proposals

Table 4.1 shows the projected baseline ceilings for the 2024/25 - 2026/27 MTEF period, broken down by sector and subsector.

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Table 4.1 shows the projected baseline ceilings for the 2025/26 - 2027/28 MTEF period, by sector and subsector

Sector	MDAs	Estimates			FY 2025/26					2026/2027		2027/2028	
	County Departments & Agencies	2024/2025 (a)			CBROP Ceiling	CFSP Ceiling (b)			% Change ((b-a)/a)	Projections			
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total		Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
Administration and Governance Sector	Governor	110,182,319	0	103,334,200	106,028,943	100,055,807	0	100,055,807	-3.17%	102,557,202	0	105,121,132	0
	% of Total Expenditure	1.08%	0.00%	1.01%	1.08%	1.40%	0.00%	0.98%		0.88%	0.00%	0.88%	0.00%
	Finance	379,056,150	0	366,185,907	276,379,725	367,734,277	0	367,734,277	0.42%	376,927,634	0	386,350,825	0
	% of Total Expenditure	3.70%	0.00%	3.57%	2.70%	3.61%	0.00%	3.23%		3.23%	0.00%	3.23%	0.00%
	Economic Planning	115,085,896	0	103,941,517	101,114,420	108,669,939	0	108,669,939	4.55%	111,386,687	0	114,171,354	0
	% of Total Expenditure	1.12%	0.00%	1.01%	0.99%	1.07%	0.00%	0.95%		0.95%	0.00%	0.95%	0.00%
	PSM	866,611,766	0	651,185,901	701,640,171	923,675,592	0	923,675,592	41.85%	946,767,482	0	970,436,669	0
	% of Total Expenditure	8.46%	0.00%	6.35%	6.85%	9.07%	0.00%	8.10%		8.10%	0.00%	8.10%	0.00%
	Administration and Devolution	169,808,210	110,379,850	199,941,844	213,315,634	114,234,578	60,000,000	174,234,578	-12.86%	117,090,443	61,500,000	120,017,704	63,037,500
	% of Total Expenditure	1.66%	1.08%	1.95%	2.08%	1.12%	0.53%	1.53%		1.00%	0.53%	1.00%	0.53%
	CPSB	63,645,936	0	64,789,377	60,559,588	68,095,936	0	68,095,936	5.10%	69,798,334	0	71,543,293	0
	% of Total Expenditure	0.62%	0.00%	0.63%	0.59%	0.67%	0.00%	0.60%		0.60%	0.00%	0.60%	0.00%
	Partnership.Liason and Linkages	53,474,235	-	59,450,000	44,762,399	34,374,235	-	34,374,235	-42.18%	35,233,591	0	36,114,431	0
	% of Total Expenditure	0.52%	0.00%	0.58%	0.44%	0.34%	0.00%	0.30%		0.30%	0.00%	0.30%	0.00%
	Ward Projects	0	0	0	0	0	0	0	100.00%		0		0
	% of Total Expenditure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
	C ASS	825,565,536	60,000,000	846,524,510	839,359,869	797,473,168	40,000,000	837,473,168	-1.07%	817,409,997	41,000,000	837,845,247	42,025,000
	% of Total Expenditure	8.06%	0.59%	8.26%	8.19%	7.83%	0.35%	7.35%		6.99%	0.35%	6.99%	0.35%
	CA	65,538,491	0	10,725,857	60,626,617	68,599,716	0	68,599,716	539.57%	70,314,709	0	72,072,577	0
	% of Total Expenditure	0.64%	0.00%	0.10%	0.59%	0.67%	0.00%	0.60%		0.60%	0.00%	0.60%	0.00%
Sub-Totals	2,648,968,539	170,379,850	2,406,079,113	2,403,787,366	2,582,913,249	100,000,000	2,682,913,249	11.51%	2,647,486,080	102,500,000	2,713,673,232	105,062,500	
% of Total Expenditure	25.85%	1.66%	23.48%	23.46%	25.37%	0.88%	23.53%		22.66%	0.88%	22.66%	0.88%	

