

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF LAIKIPIA

COUNTY FISCAL STRATEGY PAPER (CFSP)

2026

INCLUSIVE ECONOMIC GROWTH, WEALTH CREATION
AND JOB OPPORTUNITIES IN LAIKIPIA

February 2026



COUNTY VISION AND MISSION

Vision

An inclusive county with sustainable quality life.

Mission

Facilitate integrated socio-economic development for the people of Laikipia

Core Values

Synergy

Integrity

Mutual accountability

Servant leadership

Efficiency and effectiveness

Passion

FOREWORD

The County Fiscal Strategy Paper (CFSP) 2026 has been prepared in line with the provisions of the Public Finance Management Act, 2012. It sets out the fiscal framework and expenditure priorities for the upcoming financial year and the Medium Term, while ensuring consistency with the national objectives outlined in the Budget Policy Statement (BPS) 2026 published by the National Treasury.

CFSP 2026 is subject to public and stakeholder engagement. In accordance with the principles of transparency, accountability and inclusivity, the County has invited input from the public, the County Assembly, departments and other stakeholders. These consultations are critical in ensuring that the fiscal strategies and expenditure ceilings reflect the aspirations of our people and respond to emerging needs across all sectors.

This Paper provides the policy direction for our County, establishing expenditure ceilings for departments and agencies to guide in the preparation of detailed budget estimates. It emphasizes fiscal discipline, sustainable development and inclusive growth, while aligning with both the national development agenda and our County Integrated Development Plan (CIDP).

As we move forward, this Paper serves not only as a fiscal guide but also as a commitment to accountability, transparency and service delivery. We call upon all stakeholders to continue engaging actively in this process, so that together we may achieve a secure, prosperous and sustainable future for our County.



Samuel Wachira Gachigi
County Executive Committee Member
Finance, Economic Planning and County Development.



ACKNOWLEDGEMENT

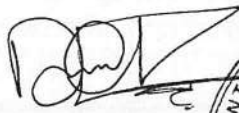
The preparation of the County Fiscal Strategy Paper (CFSP) 2026 has been a collaborative effort that reflects the dedication and commitment of many individuals and institutions. I wish to acknowledge with gratitude the invaluable leadership and guidance of H.E The Governor and the Deputy Governor, whose vision and support have been instrumental in shaping the priorities outlined in this Paper.

Special appreciation also goes to the County Executive Committee, departmental heads and technical staff who provided direction and input throughout the process. Their contributions have ensured that the CFSP remains aligned with both the Budget Policy Statement (BPS) 2026 issued by the National Treasury and our County's development agenda.

I further extend sincere thanks to the Budget team within the Department of Finance for their tireless work in compiling, analyzing fiscal trends and finalizing this document. Their professionalism and diligence have been critical in producing a Paper that is comprehensive and responsive to the needs of our County.

We also recognize the role of stakeholders and members of the public who participated in consultations and shared their views during the drafting of this CFSP. Their engagement underscores our commitment to transparency, accountability and inclusivity in the management of public resources.

Finally, I express my gratitude to all who contributed directly or indirectly to the preparation of this Paper. It is my hope that the strategies outlined herein will guide us in achieving sustainable development, fiscal discipline and improved service delivery for the benefit of all residents of our County.


Daniel Ngumi
Chief Officer,
Finance, Economic Planning and County Development.



ABBREVIATIONS AND ACRONYMS

AIA	Appropriation In Aid
AFC	Agricultural Finance Corporation
BPS	Budget Policy Statement
CBEF	County Budget and Economic Forum
CECM	County Executive Committee Member
CIDP	County Integrated Development Plan
CFSP	County Fiscal Strategy Paper
CPSB	County Public Service Board
CRA	Commission on Revenue Allocation
COMS	County Operations Management Systems
CSA	County Statistical Abstract
DANIDA	Danish International Development Agency
EAC	East African Communities
ECDE	Early Childhood Development Education
ESP	Economic Stimulus Programme
FY	Financial Year
GDP	Gross Domestic Product
GCP	Gross County Product
GHRIS	Government Human Resource Information System
HFIF	Hospital Facility Improvement Fund
ICT	Information and Communication Technology
IPPD	Integrated Product and Process Development
IPSAS	International Public Sector Accounting Standards
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
KIPPRA	Kenya Institute for Public Policy Research Analysis
LCDA	Laikipia County Development Authority
LCPSB	Laikipia County Public Service Board
LCRB	Laikipia County Revenue Board
MSME	Micro, Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NSE	Nairobi Stock Exchange
OSR	Own Source Revenue
OECD	Organization for Economic Co-operation and Development
PFMA	Public Finance Management Act
PPP	Public Private Partnership
NTRH	Nanyuki Teaching and referral Hospital
NYTRH	Nyahururu Teaching and Referral Hospital
VTI	Vocational Training Institutes

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EXECUTIVE SUMMARY

The County Fiscal Strategy Paper (CFSP) 2026 has been prepared in compliance with the Public Finance Management Act, 2012. It outlines the fiscal framework, expenditure priorities and departmental ceilings for the upcoming financial year and the Medium Term, while ensuring alignment with the national objectives contained in the Budget Policy Statement (BPS) 2026 issued by the National Treasury.

This CFSP provides the County policy direction; focusing on prudent resource allocation, fiscal discipline and sustainable development. It emphasizes the need to balance limited resources against growing expenditure demands, while safeguarding transparency and accountability in public finance management.

Strategic Priorities includes Investment in infrastructure, healthcare, education, agriculture and social protection to promote inclusive growth and resilience. In line with the principles of the Public Finance Management Act, the county commits to fiscal discipline, debt sustainability and efficient service delivery.

The Fiscal Projections for the FY 2026/2027 includes total revenue of Kshs. 7,678,791,204 with expected equitable share of Kshs. 6,178,791,204 and projected Own Source Revenue amounting to Kshs. 1,500,000,000. Out of this, Kshs. 2,333,352,526 has been allocated to development representing 30.4. percent and Kshs. 5,345,438,678 to recurrent expenditure representing 69.6 percent.

The CFSP 2026 serves as the guiding framework for the preparation of the county's annual budget. It provides a roadmap for achieving socio-economic transformation through prudent fiscal management, strategic investment and inclusive participation. The county treasury calls upon all stakeholders to actively engage in the implementation of this strategy to realize a secure, prosperous and sustainable future for our county.

CHAPTER ONE

LEGAL AND POLICY FRAMEWORK

1.1 Introduction

Kenya continues to implement a two-tier system of government as stipulated in Chapter 11 of the Constitution of Kenya, 2010. Schedule 4 of the Constitution of Kenya 2010 defines the mandates of the county governments whose realization requires linkage of planning and budgeting processes as provided for by the County Government Act, 2012, section 102.

The CFSP 2026 is a policy document that sets out the broad strategic priorities and policy goals to guide the county in preparing their budgets for the next financial year and over the medium term. It provides a framework for resource allocation, implementation of the prioritized programs and projects for the financial year 2026/2027 and the medium term.

1.2 Legal Basis for the preparation of the CFSP 2026

1.2.1 Constitutional Provisions

CFSP 2026 is anchored in the Constitution of Kenya 2010, which establishes principles of public finance under Article 201. These principles emphasize openness, accountability, public participation and equitable sharing of resources between national and county governments. Article 220 further requires that both levels of government prepare and publish budget documents that set out fiscal policies and priorities.

1.2.2 Public Finance Management Act, 2012

PFM Act, 2012, Section 117, mandates each County Treasury to prepare and submit the CFSP to the County Assembly by 28th February of each year and further states that:

The County Treasury shall align CFSP with the national objectives in the Budget Policy Statement (BPS).

In preparing the CFSP, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the medium term.

The County Treasury shall include in its CFSP, the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

The County Treasury shall seek and consider the views of the Commission on Revenue Allocation (CRA), the public, any interested persons or groups and any other forum that is established by legislation.

The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.

The County Treasury shall publish and publicize the CFSP within seven days after it has been submitted to the County Assembly.

1.2.3 County Government Act, 2012

The County Government Act, 2012 provides for planning and development at the county level. Section 104 requires counties to prepare integrated development plans, which guide budgeting and resource allocation. The CFSP must therefore align with the County Integrated Development Plan (CIDP) and the Annual Development Plan (ADP).

1.2.4 National Policy Framework

The CFSP 2026 is aligned with key national policy documents which includes; Kenya Vision 2030; the long-term development blueprint, Medium-Term Plan IV (2023–2027); which operationalizes Vision 2030, the Bottom-up Economic Transformation Agenda (BETA); focusing on agriculture, healthcare, MSMEs, housing and digital economy and the Budget Policy Statement (BPS 2026) which sets national fiscal priorities and ceilings for counties.

1.2.5 County Policy Framework

At the county level, the CFSP is guided by; The County Integrated Development Plan (CIDP III, 2023–2027), Annual Development Plan (ADP 2026/2027), Sectoral plans and strategies (e.g., health, agriculture, infrastructure) and Public participation reports, ensuring inclusivity and accountability.