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Sector	MDAs	Estimates			FY 2025/26					2026/2027		2027/2028	
	County Departments & Agencies	2024/2025 (a)			CBROP Ceiling	CFSP Ceiling (b)			% Change ((b-a)/a)	Projections			
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total		Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
Agriculture, Rural and Urban Development (ARUD)	Agriculture and Agri-Business	225,523,285	342,515,152	731,657,218	495,375,424	209,804,371	109,467,929	319,272,300	-56.36%	215,049,481	112,204,627	220,425,718	115,009,743
	% of Total Expenditure	2.20%	3.34%	7.14%	4.83%	2.06%	0.96%	2.80%		1.84%	0.96%	1.84%	0.96%
	Lands and Physical Planning	57,049,119	80,800,000	209,560,929	252,060,017	54,949,119	81,104,476	136,053,595	-35.08%	56,322,847	83,132,088	57,730,918	85,210,390
	% of Total Expenditure	0.56%	0.79%	2.05%	2.46%	0.54%	0.71%	1.19%		0.48%	0.71%	0.48%	0.71%
	Livestock and Fisheries	48,148,410	125,275,000	239,737,806	141,957,139	46,048,410	200,628,322	246,676,733	2.89%	47,199,621	205,644,030	48,379,611	210,785,131
	% of Total Expenditure	0.47%	1.22%	2.34%	1.39%	0.45%	1.76%	2.16%		0.40%	1.76%	0.40%	1.76%
	Housing and Urban Development	78,397,619	1,012,000,244	311,989,063	75,488,793	41,397,619	47,190,125	88,587,743	-71.61%	42,432,559	48,369,878	43,493,373	49,579,125
	% of Total Expenditure	0.77%	9.88%	3.04%	0.74%	0.41%	0.41%	0.78%		0.36%	0.41%	0.36%	0.41%
	Municipality of Eldoret	168,788,710	515,055,948	234,402,824	207,861,335	103,188,710	75,000,000	178,188,710	-23.98%	105,768,428	76,875,000	108,412,639	78,796,875
	% of Total Expenditure	1.65%	5.03%	2.29%	2.03%	1.01%	0.66%	1.56%		0.91%	0.66%	0.91%	0.66%
	Sub-Totals	577,907,143	2,075,646,344	1,727,347,840	1,172,742,708	455,388,230	513,390,852	968,779,082	-43.92%	466,772,935	526,225,623	478,442,259	539,381,264
	% of Total Expenditure	5.64%	20.26%	16.86%	11.44%	4.47%	4.50%	8.50%		3.99%	4.50%	3.99%	4.50%
General Economic and Commercial Affairs Sector	Trade Development and industrialization	68,539,837	128,179,000	395,238,929	159,312,957	46,839,837	89,771,279	136,611,116	-65.44%	48,010,833	92,015,561	49,211,104	94,315,950
	% of Total Expenditure	0.67%	1.25%	3.86%	1.55%	0.46%	0.79%	1.20%		0.41%	0.79%	0.41%	0.79%
	CO-OP and Ent	60,215,854	16,500,000	120,141,587	75,817,743	38,115,854	53,068,528	91,184,381	-24.10%	39,068,750	54,395,241	40,045,469	55,755,122
	% of Total Expenditure	0.59%	0.16%	1.17%	0.74%	0.37%	0.47%	0.80%		0.33%	0.47%	0.33%	0.47%
	Sub-Totals	128,755,691	144,679,000	515,380,516	235,130,700	84,955,691	142,839,806	227,795,497	-55.80%	87,079,583	146,410,802	89,256,573	150,071,072
	% of Total Expenditure	1.26%	1.41%	5.03%	2.29%	0.83%	1.25%	2.00%		0.75%	1.25%	0.75%	1.25%
Infrastructure and ICT Sector	Roads	588,413,328	770,085,565	958,209,713	1,385,171,360	665,613,328	820,861,700	1,486,475,028	55.13%	682,253,661	841,383,243	699,310,002	862,417,824
	% of Total Expenditure	5.74%	7.52%	9.35%	13.52%	6.54%	7.20%	13.04%		5.84%	7.20%	5.84%	7.20%
	Water, Irrigation and Sanitation	209,782,767	716,425,452	700,675,898	685,781,779	174,082,767	485,529,089	659,611,856	-5.86%	178,434,837	497,667,316	182,895,708	510,108,999
	% of Total Expenditure	2.05%	6.99%	6.84%	6.69%	1.71%	4.26%	5.79%		1.53%	4.26%	1.53%	4.26%

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Sector	MDAs	Estimates			FY 2025/26					2026/2027		2027/2028	
	County Departments & Agencies	2024/2025 (a)			CBROP Ceiling	CFSP Ceiling (b)			% Change ((b-a)/a)	Projections			
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total		Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
	ICT & e-govt.	63,506,559	26,000,000	105,338,170	80,416,304	61,406,559	50,000,000	111,406,559	5.76%	62,941,723	51,250,000	64,515,266	52,531,250
	% of Total Expenditure	0.62%	0.25%	1.03%	0.78%	0.60%	0.44%	0.98%		0.54%	0.44%	0.54%	0.44%
	Environment, Climate Change and Natural Resources	48,598,038	204,000,000	169,821,008	219,885,041	46,498,038	330,509,921	377,007,959	122.00%	47,660,489	338,772,669	48,852,001	347,241,986
	% of Total Expenditure	0.47%	1.99%	1.66%	2.15%	0.46%	2.90%	3.31%		0.41%	2.90%	0.41%	2.90%
	Sub-Totals	910,300,692	1,716,511,017	1,934,044,789	2,371,254,484	947,600,692	1,686,900,710	2,634,501,402	36.22%	971,290,709	1,729,073,228	995,572,977	1,772,300,059
	% of Total Expenditure	8.88%	16.75%	18.87%	23.14%	9.31%	14.80%	23.11%		8.31%	14.80%	8.31%	14.80%
Health Services	ClinicalServices	1,603,720,748	240,000,000	2,427,627,554	1,874,026,657	1,589,500,749	175,000,000	1,764,500,749	-27.32%	1,629,238,267	179,375,000	1,669,969,224	183,859,375
	% of Total Expenditure	15.65%	2.34%	23.69%	18.29%	15.61%	1.53%	15.48%		13.94%	1.53%	13.94%	1.53%
	Promotive and Preventive Health	515,176,243	74,900,000	78,662,204	662,948,071	546,176,243	116,118,920	662,295,163	741.95%	559,830,650	119,021,893	573,826,416	121,997,440
	% of Total Expenditure	5.03%	0.73%	0.77%	6.47%	5.36%	1.02%	5.81%		4.79%	1.02%	4.79%	1.02%
	Sub-Totals	2,118,896,991	314,900,000	2,506,289,758	2,536,974,728	2,135,676,992	291,118,920	2,426,795,912	-3.17%	2,189,068,917	298,396,893	2,243,795,640	305,856,815
	% of Total Expenditure	20.68%	3.07%	24.46%	24.76%	20.98%	2.55%	21.29%		18.73%	2.55%	18.73%	2.55%
Education and Social Protection Sector	Education and Vocational Training	626,806,634	144,250,113	815,132,053	750,609,868	581,106,634	170,783,810	751,890,444	-7.76%	595,634,300	175,053,406	610,525,157	179,429,741
	% of Total Expenditure	6.12%	1.41%	7.95%	7.32%	5.71%	1.50%	6.59%		5.10%	1.50%	5.10%	1.50%
	Youth and Sports	201,065,220	117,100,000	267,453,167	211,348,886	200,965,220	127,478,680	328,443,900	22.80%	205,989,350	130,665,647	211,139,084	133,932,288
	% of Total Expenditure	1.96%	1.14%	2.61%	2.06%	1.97%	1.12%	2.88%		1.76%	1.12%	1.76%	1.12%
	Gender, Social Protection and Culture	148,217,942	30,600,000	75,580,252	130,521,359	138,117,942	21,797,785	159,915,727	111.58%	141,570,891	22,342,730	145,110,163	22,901,298
	% of Total Expenditure	1.45%	0.30%	0.74%	1.27%	1.36%	0.19%	1.40%		1.21%	0.19%	1.21%	0.19%
	Sub-Totals	976,089,796	291,950,113	1,158,165,472	1,092,480,112	920,189,796	320,060,275	1,240,250,071	7.09%	943,194,541	328,061,782	966,774,404	336,263,327
	% of Total Expenditure	9.53%	2.85%	11.30%	10.66%	9.04%	2.81%	10.88%		8.07%	2.81%	8.07%	2.81%