1.3 Fiscal Responsibility Principles

The Constitution of Kenya 2010, the Public Finance Management (PFM) Act, 2012 and the Public Finance Management (County Governments) Regulations 2015, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107 (2) of Public Finance Management Act 2012 states that; in managing the County Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles:

- i. The County government's recurrent expenditure shall not exceed the county government's total revenue.
- ii. Over the medium term a minimum of 30 percent of the County government's budget shall be allocated to the development expenditure.
- iii. The County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government's total revenue as provided by PFM Act 2015 regulations.
- iv. Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- v. The County debt shall be maintained at a sustainable level as approved by County Assembly. In order to adhere to this limit, the County has put in place a comprehensive debt management strategy.
- vi. Fiscal risks shall be managed prudently.
- vii. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

1.4 Strategic Objectives of the County Government departments and entities

1.4.1 County Coordination, Administration, ICT and Public Service

Coordination of emergency response, disaster management and enforcement, facilitate mechanisms for public input in decision making processes and governance, provide support to decentralized units for efficient and effective service delivery, improved staff performance, job satisfaction and adherence to the principles of the public service, improve digital

connectivity, electronic government service delivery, security and the integrity of digital information systems and legal support.

1.4.2 Finance, Economic Planning and County Development

Ensure prudent financial management through Compliance with legal frameworks including Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 and Public Procurement and Disposal Regulations 2020.

This department is mandated to strengthen integrated planning, preparation of budget documents (CBROP, DMSP, CFSP and Programme Based Budgets), ensure participatory budget formulation; implementation, monitoring, evaluation and reporting; enhance procurement processes and procedures and implementing county risk management policy and internal controls.

1.4.2.1 Laikipia County Development Authority (LCDA)

Provide conducive investment climate, collaborate with development partners and develop strategic financing programs, including Public Private Partnerships (PPPs).

1.4.2.2 Laikipia County Revenue Board

Enhance revenue collection through efficient and effective revenue administration.

1.4.3 Medical Services and Public Health

Strengthening Primary Healthcare Systems including the expansion and upgrading of primary healthcare facilities across the county, enhancing health human resource capacity, expanding public health infrastructure, scaling promotive, preventive and community health programs and leveraging technology and partnerships.

1.4.4 Agriculture, Livestock and Fisheries

To provide efficient and effective agricultural support and advisory services, increase agricultural productivity for food supply and income generation, enhance storage and supply of grain and quality farm inputs, facilitate development of irrigation infrastructure and enhance water supply for agricultural production, improve livestock productivity and enhance incomes from livestock-based enterprises.

1.4.5 Infrastructure, Lands, Public Works and Urban Development

Enhanced land use planning and information management through completion of county spatial plan, approved land use plans, completion of the county land information and management system and maintenance of the GIS lab and survey equipment, development control, enforcement and inspection, formulation of renewable energy policies and strategies, routine maintenance and repair of streetlights and floodlights, operational municipalities and construction and periodical maintenance of roads, bridges and drainages.

1.4.5.1 Rumuruti Municipality

Upgrading essential urban infrastructure such as roads, water supply, sewage system and public facilities, Environmental management and sustainability including waste management and green spaces and enhance public safety by investing in law enforcement and emergency services.

1.4.5.2 Nanyuki Municipality

Foster citizen centric, technological and smart city solutions for efficient urban planning, traffic management and public services, prepare for and mitigate the impact of natural disasters or emergencies through robust disaster management and resilient plans and upgrading essential urban infrastructure.

1.4.5.3 Nyahururu Municipality

Community involvement in decision-making, adopting smart urban planning and upgrading of urban infrastructure development and enhancing resource mobilization for improved services.

1.4.6 Education, youth, Sports and Social Services

Increase access, retention, completion and transition of students at ECDE and vocational training centers, increased number of trainees graduating with marketable hands-on skills, enhanced library services and increased access to bursaries and scholarships to underprivileged students. Enhanced sporting activities, improved access to social protection interventions, improving social amenities infrastructure, PWDs, Youth and Women Empowerment interventions.

1.4.7 Trade, Tourism and Co-operatives Development.

Strengthen co-operative enterprises and enhance financial inclusion through an improved co-operative revolving fund, promote industrialization by fostering innovation and creating a conducive business environment, promote tourism development for the county economic growth, mobilize resources for investments, particularly for micro, small and medium enterprises (MSMEs), improve trading environment through construction of market infrastructure including completion of the county aggregated industrial park (CAIP).

1.4.8 Water, Environment, Natural Resources and Climate Change

Develop water infrastructure to provide water for consumption and production, improve sanitation, protect and conserve natural resources, reduce/minimize human-wildlife conflicts, design and implement programs on climate change.

CHAPTER TWO

RECENT GLOBAL, NATIONAL AND COUNTY ECONOMIC DEVELOPMENT

2.1 Introduction

This chapter outlines the economic and fiscal environment guiding the preparation of the CFSP. It presents the economic context at the global, national and county level.

2.2 Recent Global and Regional Economic Developments

Global economic growth remained resilient in 2024, with world GDP expanding by 3.2% despite high costs and tight monetary policies. Organization for Economic Co-operation and Development (OECD) economies grew by 1.7%, while emerging markets and developing economies saw a 4.2% growth. Sub-Saharan Africa and the EAC posted gains of 3.8% and 5.4%, respectively.

Inflation eased globally to 5.8%, though some African nations faced persistent double-digit rates. Global trade rebounded, rising by 3.3%, while labor markets remained steady with a 5.2% unemployment rate.

2.3 Domestic Macroeconomic Environment

The economy recorded improved performance in the third quarter of 2025 compared to the corresponding quarter of 2024, with real GDP growth increasing to 4.9 per cent from 4.2 per cent. This growth was largely supported by accelerated performance across key sectors of the economy. The Agriculture, Forestry and Fishing sector expanded by 3.2 per cent, while the Construction sector rebounded strongly, recording a growth of 6.7 per cent after contracting by 2.6 per cent in the third quarter of 2024. In addition, the Mining and Quarrying sector recovered from a 12.2 per cent contraction to post a robust growth of 16.6 per cent during the quarter.

Other sectors also recorded notable growth, reflecting broad-based economic recovery. The Accommodation and Food Services sector grew by 17.7 per cent, supported by improved tourism activity. This was followed by growth in Real Estate (5.7 per cent), Financial and Insurance Activities (5.4 per cent), Transport and Storage (5.2 per cent), Public

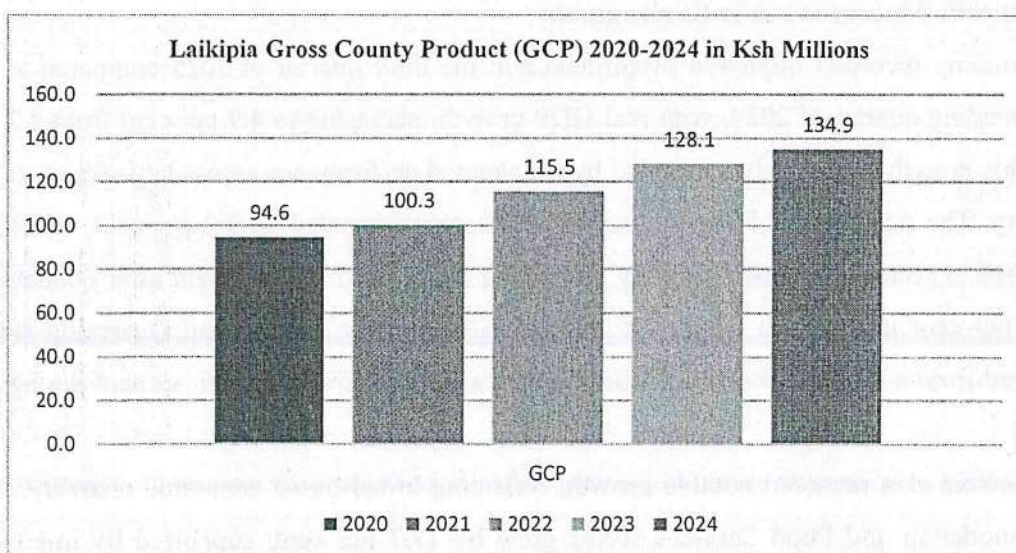
Administration (5.1 per cent), Wholesale and Retail Trade (4.8 per cent), and Information and Communication (4.5 per cent), indicating strengthened domestic demand and improved service sector performance.

During the third quarter of 2025, the Kenyan Shilling appreciated marginally by 0.2 per cent against the US Dollar compared to the corresponding quarter of 2024 but depreciated against most other major international currencies. In particular, the Shilling weakened against the Euro, Pound Sterling, South African Rand, and the Japanese Yen by 6.2 per cent, 3.6 per cent, 1.6 per cent, and 0.7 per cent, respectively. Conversely, against regional currencies, the Kenyan Shilling appreciated against the Tanzanian Shilling and the Ugandan Shilling by 5.8 per cent and 4.1 per cent, respectively.