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Sector	MDAs	Estimates			FY 2025/26					2026/2027		2027/2028	
	County Departments & Agencies	2024/2025 (a)			CBROP Ceiling	CFSP Ceiling (b)			% Change ((b-a)/a)	Projections			
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total		Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
	Grand Totals	7,360,918,852	4,714,066,324	10,247,307,488	9,812,370,099	7,126,724,649	3,054,310,564	10,181,035,213	-0.65%	7,304,892,765	3,130,668,328	7,487,515,085	3,208,935,036
	% of Total Expenditure	71.83%	46.00%	118%		70%	30%	100.00%		70%	30%	70%	30%

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4.3 Apportionment of Base Ceilings

The allocations in the ceilings considered the Nguzo Kumi's priority programme, CIDP 2023-28, the re-allocation of underspending programmes, and the completion of all existing capital projects for the present term. On the other hand, the County Assembly's cap is decided by the Commission of Revenue Allocation (CRA).

Figure 4.1: Showing in Allocations per sector in FY 2025/26

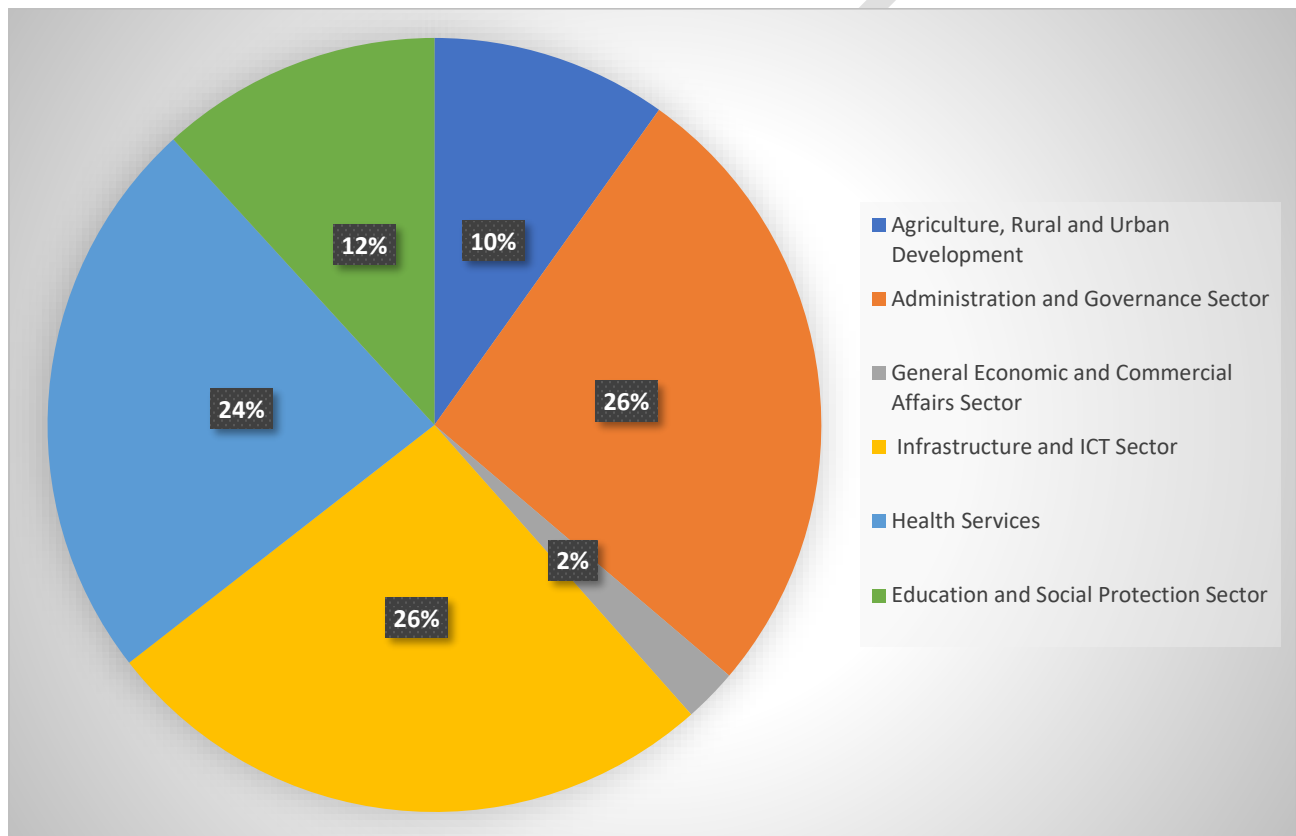


Figure 4.1 illustrates that the Administration and Governance Sector will receive the largest allocation of 26 percent of total resources, same as Infrastructure Sectors and Health at 24 percent, and the General Economic and Commercial Affairs Sector will receive the smallest allocation at 2 percent. Additionally, the ward projects established by the UGCED Act, 2019 represent 40 percent of the total development spending.

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4.4 Details of Sector Priorities

During the MTEF period 2025/2026 - 2027/28, the sectors prioritized programmes and projects that were aligned with the Nguzo Kumi and the CIDP (2023-2027).

I. Administration and Governance Sector

The sector comprises the Office of the Governor; Finance and Economic Planning; Public Service Management, Administration and Devolution Units; County Public Service Board; and County Assembly. Its core mandate includes entrenching good governance, providing quality services, and ensuring prudent management of public finance.

During the 2021/22-2023/24 MTEF period, the sector established one service delivery center, trained officers in various public service modules, automated HR processes (e-mail and leave applications), completed the Turbo sub-county office, and is currently constructing 11 ward offices at various stages of completion. The sector also implemented a new revenue system, sisibo pay, established a one-stop revenue shop, Uasin Gishu Service Centre, and developed all necessary PFM documents, as well as coordinated monitoring and evaluation of county policies, programmes, and projects.

In the medium-term period FYs 2025/26 - 2027/28, the sector has prioritized programmes and projects that align with Nguzo Kumi and the CIDP. The sector is going to implement several key initiatives, including the completion of the Ultra-Modern Library, the Youth and Innovation Centre, enhancement measures for OSR, and the preparation of sectoral plans. The sector will continue to improve efficiency and effectiveness in service delivery, ensuring prudent management of public resources, and strengthening monitoring and evaluation.

The Sector has been allocated KSh 2,682,913,249, KSh 2,747,986,080, and KSh 2,818,709,732 for the prioritized programmes in FY 2025/26, FY 2026/27, and FY 2027/28, respectively.

II. Infrastructure & ICT Sector

The sector comprises four subsectors: Roads, Transport, Energy and Public Works; Water, Sanitation and Irrigation; Environment, Natural Resources and Climate Change; and ICT and Innovation.

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During the FY 2021/22 – 2023/24, the sector realized the following achievements: constructed 8 bridges and box culverts; graded over 1039.85 KM and graveled 236.2 KM of roads annually; maintained 236.2 KM of roads annually; and installed approximately 964.3 meters of culverts annually.

The sector drilled 25 boreholes, protected 12 springs, developed 9 river/ stream abstraction, rehabilitated 3 dams, rehabilitated 6 water supplies and laid 180 KM of distribution line of water. It also operationalized Uasin Gishu Rural Water and Sanitation Company to develop and manage water supplies, solarized 83 community projects and planted over 500,000 trees. The sector also made progress towards electrification of rural areas in collaboration with REREC with 39 designs done and 5 sites being worked on by contractors; as well as solarization of the county headquarters.

The sector further installed one ERP, connected 25 offices with internet, established one call center at Kapseret SC office and trained over 900 youths in partnership with Jiajiri Project.

In the MTEF period of 2025/2026 to 2027/2028, the sector plans to complete and operationalize the asphalt plant in Kiplombe, construct tarmac roads targeting 1 KM in each of the 6 upcoming municipalities, acquire burrow pits for gravelling of key roads linking wards, and survey and demarcate all county roads. It also plans to improved drainage systems in all roads by installing and maintaining culverts across the county and construct bridges at various locations including Tuigoin-Murgor (Tapsagoi), Kanyangi (Sergoit), Segero (Segero/Barsombe), Simam (Tarakwa), Tendwo (Kaptagat), Ziwa Machine-Cheplelaibei (Ziwa), and UG High School (Huruma and Kipkenyo), along with box culverts at Kapsumbeiywet-Kampi Chonjo (Kapkures), Kabomoi (Karuna/Meibeki), and Cheplaskei (Tulwet/Chuiyat). The sector will also complete the drugs store.

Additionally, the sector will complete all ongoing water projects and ensure last mile connectivity by URWASCo across the 3 clusters. Cluster 1 comprises 5 wards, Cluster 2 comprises 11 wards, and Cluster 3 comprises 11 wards (Ndabarnach Dam, Tarakwa/Mosop, Kuresok water project, Tamboiyot/Mikwen, Ngenyilel 2 dam, Kapmaiyo/Tapsagoi, Kapsaos Springs, Kapchemelil, and Kaburgei).