2.4 County Socio-Economic Performance

According to the 2025 gross county product report by KNBS, the Laikipia gross county product (GCP) grew by 6.8 percent from Kshs.128.1 billion in 2023 to 134.9 billion in 2024 as depicted in Figure 1.

Figure 1: Laikipia Gross County Product (GCP) 2019-2024



The major contributors of the GCP were accommodation and food service storage (31.05 percent), agriculture (23.91 percent), transport and storage (16.92 percent) wholesale and

retail trade, repair of motor vehicles (10.19 percent) construction (9.57 percent) and other economic activities as shown in table 1 below:

Table 1: Laikipia Gross County Product by Economic Activity at Current Prices, 2019 – 2024 in (Ksh Millions)

Economic Activities	2019	2020	2021	2022	2023	2024	% of GCP	% change
Agriculture forestry and fishing	23,456	27,236	23,401	27,440	31,591	32,270	23.91	2.15
Mining and quarrying	123	134	162	209	182	209	0.15	14.84
Manufacturing	2,500	2,520	2,694	2,946	3,315	3,863	2.86	16.53
Electricity supply	396	435	425	514	572	987	0.73	72.55
Water supply, waste collection	1,197	1,243	1,454	1,364	1,352	1,386	1	2.51
Construction	7,726	9,435	10,680	11,995	12,626	12,915	9.57	2.29
Wholesale and retail trade, repair of motor vehicles	9,454	9,736	10,689	11,738	12,804	13,753	10.19	7.41
Transport and storage	12,287	12,439	15,515	20,061	23,295	22,837	16.92	-1.97
Accommodation and food service activities	1,965	1,283	2,201	2,402	3,142	4,191	31.05	33.38
Information and communication	2,180	2,365	2,470	2,703	2,886	3,210	2.38	11.22
Financial and insurance activities	1,848	2,279	2,754	3,210	3,814	4,400	3.26	15.36
Real estate activities	5,919	6,267	6,736	7,221	7,891	8,497	6.3	7.68
Professional and technical services	1,749	1,586	1,782	1,874	2,049	2,310	1.71	12.73
Administrative Support Services	1,494	1,273	1,451	1,794	2,123	2,366	1.75	11.45
Public administration and defense	8,709	9,199	9,142	10,872	10,803	10,594	7.85	-1.93
Education	4,775	4,552	5,770	5,980	6,356	7,165	5.51	12.73
Human health and social work activities	946	1,168	1,364	1,348	1,476	1,833	1.28	24.19
Other service activities	2,457	2,205	2,472	2,703	2,917	3,179	2.36	8.98
Financial services indirectly measured	-747	-716	-802	-851	-1,062	-1,057	-0.78	-0.47
GCP	88,434	94,639	100,360	115,523	128,132	134,909	100	

Source: 2025 Gross County Product, KNBS

Laikipia has undergone significant transformation, driven by strategic investments in key sectors such as agriculture, tourism, and infrastructure.

Laikipia spans a total land area of 9,532.2 square kilometers and is administratively divided into five sub-counties, 16 divisions, 55 locations, and 110 sub-locations. The county's diverse landscape, which includes fertile highlands and semi-arid regions, plays a significant role in shaping its economic activities. The county's dedication to environmental conservation is demonstrated by its effective management of 55,293.2 hectares of forest land, encompassing both gazetted and non-gazetted areas. Infrastructure development in Laikipia has been a key driver of economic growth.

2.5 Agriculture, Forestry and Fishing

The sector grew by 2.1 percent in 2024 as per gross county product 2025. In the agriculture sub-sector; Laikipia CSA 2024 shows food crops (maize, beans, wheat, Irish potatoes and sorghum) production increased by 16.8 percent from 188,266 metric tonnes in 2022 to 219,978 metric tonnes in 2023; volume of fruits produced grew by 6 percent from 9,362 tonnes to 9,924 tonnes; while volume of vegetables produced increased by 1.7 percent from 63,954 metric tonnes to 65,091 metric tonnes during the same period. This growth was supported by favorable weather conditions, farmer support through subsidized fertilizer and increased irrigation activities as the area under irrigation grew by 48.7 percent from 4,836 hectares in 2022 to 7,191 hectares in 2023.

Under Livestock sub-sector; the quantity of meat production from cattle, goats, sheep, pigs and camels increased by 15 percent from 5,739,200 kilograms in 2022 to 6,598,215 kilograms in 2023; volume of milk produced increased by 2.9 percent from 36,424,130 liters to 37,516,850 liters; while egg production increased by 8.4 percent from 14,161,800 eggs to 15,347,700 eggs during the same period.

2.6 Trade, Tourism and Co-operatives

Wholesale and retail trade including repair of motor vehicles sector expanded by 7.4 percent in 2024 compared to a growth of 9.1 percent in 2023 while accommodation and food service activities expanded by 33.3 percent in 2024 compared to a growth of 30.8 percent in 2023. Laikipia CSA 2024 further indicates a marginal growth of MSMEs as the licensed business establishments increased slightly by 0.05 percent from 23,835 in 2022 to 23,847 in 2023. In addition, the number of hotel bed capacity expanded by 3 percent from 2,317 in 2022 to 2,377 in 2023 while the visitor arrivals at Thompson falls grew by 26 percent from 124,285 in 2022 to 156,339 in 2023. Similarly, the number of active cooperatives societies including SACCOs increased by 3.8 percent from 210 societies in 2022 to 218 societies in 2023 with the membership rising by 3.4 percent from 98,469 to 101,869 during the same period.

2.7 Manufacturing, Innovation and Enterprise Development

Manufacturing sector expanded by 16.5 percent in 2024 as compared to 12.5 percent in 2023. Laikipia CSA 2024 shows the number of manufacturing outlets supported by the county

government through the Laikipia Innovation and Enterprise Development Programme expanded by 5% from 603 firms in 2022 to 633 firms in 2023. The amount of funds disbursed to cooperatives through the County Cooperative Development Revolving Fund increased by 87.9 percent from Ksh 24,700,000 in 2022 to Ksh 46,400,000 in 2023.

2.8 Financial Services

Financial and insurances activities in the county grew by 15.3 percent in 2024 compared to a growth of 18.8 percent in 2023. Laikipia CSA 2024 shows the number of banks and insurance companies in the county remained unchanged at 28 and 33 respectively in 2023. In addition, the number of microfinance institutions decreased by 1 percent from 10 in 2022 to 9 in 2023 while the number of SACCOs expanded by 3.2 percent from 156 in 2022 to 161 in 2023. The amount of loans advanced by SACCOs grew by 3 percent from Ksh 2.645 billion in 2022 to Ksh 2.725 billion in 2023 while the loans advanced by Agriculture Finance Corporation (AFC) increased by 9 percent from Ksh 136.1 million to Ksh 148.6 million during the same period.

2.9 Construction, Transport and Storage

Construction sector in the county expanded by 2.29 percent in 2024 as compared to 5.3 percent in 2023. According to the Laikipia CSA 2024, the number of building plans approved for private ownership increased by 16.6 percent from 320 plans in 2022 to 373 plans in 2023 while the number of reported completions of new non- residential buildings for private ownership in various sectors grew by 9.9 percent from 131 in 2022 to 144 buildings in 2023. On transport and storage, Laikipia CSA 2024 indicates a contraction of the number of passengers recorded by various SACCOs by 8 percent from 9.942 million in 2022 to 9.156 million in 2023 while the number of passenger traffic handled at Nanyuki airstrip grew by 17 percent from 8,434 in 2022 to 9,841 in 2023. Further, the amount of petrol transported to Nanyuki from Nairobi increased by 65 percent from 11.72 million liters in 2022 to 19.38 million liters in 2023 while the amount of diesel decreased by 15.3 percent from 32.17 million liters to 27.26 million liters during the same period. Road improvement saw the length of paved/ bitumen roads in the county expanding marginally by 0.4 percent from 448.6

kilometers in 2022 to 450.6 kilometers in 2023 while the length of Graveled roads grew by 4.7 percent from 4,455.6 kilometers in 2022 to 4,664.5 kilometers in 2023.

2.10 Electricity, Water and Sanitation

Electricity supply expanded by 72.55 percent in 2024 as compared to 11.3 percent in 2023. Water supply and waste collection grew by 2.5 percent in 2024 compared to a contraction of 0.9 percent in 2023. Laikipia CSA 2024 shows a growth of electricity connections across various entities (domestic, commercial, primary schools, secondary schools, health facilities and ECDE center's) by 3 percent from 92,770 in 2022 to 95,904 connections in 2023. On water supply, the number of households with access to piped water from water companies/ schemes expanded by 5.3 percent from 45,513 households in 2022 to 47,932 households in 2023 while the number of households with access to the main sewer grew by 5.7 percent from 13,258 to 14,020 households during the same period.