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The sector will further through the REREC implement *Stima Mashinani* programme targeting installation of 75 transformers across the rural wards; support distribution works for Beliombo, Cheptiret, and Kimuri/Kipsimoo water projects through FLoCCA as well as propagation of seedlings at ATC Chebororwa.

To ensure the successful implementation of these programs during the MTEF period from 2025/2026 to 2027/2028, the sector has been granted budget allocations of KSh 2,634,501,402 for FY 2025/2026, KSh 2,700,363,937 for FY 2026/2027, and KSh 2,767,873,036 for FY 2027/2028.

III. Health Sector

The sector is comprised of two departments: Clinical Services and Promotive and Preventive Health. Its core mandate is the provision of accessible and affordable healthcare of the highest attainable standards to all residents.

The achievements for the sector for the previous FYs 2021/22 – 2023/24 are: launch of 70 bed capacity Mama Rachel Hospital; establishment of 10 bed capacity rehabilitation centre at Moiben SCH; establishment of an isolation centre for highly infectious diseases at Kamalel; construction/ rehabilitation of 124 dispensaries across the county; construction/ renovation of 17 health centres across the county; and the ongoing construction of 3 Sub County Hospitals (Ziwa, Turbo, Kesses) all at different levels of completion. In addition, the sector established 7 revolving pharmacies (UGDH, Ziwa SCH, Pioneer HC, Huruma HC, Turbo SCH, Burnt Forest SCH, Moi's bridge HC), improved the order fill rate for health products and technologies which stood at 79 percent against a target of 100 and completed the emergency response call centre. The sector had also established one orthopaedic rehabilitation centre at the UGC Referral Hospital as well operationalized 3 Health Facilities to offer radiology services.

Other health interventions by the sector during the period under review include improved reproductive health for our mothers; implemented the Afya Bora Mashinani programme by engaging 2005 Community Health Promoters (CHPs) to deliver preventive and promotive healthcare at the household level; continued with immunization programme; sensitized communities on Non-Communicable Disease (NCD) and carried out its routine activities such as

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screenings, school's sensitization on Menstrual Health Management (MHM), deworming of school going children among others.

In the FY 2025/26 and the Medium Term, the sector will complete and operationalize the Uasin Gishu Diagnostic Centre to offer ultra-modern diagnostic services; upgrade Kapteldon Hospital and rehabilitate 10 health facilities i.e. Turbo Hospital, Soy, Moi's Bridge, Cheramei, Kisor, Cheptiret/Sengalo, Kapng'etuny, Ng'elele Tarit, Chembulet, and Merewet to enable them offer better healthcare services; and construct a Level 4 hospital in Moiben Sub County, a Sports, physiotherapy, and chiropractic hospital in Ainabkoi subcounty in collaboration with National Government. The sector will also allocate adequate resources for drugs and medical supplies and enhance human resources for health. These efforts aim to significantly improve healthcare infrastructure, access, and quality of services in the county.

To carry out these programs, the sector has allocated KSh 2,426,795,912 for FY 2025/2026, KSh 2,487,465,810 for FY 2026/2027, and KSh 2,549,652,455 for FY 2027/2028.

IV. Education and Social Protection

The sector comprises three departments, thus; Education and Technical Training; Gender, Culture and Social Protection, and Youth Affairs and Sports. It is responsible for the provision of quality ECD education and skills development, talent nurturing and development in the areas of sports and creative economy, gender mainstreaming, and community development in an effort to build cohesive society.

During the period under review, the sector constructed 107 ECDE classrooms, rolled out a school milk programme for ECDE learners benefiting over 36,000 learners, disbursed bursaries to over 26,123, and placed over 11,640 youths on mentorship programmes. The sector also issued 383 assistive devices to PWD, established 76 child protection centers, and continued with the construction of the Chebol special needs assessment center and Girl Guides center at Ngeria.

Additionally, the sector progressed with the construction of the Chagaiya high-altitude training camp, upgraded several playing grounds across the county, and organized sporting events and activities, including the Governor's Cup, as well as the training of 435 sports officials drawn from across the county on various field management modules.