2.11 Health Care Services

Human health and social work activities expanded by 24.19 percent in 2024 as compared to 9.5 percent in 2023. According to Laikipia CSA 2024, the number of health facilities (Government, Faith Based Organizations, Non-Governmental Organizations, Private owned and community units) in the county grew by 4.4 percent from 248 facilities in 2022 to 259 facilities in 2023. The number of beds and baby cots in public health facilities (Hospitals, Health centers and Dispensaries) increased by 40 percent from 1,212 in 2022 to 1,697 in 2023. In addition, registered medical personnel within the county grew by 40 percent from 813 in 2022 to 1,140 in 2023 and 1,151 Community Health Promoters (CHPs) were engaged in 2023 to provide primary healthcare services to the members of the community. Further, the use of contraceptives in the county contracted by 3.9 percent from 63,327 in 2022 to 60,866 in 2023 while full immunization coverage rate for under one-year old children grew by 4% from 12,452 to 12,946 children in the same period.

2.12 Education and Training Services

Education sector expanded by 12.73 percent as compared to 6.3 percent in 2023. Laikipia CSA 2024 shows the number of learning institutions in the county grew slightly by 0.26 percent from 1,136 institutions in 2022 to 1,139 institutions in 2023. Enrolment in ECDEs in

the county grew by 2.7 percent from 26,558 pupils in 2022 to 27,264 pupils in 2023 while enrolment in primary schools contracted by 9.9 percent from 101,409 pupils to 91,390 pupils in the same period. Further, student enrolment in secondary schools increased by 1.54 percent from 46,229 students in 2022 to 46,939 students in 2023 while students' enrolment in public technical training institutes and youth polytechnics in Laikipia County increased by 13.7 percent from 1,271 students in 2022 to 1,445 students in 2023.

The number of teachers in Public ECDEs grew by 2.8 percent from 1,064 teachers in 2022 to 1,094 teachers in 2023. The number of trained public primary school teachers decreased by 20.4 percent from 3,292 teachers in 2022 to 2,620 teachers in 2023 while the number of teachers in public secondary schools contracted by 10.4 percent from 1,787 teachers to 1,602 teachers in the same period.

CHAPTER 3

MACRO-ECONOMIC POLICY FRAMEWORK AND MEDIUM-TERM OUTLOOK

3.1 Introduction

This chapter examines global and national macroeconomic trends and their implications for the country's medium-term economic outlook. It also outlines the county's strategies for managing and guiding economic growth, in addition to the expected impact of key macroeconomic variables on the county's economic prospects and fiscal position over the medium term.

3.2 Global, National and County Economic Prospects

The IMF's October 2025 world economic outlook projects a moderation in global growth to about 3.2 percent in 2025, against a backdrop of heightened risks including rising trade protectionism, fiscal pressures and ongoing geopolitical tensions. The report calls for a recalibration of policies toward credible fiscal and monetary frameworks, accelerated structural reforms; particularly in education and infrastructure; and a careful balance between industrial policy and macroeconomic stability. As economies adjust to the aftermath of high interest rates and uncertain trade conditions, a shift toward strengthening domestic supply chains is evident. Key policy priorities highlighted include safeguarding central bank independence, rebuilding fiscal buffers and responsibly harnessing artificial intelligence within an increasingly fragmented global environment. Ultimately, global economic growth is expected to decelerate from 3.3 percent in 2024 to 3.2 percent in 2025 and further to 3.1 percent in 2026. Growth in advanced economies is projected to average about 1.5 percent, while emerging market and developing economies are forecast to expand at slightly above 4 percent. Global inflation is anticipated to continue easing, albeit unevenly across countries; remaining above target in the United States, with upside risks, while staying relatively subdued in other regions.

Table 2: Global Economic Performance

Economy	Growth %				
	Actual	Estimate Projections			
	2022	2023	2024	2025	2026
World Advanced Economies of which: USA, Euro Area Japan	3.5	3.3	3.2	3.2	3.1
	2.6	1.7	1.8	1.8	1.6
	1.9	2.9	2.8	2.2	2.1
	3.4	0.4	0.8	1.2	1.1
	1	1.7	0.3	1.1	0.6
Emerging and developing Economies of which: China, India	4.1	4.4	4.2	4.2	4
	3	5.2	4.8	4.5	4.2
	7	8.2	7	6.5	6.2
Sub-Sahara Africa of which: Nigeria, South Africa	4	3.6	3.6	3.9	4.2
	1.9	0.7	1.1	1.5	1.2
Kenya	4.9	5.6	5.2	5.6	5

Source: IMF World Economic Outlook, October 2025. *National Treasury Projection

3.3 Kenya Economic Outlook

Kenya's economy demonstrated resilience and robust growth in the first three quarters of 2025, with real Gross Domestic Product (GDP) expanding consistently, primarily driven by strong performances in agriculture, construction and the services sector. The economy expanded by 4.9 percent in Q1, accelerated to 5.0 percent in Q2 and dropped to 4.9 percent in Q3, compared to the corresponding quarters of 2024. The World Bank projects an average growth of 4.9 percent for 2025-2027. Agriculture was the largest contributor to GDP, the sector performed strongly, especially in Q1 (6.0 percent growth), benefiting from favorable weather conditions and government initiatives like fertilizer subsidies milk production and coffee. The Construction sector experienced a significant rebound, expanding by 5.7 percent in Q3 after a contraction in the same period in 2024, supported by increased cement production and government initiative to build affordable houses and markets construction.

Table 3: Kenya Sectoral GDP Performance

Sector and Sub -Sectors	Annual Growth Rate	Quarterly Growth Rate			
	2024	2024 Q1	2024 Q2	2025 Q1	2025 Q2
Primary Sectors	3.9	4.5	4	6.2	4.9
Agriculture, Forestry and Fishing	4.6	5.6	4.5	6	4.4
Mining and Quarrying	-9.2	-16.1	-5.5	10.8	15.3
Secondary Sector (Industry)	1.5	1.5	0.5	2.6	3.3
Manufacturing	2.8	1.9	3.2	2.1	1

Electricity and Water supply	1.9	2.8	1.2	3.6	5.7
Construction	-0.7	0.4	-3.7	3	5.7
Tertiary Sector(Services)	6.1	6.8	6.2	4.8	5.5
Wholesale and Retail Trade	3.8	3.6	2.5	5.4	4
Accommodation and Restaurant	25.7	38.1	35	4.1	7.8
Transport and Storage	4.4	4.1	3.4	3.8	5.4
Information and Communication	7	9.2	6.7	5.8	6
Financial and Insurance	7.6	9.6	8	5.1	6.6
Public Administration	8.2	7.5	9	6.5	6
Others	5.2	5.8	5.6	4.4	5.2
Professional, Admin and Support Services	9.4	9.4	6.7	4.6	8.5
Real Estate	5.3	6.9	5.9	5.3	5.5
Education	3.9	2.4	3.2	2.9	3.2
Health	6.3	5.4	8.1	4.8	6.8
Taxes less Subsidies	4.4	2.9	3.8	5.7	3.3
Real GDP	4.7	4.9	4.6	4.9	5

Source of Data: Kenya National Bureau of Statistics

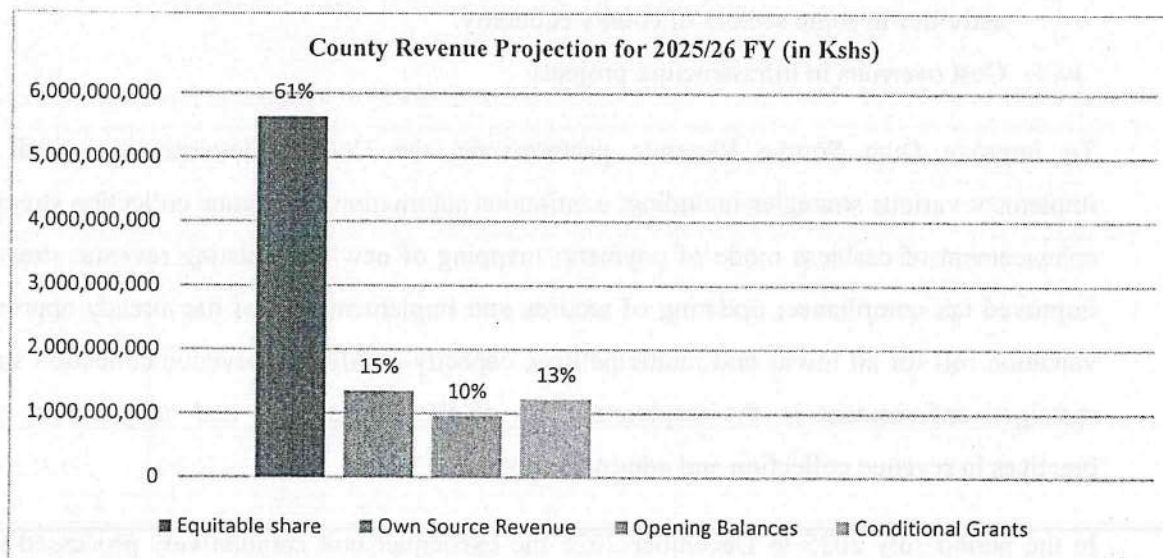
3.4 Kenya Medium-Term Framework: Development Priorities

The Government continues to consolidate and fast-track the implementation of the bottom-up economic transformation agenda through targeted strategic investments across five core pillars. These pillars form the foundation for inclusive growth, employment creation and sustainable economic transformation, with interventions designed to directly uplift households at the base of the economic pyramid. The five pillars; Agricultural Transformation, the Micro, Small and Medium Enterprises (MSME) Economy, the Digital Superhighway and Creative Economy, Healthcare, Housing and Human Settlements constitute integrated pathways through which the Government aims to stimulate economic growth, broaden opportunities and enhance social welfare nationwide.

3.5 Fiscal performance

The FY 2025/2026 the County Government expects to receive total revenue amounting to Kshs. 9,217,137,326 comprising of equitable share allocation of Kshs. 5,640,962,159, own source revenue projections at Kshs 1,351,000,000 opening balances of Kshs 962,256,718 and conditional grants of Kshs. 1,220,744,139. This is as captured in figure 2;

Figure 2: County Revenue Projections by Source, 2025/2026



Total revenue received by end of 2nd quarter was Kshs 3,203,118,827 which represents 34.75 percent budget performance. Equitable share, Local revenue, AIA, VTI, grants not received in 2024/25 and receivable grants 2025/26 and grants performance was 38, 23, 49, 24, 0 and 2 percent respectively. This is illustrated in table 4.

Table 4: Revenue Realization as at 31st December 2025

Type of Revenue	Budget 2025/2026 (Kshs)	Cumulative Actual Receipts	Variance	% Performance
Equitable share 23/24 (Inclusive of CRF Opening bal)	6,603,218,877	2,533,194,032	-4,070,024,845	38
Local revenue	704,000,000	160,900,928	-543,099,072	23
Appropriation In Aid (AIA)	626,000,000	308,042,038	-317,957,962	49
Vocational Training Institutes (VTI)	21,000,000	4,936,000	-16,064,000	24
Grants Not Received in 2024/25	411,694,455	0	-411,694,455	0
Receivable grants 2025/2026	665,624,848	10,446,683	-655,178,165	2
Grants Opening Bal	143,424,836	143,424,836	0	100
Emergency Fund	42,174,310	42,174,310	0	100
TOTAL	9,217,137,326	3,203,118,827	-6,014,018,499	35

The following factors affected revenue performance in the period ending 31st December 2025.

- Delays in Exchequer releases by the National Treasury.

- ii. Non-disbursement of conditional grants.
- iii. Non-realization of quarterly Own Source Revenue target due to subdued economic activities in some sectors of county economy.
- iv. Cost overruns in infrastructure projects

To improve Own Source Revenue performance, the County Government intends to implement various strategies including; continuous automation of revenue collection streams; enhancement of cashless mode of payment; mapping of new and existing revenue streams; improved tax compliance; updating of records and implementation of the already approved valuation roll for all towns and municipalities; capacity building of revenue collection staff; sustained enforcement in the implementation of the finance Act and adoption of best practices in revenue collection and administration.

In the period July 2025 to December 2025 the exchequer unit cumulatively processed and transferred a total of KShs 1.955 billion (Excluding A.I.A) representing 22.7 percent performance against the budget. The county executive recorded a 21.4 percent performance while the county assembly realized 42.7 percent performance. Ksh. 324,860,564 and Ksh. 1.631billion was spent on development and recurrent expenditures respectively, representing 33 percent and 9 percent absorption rates of the total budget.

The County Government will ensure rationalization of expenditure to improve efficiency and reduce wastages. Measures in place include; prioritize implementation and completion of ongoing projects and programmes as set out in the budget; Centralized Procurement and Bulk Purchasing Strengthening the internal audit function to ensure expenditures deliver intended outputs and outcomes and pursue joint initiatives with development partners to support increased public expenditure on capital projects

3.6 Laikipia County Medium-Term Framework: Transformative Agenda

The Laikipia County Medium-Term Framework: Transformative Agenda is anchored on the national development policy direction as articulated in the BETA Agenda while localizing interventions to address Laikipia's unique socio-economic conditions. To promote inclusive growth and economic transformation, the county will continue implementing structural

reforms and prudent fiscal policies. Development efforts will be driven by the following pillars: Infrastructure Development, Skills Enhancement, Innovation and Technology, MSME Support, Agriculture Diversification and Health.

3.6.1 County Administration, Public service and office of the Governor

The County will strengthen institutional capacity through improved staff performance management, enhanced coordination with national agencies, public participation, ICT integration, disaster preparedness and stakeholder engagement, adherence to policies, laws and regulations.

3.6.2 Finance, Economic Planning and County Development

The sector will focus on revenue enhancement, public finance management reforms, participatory planning and budgeting, expenditure control and reporting, monitoring and evaluation, asset and liability management, strengthened partnerships and resource mobilization.

3.6.3 Health and Sanitation

The County will enhance access to affordable and quality healthcare by strengthening preventive and curative services. Interventions include expansion of ambulance services, health infrastructure development, human resource capacity building, supply of medical commodities and equipment, digitization of health services and support other community health strategies.

3.6.4 Agriculture, Livestock and Fisheries

The County will prioritize programs aimed at increasing agricultural productivity, efficiency, and sustainability. Key interventions include expansion of extension services, increased access to certified inputs, promotion of climate-smart agriculture and high value crops, enhanced post-harvest management, agribusiness development, value addition and investment in water harvesting and irrigation infrastructure. Livestock development initiatives will focus on animal health services, fodder production, market access, value addition and promotion of fisheries among others.

3.6.5 Infrastructure and Public Works

The County will promote well-planned and sustainable settlements, expand access to green energy, improve urban services develop and maintain road infrastructure. Efforts in lands and physical planning will include expedited approvals, surveying and planning of urban areas and support for the affordable housing program in collaboration with the National Government.

3.6.6 Education, Library Services, Gender, Sports, Youth and Social Services

The County will enhance access to quality education and skills development through expansion of ECDE and vocational training facilities, recruitment and capacity building of teachers and trainers, school feeding programs, bursaries and scholarships, ICT integration and strengthened partnerships. Social development initiatives will focus on sports development, creative economy, gender mainstreaming, youth empowerment, social protection, drug and substance abuse prevention.

3.6.7 Trade, Tourism, Co-operatives and Enterprise Development

To promote orderly growth of trade and enterprise, the County will invest in market infrastructure, provide business development services, support entrepreneurship and innovation, promote value addition and local manufacturing, strengthen cooperatives, and create an enabling environment for private sector participation.

3.6.8 Water, Environment and Natural Resources

The County will invest in water infrastructure development, catchment protection, sewer systems, solid waste management, climate change management, wildlife protection, mining and natural resource governance reforms and strengthened community engagement.

3.7 Risks to the Outlook

The medium-term outlook faces both external and internal risks that could adversely affect economic performance and fiscal stability. The County Government will monitor these risks and implement appropriate mitigation measures.

3.7.1 External Risks.

On the external front, rising costs of imported fuel and food, driven by global supply shocks, geopolitical tensions (Iran-Israel, USA-Venezuela, Russia-Ukraine) or trade restrictions, could amplify inflation and increase production costs for businesses. Volatility in international financial markets, fluctuations in commodity prices and tighter global financing conditions may also adversely affect investment flows and exchange rate stability. Uncertainty surrounding trade policies, tariffs, or regional trade agreements could further impede export growth and cross-border commerce. To mitigate risks arising from global supply shocks, volatile fuel and food prices and uncertain trade and financial conditions, the County will strengthen local agricultural production through climate-smart farming, irrigation and value addition to reduce reliance on imports. The county will also promote businesses to source their products locally to cushion them from external price volatility. Additionally, it will also collaborate with the National Government and development partners to enhance access to climate finance and invest in long-term climate resilience measures.

3.7.2 Internal Risks

Domestically, extreme weather events such as floods and prolonged dry spells, pose a significant threat to agricultural output. Disruptions in food production could lead to elevated food prices, fueling inflationary pressures and reducing household purchasing power. Additionally, as we approach the election year, high octane politics and political transition may also affect the trade operating environment negatively. To address risks related to climate variability scaling up climate-smart agriculture practices such as drought-tolerant and early-maturing crop varieties, improved livestock breeds, and efficient water-use technologies to stabilize production under variable weather conditions. The County can also expand irrigation infrastructure, promote water harvesting and storage, and strengthen agricultural extension services to enhance farmer preparedness and adaptive capacity. Civic and voter education, clear communication of policy positions, protection of property through insurance will help maintain business confidence and minimize disruptions to commercial activity.

3.8 Conclusion

The County Government will continuously monitor emerging risks and collaborate with the National Government and development partners to implement appropriate policy responses.