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In the MTEF period from 2025/2026 to 2027/2028, the sector will focus on a number of key projects. These include modernizing 50 percent of the existing ECDE centers, completing the Ng'enyilel VTC, constructing the Mutwot and Kemeliet VTCs, and modernizing 6 VTCs into centers of excellence (Kanetik VTC, Kiwato VTC, Lenguse VTC, Sorgorik VTC, and Eldoret VTC). The sector will also invest in VTC co-funding programmes with partners, initiate the Fanikisha Vijana Programme, and complete and equip the youth empowerment center at Racecourse. These efforts aim to significantly enhance the quality of education, accessibility, and infrastructure for the benefit of the community.

To carry out these programmes in the coming fiscal years, the sector has been allocated KSh 1,240,250,071 for FY 2025/2026, KSh 1,271,256,223 for FY 2026/2027, and KSh 1,303,037,731 for FY 2027/2028.

V. General Economic and Commercial Affairs Sector

The sub-sectors under the GECA sector are Trade, Tourism, Investment and Industrialization, Cooperatives and Enterprise Development and County Enterprise Fund. It is a key player in the delivery of the empowerment pillar in terms of value addition, trading and industrialization.

During the period under review, the construction of CAIPS in Moiben and EPZ at Cherunya was ongoing at 50 and 45 percent completion rates, respectively; a total of 40 MSMEs trained and linked to export market; promoted fair trade and business through weights and measures services; developed 2 tourism products at Kesses Dam and River Sosiani nature park; entered partnership with KICC to develop MICE tourism in the county. The sector further strengthened the cooperatives through capacity building programmes, issued loans through CEDF and registered 24 new cooperatives societies.

During the MTEF period of 2025/2026 to 2027/2028, the sector intends to support MSMEs through various business development services such as credit, coaching, and mentorship programs, among others; launch the Fanikisha Fund; support farmers in aggregating production around CAIPs; and establish a Business Incubation Centre to promote industrialization. The sector will also complete the development of a museum at the Eldoret Arboretum and expedite the completion of the 64 ultramodern market currently being constructed by the National Government.

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The sector has been allocated budgets of KSh 227,793,497 for FY 2025/26, KSh 233,490,385 for FY 2026/27, and KSh 239,327,645 for FY 2027/28. These allocations will ensure the successful implementation of various programmes and projects by providing the necessary resources and infrastructure.

VI. Agriculture Rural and Urban Development Sector

The Agriculture Rural and Urban Development (ARUD) sector comprises five sub-sectors namely; Agriculture and Agribusiness; Livestock Development and Fisheries; Lands and Physical Planning; Housing and Urban Development; and the Municipality of Eldoret.

The sector comprises Agriculture and Agribusiness, Livestock Development and Fisheries, Lands and Physical Planning, Housing and Urban Development, and the Municipality of Eldoret Sub-Sectors. The sector is central to attaining food security and nutrition, proper land administration and control, and delivery of affordable and decent housing.

During the period FYs 2021/22 – 2023/24, the sector achieved the following: completed construction of one grain store at Kimoning and started construction of a cold storage facility at Ainabkoi for post-harvest management; trained over 10000 farmers annually on soil testing, water management and environmental conservation; distributed over 100833 seedlings of various high value crops (Avocado, Macadamia, Coffee) annually to farmers for crop diversification; and supported farmers on crop pest disease control.

To improve livestock production, the sector adopted 4 modern climate smart technologies and innovations, established 3500 acreage of climate smart fodder and Artificially Inseminated 22000 animals annually. It also promoted apiculture by issuing over 600 bee hives to farmers, supported over 420 women groups through *inua mama na kuku* programme as well as issued dorper sheep to farmers cross the county. Additionally, the sector rehabilitated 68 cattle dips and supplied acaricides to 174 cattle dips across the county. To increase fish production, 90 farmer groups were supplied with fishing equipment, one new pond system established and a total of 200 farmers trained on fisheries management practices.

The sector also acquired 2.1 Ha of land for public use, established a GIS lab and developed one Integrated Physical Development Plan (IPDP) in addition to construction of deputy governor's

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residence, renovation of county estates and government offices. Construction of Ziwa Town Managers office and installation of 20 signboards in public utilities was also completed. The sector also continued with the construction of 64 stadium which is at a completion rate of 74 percent.

During FY 2025/26 and the medium term, the sector will focus on completing and equipping the 6 agro-processing centers that are currently being constructed. The sector will also promote edible oil crops like canola and sunflower, as well as French beans, pulses, and vegetables for export. It will set up a seedling production at ATC Chebororwa to provide farmers with certified seedlings and irrigate more land to support agribusiness. The sector will also establish aggregation centers at the ward level for contract farming on selected value chain crops, establish model demo farms, and empower youths through the Fanikisha programme, which includes mentorship and the provision of equipment. The sector will further continue with subsidized AI services, equip and operationalize one milk cooler per ward, and revamp extension services.

The Lands sub-sector will implement titling programmes in areas with prolonged untitled lands; complete the spatial plan; prepare valuation rolls for the city and the six to be chartered municipalities; and secure all public utilities. The sector will also improve solid waste management within the city and major urban centers; beautification and placemaking within the city and its environment; complete the 64 Stadium; and modernize fire equipment by acquiring new fire engines for Eldoret, Burnt Forest, and Maili Nne fire stations and constructing additional fire stations at Moi's Bridge, Kesses, Cheramei, and Ziwa. Additionally, the sector will construct a modern city bus park, complete the Deputy Governor's residence, and landscaping the four entry points of the city (along with Cheplaskei, Eldoret Airport, Maili Tisa, and Chepkoilel Junction).

To implement these programmes, the sector has been allocated KSh 968,779,082 for FY 2025/26, KSh 992,998,558 for FY 2026/27, and KSh 1,017,823,523 for FY 2027/28. These funds will support the effective execution and sustainability of the planned initiatives.

4.5 Criteria for Resource Allocation and Fiscal Objectives for 2025 – 2026

Resource allocation presents a complex challenge, particularly due to the scarcity of resources in relation to the competing demands. The total resource requirement for all sectors to fully discharge their mandate for the FY 2025/26 is KSh. 10,181,035,213. The anticipated revenue is KSh.

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10,181,035,213. To strike a balance between available resources and sector demands, certain sector priorities will remain without funding and will be given priority for financing in the upcoming years. Several factors guided the allocation of resources across different sectors.

4.5.1 Non-discretionary Expenditures

Since certain expenditures are unavoidable, they will be prioritized before all other allocations are made. In this context, adequate resources will be allocated to salaries and wages, utilities and insurance ahead of considering other expenditure areas. Personnel emoluments continue to be the largest expenditure in the budget.

4.5.2 Allocation for development and counterpart funding

The fiscal responsibility outlined in the PFM Act, 2012 requires that a minimum of 30% of resources be allocated for development expenditure. Development expenditure will total Ksh. 3,054,310,564 of the overall budgets. Donor funds represent an important source of investment financing, effectively addressing resource insufficiency. Counterpart funding is required by donors to ensure that the recipient shows sufficient interest and commitment to the specified projects. Allocating resources for counterpart funding is crucial for enabling donor investment. The county government will allocate sufficient resources to all projects under this condition.

4.5.3 Ongoing Projects

The county has a substantial number of ongoing projects, several of which have remained in a static condition for an extended period. Incomplete projects significantly hinder the achievement of development objectives and deprive the public of the anticipated value from the investment of public resources. To ensure the full completion and commissioning of all initiated projects, adequate resources will be allocated to ongoing projects.

4.5.4 Nguzo Kumi Manifesto

Towards making Uasin Gishu a county of opportunities for all in Kenya and beyond, H.E. the Governor in His Nguzo Kumi pinpointed key areas that must be prioritized by all sectors. Sectors have therefore identified and allocated resources for the implementation of Nguzo Kumi programmes.

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4.5.5 CIDP priorities and public participation

The priorities identified in the CIDP 2023-2027, which were largely informed through the public participation process, will guide resource allocation to sectors. This is towards making the budget be responsive to the actual felt needs of residents. Public participation on the draft 2025 CFSP was conducted countywide, and it largely informed resource allocation to priorities in the final strategy paper.

4.5 Public Participation and Involvement of Stakeholders

Engaging the public and involving stakeholders in the medium-term budget process is a constitutional mandate. To fulfill this requirement, the county organized public participation meetings across all 30 wards in the third week of February 2025, during the preparation of the 2025 County Fiscal Strategy Paper (CFSP). Additionally, Sector Working Groups (SWGs) were convened to develop comprehensive sector reports.