CHAPTER FOUR

FISCAL FRAMEWORK AND STRUCTURAL MEASURES FOR 2026/2027 AND THE MEDIUM-TERM

4.1 Introduction

This chapter outlines the projected resource inflows and expenditure priorities of the county for the 2026/2027 financial year, covering both recurrent operations and development programs. The fiscal framework provides a broad policy guide on how revenue mobilization and public spending decisions are applied to support economic stability, service delivery and overall socio-economic development.

4.2 Compliance with Fiscal Responsibility Principles

- i. The County government's recurrent expenditure shall not exceed the county government's total revenue. In the 2025/2026 fiscal year, the County's recurrent expenditure allocation stood at Kshs. 4,946,665,117, while the total revenue amounted to Kshs. 9,217,137,326 ((inclusive of grants), therefore the recurrent expenditure accounted for 54% of the total revenue.
- ii. Over the medium term a minimum of 30 percent of the County government's budget shall be allocated to the development expenditure. In the budget for FY 2025/2026, the County allocated Kshs. 4,270,472,209 to development, out of a total budget of Kshs. 9,217,137,326 which represents 46%.
- iii. The County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government's total revenue as provided by PFM Act 2015 regulations. During the FY 2025/2026, the County has allocated 36% of its budget, which amounted to Kshs. 3,350,000,000 towards personnel emoluments. With the expanding revenue sources the County hopes to meet this legal threshold.
- iv. Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. In the FY 2025/2026, the County did not take on any debt, reflecting its prudent approach to managing fiscal resources and maintaining financial discipline. However,

the county has been engaging financial institutions to finance cash flow gaps due to delayed disbursements of equitable share

- v. The County debt shall be maintained at a sustainable level as approved by County Assembly. In order to adhere to this limit, the County has put in place a comprehensive debt management strategy. The FY 2025/2026 Debt Management Strategy paper is designed to ensure that any borrowing is carefully managed and remains within the prescribed limits, thereby protecting the county's financial stability and promoting fiscal responsibility.
- vi. Fiscal risks shall be managed prudently. While revenues have been growing, they have still fallen short of projected targets and therefore the county has taken measures to improve revenue forecasting, collection and administration. Further the county has continued to enhance revenue collection evidenced by the annual growth in Own source revenue.
- vii. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future. To ensure transparency and public participation, the Laikipia County Revenue Board has actively engaged the public and County Assembly in the preparation of the Finance Bill and the Revenue Administration Bill. These consultations ensure that taxpayers are well-informed and involved in the discussions surrounding any proposed tax changes.

4.3 The Fiscal Framework

The 2026/2027 fiscal framework has been aligned with the broader macroeconomic policies and the county government's key priorities. Over the medium term, the county will structure its revenue and expenditure plans to promote socio-economic growth and enhance the well-being of residents. The CFSP 2026 outlines the available financial resources and the proposed spending allocations needed to support the provision of essential public services and programs. CFSP provides a critical bridge between the county's planning and budgeting processes by translating the priorities and objectives set out in the CIDP 2023–2027 and the

ADP 2026/2027 into a coherent fiscal and budget framework that guides resource allocation and implementation.

4.4 Revenue Projections

Revenue collected at the national level is distributed between the National Government and County Governments according to Articles 202 and 203 of the Constitution of Kenya, 2010. In addition, counties will also benefit from extra funding in the form of conditional or unconditional grants, as provided for in the draft BPS 2026.

The BPS 2026 projects total revenues, inclusive of Appropriation-in-Aid, at Kshs. 3,487.0 billion (16.7 percent of GDP) in FY 2026/2027, up from the projected Kshs. 3,321.7 billion (17.5 percent of GDP) in FY 2025/2026. Within this, ordinary revenue is expected to reach Kshs. 2,901.9 billion (13.9 percent of GDP), compared to the projected Kshs. 2,754.7 billion (14.5 percent of GDP) in FY 2025/2026. Revenue performance will be supported by ongoing reforms in tax policy and revenue administration aimed at broadening the tax base and enhancing compliance.

The total budget for FY 2026/2027 is projected at Kshs. 4,727.6 billion for allocations to the three Arms of Government including sharable revenues to the County Governments. County Governments are set to receive Kshs. 420.00 billion as their share of national revenue and Kshs. 7.2 billion additional allocations from National Government revenue. The National Treasury proposes to allocate Kshs. 9.6 billion to the Equalization Fund in FY 2026/2027 and Kshs. 5.56 billion for partial payment of arrears for Equalization Fund.

In the FY 2026/2027 the County projects to receive Kshs. 6,178,791,204 as equitable share compared to the projected Kshs. 5,640,962,159 in FY 2025/2026. The actual equitable share received in FY 2024/2025 was Kshs. 5,387,035,309 as outlined in Table 1 and Figure 1. Laikipia County has targeted to collect Kshs. 1,500,000,000 as Own Source Revenue in the FY 2026/2027 compared to a target of Kshs. 1,351,000,000 in FY 2025/2026. Consequently, the total projected county revenue for the same period is Kshs. 7,678,791,204 as compared to Kshs. 6,991,962,159 in FY 2025/2026. Key revenue streams anticipated to

make significant contributions to this target include hospital fees, land rates, single business permits, cess and parking fees.

The County Government through the County Revenue Board will continue to implement policies and reforms that will enhance own Source Revenues while sustaining achieved growth levels. Some of these interventions will include;

- i. Accelerating the review, approval and rollout of an updated valuation roll to enhance property-related revenues.
- ii. Broadening and diversifying the county's revenue base by optimizing existing streams and exploring new revenue opportunities.
- iii. Upgrading and expanding electronic revenue collection systems to improve efficiency, accountability and reduce leakages.
- iv. Enforcing sector-specific legislation and regulatory frameworks to support effective and efficient revenue administration.
- v. Promoting voluntary compliance through taxpayer education, recognition initiatives, stakeholder engagement forums and open days.

Table 5: Shareable County Revenues in 2024/2025-2028/2029 (Kshs.)

Revenue source	Actuals (Kshs)	Budget (Kshs.)	Projections (Kshs)		
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Equitable share	5,387,035,309	5,640,962,159	6,178,791,204	6,473,019,357	6,620,133,433
Own source revenue	1,238,456,419	1,351,000,000	1,500,000,000	1,550,000,000	1,585,000,000
Total sharable Revenue	6,625,491,728	6,991,962,159	7,678,791,204	8,023,019,357	8,205,133,433

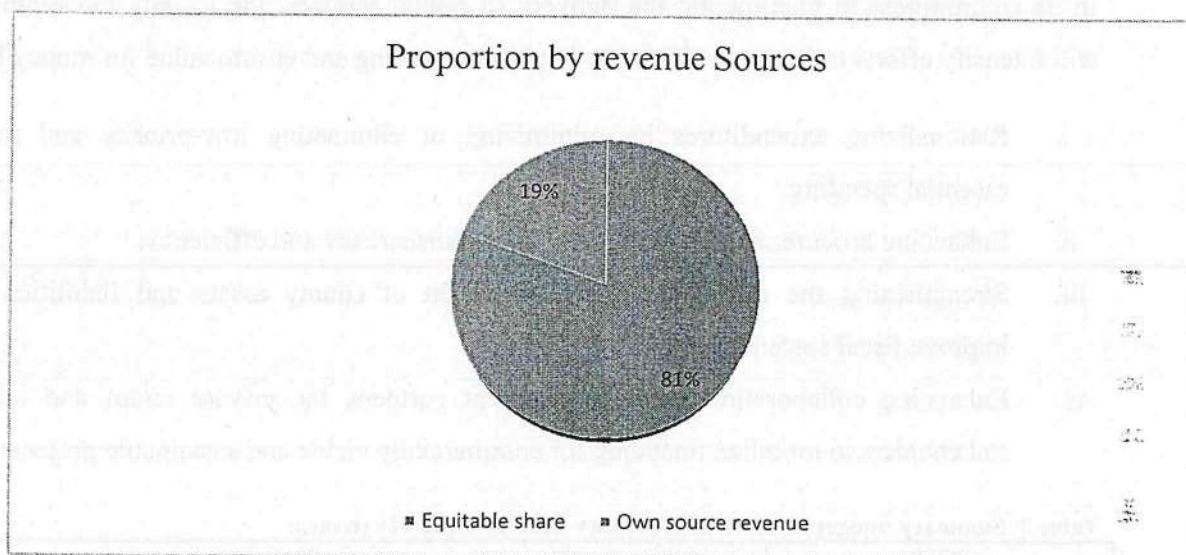
Table 6: Analysis of Own Source Revenue 2024/2025 -2028/2029(Kshs)

Revenue Source	Actuals	Budget	Projections		
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Local revenue	525,494,339	704,000,000	770,000,000	790,000,000	800,000,000
Appropriation In Aid	695,135,936	626,000,000	700,000,000	730,000,000	750,000,000
Vocational training Fees	17,826,145	21,000,000	30,000,000	30,000,000	35,000,000
Total	1,238,456,420	1,351,000,000	1,500,000,000	1,550,000,000	1,585,000,000

Equitable share remains the primary source of revenue for the county at 81 percent, while own-source revenue is projected at 19 percent. To further meet development needs beyond

the planned frame the county will enhance its collaboration with development partners, both within and beyond the county. These efforts will be managed by the Laikipia County Development Authority (LCDA), the government's dedicated arm for resource mobilization and investment. The LCDA will play a central role in coordinating collaborations with development partners and other non-state actors including CBO's and NGO's to support various programs.

Figure 3: Proportion of sharable County Revenues by source 2026/2027



4.5 Expenditure Projections

This framework is built on a background of a constrained resource envelope, while recognizing the high costs of delivering goods and services. Departmental funding will be prioritized towards meeting non-discretionary expenditures, completion of ongoing projects, payment of pending bills and implementation of new projects. In the fiscal year 2026/2027 and over the medium term, departments will be required to rationalize their expenditure programs, ensuring that resources are focused on their strategic priorities and key interventions. Total expenditure from sharable sources for fiscal year 2026/2027 is projected at Kshs. 7,678,791,204.

4.5.1 Development Expenditure

In line with fiscal responsibility principles, development expenditure for the FY 2026/2027 excluding grants, is projected at Kshs. 2,287,300,000 representing 30 percent.

4.5.2 Recurrent Expenditure

Recurrent expenditure for fiscal year 2026/2027 is projected at Kshs. 5,391,491,204 representing 70 percent of total sharable revenues.

In its commitment to maximizing the delivery of public services, the County Government will intensify efforts to improve efficiency in public spending and ensure value for money by:

- i. Rationalizing expenditures by minimizing or eliminating low-priority and non-essential spending.
- ii. Enhancing procurement process to enhance transparency and efficiency.
- iii. Strengthening the management and oversight of county assets and liabilities to improve fiscal sustainability.
- iv. Enhancing collaboration with development partners, the private sector and other stakeholders to mobilize financing for commercially viable and sustainable projects.

Table 7: Summary Budget Allocations for the FY 2025/26 – 2028/29 (Kshs.)

VOTE	Budget	Projections		
	2025/2026	2026/2027	2027/2028	2028/2029
Development	2,204,600,864	2,287,300,000	2,664,396,388	2,796,345,367
Recurrent	4,787,361,295	5,391,491,204	5,368,622,969	5,408,788,066
Total	6,991,962,159	7,678,791,204	8,023,019,357	8,205,133,433

4.5.2.1 Personnel emoluments

To progressively reduce the wage bill to the target of 35% by 2028, the county will adopt a balanced approach combining expenditure control and revenue expansion. Priority actions include hiring limited to critical frontline services, undertaking a staff rationalization and skills audit to eliminate duplication and redeploy surplus personnel, digitizing services to improve productivity and reduce reliance on manual processes, and enforcing establishment controls to ensure payroll aligns with approved structures. Simultaneously, the county will continue to expand its own-source revenue through automation of revenue collection systems,

widening the tax base by formalizing informal sector activities, reviewing user fees and valuation rolls to reflect market realities, strengthening enforcement and compliance, and leveraging public-private partnerships to unlock new revenue streams. To enhance compliance the county will improve public services and encourage continuous engagements with the tax payers.

4.5.3 Non- Debt budget financing.

Although the County is debt-free under the legal framework, it carries other financial obligations that impact cashflow and fiscal sustainability. These commitments are disclosed in the county debt management strategy 2026 to provide a complete picture of the County's financial position:

- **Pending Bills:** These represent outstanding payments to suppliers, contractors and service providers that remain unpaid at the close of the financial year. Pending bills represent obligations that must be settled from future revenues. They are both recurrent and development in nature. This fiscal framework has provided funds to pay part of these bills in the financial year 2026-2027 and the total stock is envisaged to be cleared within four years. This will be achieved through annual budget allocations and prudent financial management.
- **Leasing Arrangements:** The County has entered into leasing contracts for assets such as Trucks, medical equipment and other operational tools. Leasing provides flexibility and reduces upfront capital requirements, but it also creates recurring financial outflows that must be managed within the budget. Allocations to manage these obligations has been set aside within the relevant departmental ceilings.
- **Bank Loans and Advances:** Short-term financing facilities, such as overdrafts or cashflow advances are occasionally accessed to manage liquidity gaps. These represent contingent liabilities that require careful monitoring to avoid dependency or escalation into long-term obligations.

4.6 County Fiscal Policy

The fiscal policy for FY 2026/27 and the medium term will be anchored on a growth-supportive consolidation strategy that provides a clear framework for the implementation of

the County Integrated Development Plan (CIDP) and the Annual Development Plan -2025-2026(ADP). The County's fiscal approach will emphasize strengthening own source revenue through enhanced administration, automation of revenue systems and improved compliance, while maintaining a balanced, stable and predictable revenue structure to support sustainable service delivery.

For FY 2026/27, the County projects a total revenue envelope of Kshs. 7,678,791,204 sourced from the equitable share and own source revenue. The equitable share is expected to account for approximately 81 percent of total revenues, while own source revenue will contribute 19 percent, underscoring the County's continued commitment to gradually enhancing local revenue mobilization within a prudent and sustainable fiscal framework.

The County will prioritize high-impact investments in health services and infrastructure development. Health spending will focus on improving access, quality and efficiency of service delivery. Infrastructure development will target roads, water, energy and related economic enablers to support agricultural value chains and reduce the cost of service delivery.

4.7 Balanced Fiscal Framework

Laikipia County has planned and prioritized its expenditure programs in line with the projected revenue envelope for the 2026/2027 financial year and the medium-term period, ensuring that available resources are allocated in a sustainable manner to support policy objectives, service delivery, and long-term development goals.

CHAPTER FIVE

RESOURCE ENVELOPE AND CRITERIA FOR RESOURCE ALLOCATION

5.1 Introduction

This chapter presents an integrated overview of the county's resource envelope, the guiding principles applied in the allocation of resources and the proposed departmental ceilings for the FY 2026/2027. It outlines the underlying fiscal framework and the methodology used to distribute available resources, ensuring consistency with national priorities and policy objectives as articulated in the Budget Policy Statement (BPS) 2026. Additionally, the chapter identifies key sectorial priorities, demonstrating how departmental objectives are aligned with the broader strategic direction of the national budget. Through this alignment, the chapter highlights the county's commitment to a coordinated and clear approach to national development and prudent public resource management.

5.2 Resource Envelope

The County's resource envelope consists of the equitable share of revenue allocated from the National Government pursuant to Article 202 of the Constitution, own-source revenue generated by the County; conditional and unconditional grants from the National Government and development partners. These resources form the basis for the County's fiscal framework and provide the means through which the County Government finances its programs and projects in line with approved development priorities and policy objectives.

The County projects a total shareable resource envelope of Kshs. 7,678,791,204 for the FY 2026/2027, comprising the equitable share from the National Government and own-source revenue. Conditional and specific-purpose grants will be determined upon the enactment of the Additional Allocation of Revenue Bill. These resources constitute the fiscal base for financing county programmes and projects in accordance with the Public Finance Management Act, 2012, the County Integrated Development Plan, and the national priorities outlined in the Budget Policy Statement.

The following principles will have informed the allocation of resources:

- i. Non-discretionary expenditures: Ensuring funding of essential and unavoidable costs.

- ii. Debt management: Aligning spending with revenue, avoiding unsustainable debt and providing for partial settlement of outstanding bills.
- iii. Departmental strategic objectives: Allocating resources in line with departmental goals and programme outcomes.
- iv. Legal and statutory compliance: Adhering to laws and statutory requirements governing county expenditures.
- v. Equity and social welfare: Promoting fair and equitable distribution of resources and services across all wards and stakeholder groups.
- vi. Value for money and sustainability: Supporting cost-effective programmes and ensuring long- term viability of development initiatives.
- vii. Ongoing and phased projects – Allocating funds to sustain continuity and completion of projects in progress.
- viii. Feedback from public participation engagements

5.3 Stakeholder engagement and feedback

The County Treasury submitted the draft CFSP to the Commission on Revenue Allocation and received comments and further organized three consultative forums on the CFSP AND DMSP

- A meeting with Civil Society Organizations on **30th January 2026**.
- Five open public forums across sub-counties on **10th February 2026**.
- An online forum on **11th February 2026**.

These engagements were designed to capture diverse views, ranging from governance and transparency to health, education, infrastructure, climate change, and social protection. The forums also emphasized gender inclusivity. The forums attracted different representation. A total of 519 participants attended the forums, comprising 157 youths, 15 Persons with Disabilities (PWDs), 256 females and 263 males.

Most of the recommendations from public were already prioritized in the CFSP 2026/2027 as per the public participation report on the 2026/2027 CFSP and DMSP. Action taken on other recommendations not prioritized as per the County executive draft report have been captured

under annex 10. Laikipia County Government will continue to strengthen public engagement mechanisms and ensure sustained involvement of all stakeholders in future planning and budgeting processes.

5.4 Sector Priorities and Ceilings

In line with the MTEF budgeting framework, this section presents sector priorities and expenditure ceilings for FY 2026/2027, upholding continuity from the previous year. The overall spending ceiling covers strategic interventions aligned with the CIDP 2023–2027 and ADP 2026/2027 and includes provisions for partial settlement of outstanding bills. Sector priorities and the corresponding recurrent and development ceilings are outlined for all departments, guaranteeing a structured and coherent approach to fiscal planning.

5.4.1 County Administration, Public Service and Office of the Governor

The sector's primary objective is to establish a robust and effective framework that addresses the needs of county residents by supporting decentralized units, strengthening staff management and facilitating the operations of the County Public Service Board (CPSB). It will coordinate emergency response, disaster management and enforcement activities to safeguard residents' safety, promote public participation in decision-making, develop laws and policies to improve service delivery and enhance digital connectivity to expand access to government services. In 2026/2027, the sector will prioritize acquiring a fire truck engine to improve emergency response efficiency and constructing a new office block in Rumuruti to strengthen administrative capacity.

For the sector to achieve its mandate, a total of Kshs. 859,025,718 has been allocated for the fiscal year 2026/2027. This amount represents 11.18 percent of the overall county budget. The allocation for development and recurrent is Kshs 26,500,000 and Kshs 832,525,718 respectively.

5.4.2 Finance, Economic Planning and County Development

The sector is tasked with ensuring sound financial management, formulating fiscal and economic policies, and mobilizing resources to drive socio-economic development.

Comprising six Directorates, two Semi-Autonomous Government Agencies; the Laikipia County Development Authority (LCDA) and the Laikipia County Revenue Board (LCRB); and three County Funds, the sector works collaboratively to achieve its objectives. Over the medium term, its priorities include promoting responsible financial management, developing planning and budget policy documents, enforcing the County Risk Management Policy and internal controls; enhancing resource mobilization and settling pending bills to strengthen financial accountability and support service delivery.

The sector is projected to receive an allocation of Kshs 980,525,995 for the fiscal year 2026/2027, accounting for 12.74 percent of the total county budget. Out of this, Kshs.520,000,000 will be allocated to development expenditures and Kshs 460,525,995 will be set aside for recurrent expenditures.

5.4.3 Health and Sanitation

The sector aims to establish a health system that prioritizes the needs of clients. Its main goal is to ensure that all county residents have access to high-quality health care through services that are efficient, affordable and readily reachable, while safeguarding accountability in service delivery.

The sector includes NTRH, NYTRH sub-county hospitals and lower-tier health facilities. Over the medium term, its key priorities include upgrading existing health facilities, expanding the range of services available at health centers, firming up and decentralizing the referral and emergency response system and enacting relevant health legislation, among other initiatives.

In order to achieve these objectives, the sector is set to receive a total of Kshs. 3,202,775,453 in the fiscal year 2026/2027 representing 41.73 percent of the total county expenditure. This amount contains Kshs.2,312,775,453 for recurrent expenditure and Kshs. 890,000,000 for development expenditure.

5.4.4 Agriculture, Livestock and Fisheries

The sector plays a critical role in supporting livelihoods and fostering economic growth through a comprehensive approach by focusing on transforming agriculture, livestock and

fisheries into commercially viable initiatives. It seeks to promote sustainable food and nutrition security while simultaneously strengthening the broader economy.

The sector is allocated Kshs 321,634,398, which constitutes 4.19 percent of the total budget for the fiscal year 2026/2027. This budget includes Kshs.204,134,398 recurrent expenditure and Kshs. 117,500,000 for development expenditure.

5.4.5 Infrastructure and Public Works

The sector seeks to serve as a key driver in developing high-quality infrastructure and nurturing sustainable human settlements to support socio-economic development. It is committed to maintaining and expanding affordable public utility infrastructure and services, with specific emphasis on road transport and maintenance, spatial planning, surveying and mapping, town planning, land governance, and urban development. The sector is allocated Kshs. 682,806,815 which constitutes 8.9 percent of the total budget for the fiscal year 2026/2027. Of this amount, Kshs.169,806,815 is for recurrent expenditure, while Kshs. 513,000,000 is allocated for development expenditure.

5.4.6 Education, Youth and Sports

The sector seeks to create an environment that promotes transformative education and training, fosters inclusivity and improves societal well-being. To accomplish this, it will support and manage educational facilities while creating a conducive atmosphere to improve access, retention, completion and transition rates in ECDE and vocational training programs. The sector will also strengthen library services and enhance access to bursaries and scholarships for underprivileged students in ECDE and VTI centers while preserving and promoting cultural heritage by supporting events, festivals and activities that celebrate diversity. Youth, women and different abled persons will form part of the interventions in this sector.

To realize these programs, the sector is projected to receive a total of Kshs 613,723,468 which accounts for 8 percent of the total expenditure for 2026/2027. Of this amount, Kshs. 575,723,468 and Kshs. 38,000,000 will be allocated to recurrent and development expenditure.

5.4.7 Trade, Tourism, Co-operatives and Enterprise Development

The sector focuses on improving the business environment, promoting financial inclusion, boosting tourism development and strengthening the cooperative movement. This advances county's economy by nurturing creation of employment and wealth generation. With Laikipia County having been recognized as a key tourist destination, efforts will be made to improve its visibility, improve tourism infrastructure at major attraction sites and integrate the county into important tourism circuits in the coming year.

To achieve the outlined priorities, the sector is set to receive a total of Kshs. 107,528,993 which constitutes 1.4 percent of the total expenditure for 2026/2027. Of this, Kshs.67,228,993

will be allocated for recurrent expenditure and Kshs. 40,300,000 to development expenditure.

5.4.8 Water, Environment, Natural Resources

The sector aims to ensure access to adequate, clean and safe drinking water, as well as reliable sanitation services. Additionally, it also promotes conservation, protection and restoration of natural resources and implement appropriate adaptation and mitigation measures to combat the effects of climate change.

To achieve these objectives, the sector is projected to receive a total of Kshs. 244,415,013 which accounts for 3.18 percent of the total budget for 2026/2027. Of this amount, Kshs. 136,415,013 and Kshs. 108,000,000 will be allocated to recurrent and development expenditure respectively.

5.4.9 Rumuruti Municipality

Rumuruti Municipality serves as the county headquarters and has seen rapid population growth as it develops into a key hub for governance, trade and services while also acting as a gateway to the Northern Kenya.

In the medium term, the municipality has a strategic focus on strengthening urban systems and improving the quality of life for residents.

The entity is projected to receive a total of Kshs. 22,558,504 which accounts for 0.29 percent of the total budget for 2026/2027. Of this amount, Kshs 18,558,504 will be allocated for recurrent expenditure, while Kshs. 4,000,000 will be allocated for development expenditure.

5.4.10 Nanyuki Municipality

Nanyuki has transformed into a dynamic hub for commerce and culture. In recent years, the town has experienced significant infrastructural growth, making it an increasingly attractive location for investors.

In the medium term, the municipality will pursue a range of strategic priorities aimed at building a well-planned, inclusive and resilient urban environment. These priorities include advancing smart urban planning approaches, strengthening citizen participation in decision-making processes, implementing comprehensive disaster risk management. This will be achieved through upgrading, maintaining critical urban infrastructure, enhancing environmental sustainability through integration of solid waste management services.

The entity is set to receive a total of Kshs 61,908,092 which makes up 0.81 percent of the total expenditure for 2026/2027. Of this, Kshs 46,908,092 will be allocated for recurrent expenditure, while Kshs. 15,000,000 will be allocated for development expenditure.

5.4.11 Nyahururu Municipality

Nyahururu Municipality is a fast-growing urban center in Laikipia County, Kenya, known for its cool highland climate and the iconic Thomson's Falls. It serves as a key commercial, agricultural and tourism hub, supporting trade, dairy farming and related services while providing administrative and social services to the surrounding region.

The municipality aims to advance key priorities focused on strengthening urban development and service delivery. These include improving urban infrastructure and governance, enhancing recreational facilities and solid waste management to ensure environmental sustainability.

The entity is set to receive a total of Kshs. 26,888,754 which makes up 0.35 percent of the total expenditure for 2026/2027. Of this, Kshs. 5,000,000 will be allocated for recurrent expenditure, while Kshs. 21,888,754 will be allocated for development expenditure.

5.4.12 Legislative Services

The County Assembly of Laikipia is the legislative arm of County Government of Laikipia, established under the Constitution of Kenya to represent the people and promote democratic governance. Its mandate includes enacting county legislation, approving budgets and development plans, providing oversight over the county executive and public institutions, vetting and approving key county appointments and ensuring accountability and prudent use of public resources in the delivery of devolved services.

In 2026/2027, the County Assembly expects to receive a total of Kshs. 555,000,000 representing 7.23 percent of the total budget with Kshs 545,000,000 being recurrent expenditure and Kshs.10, 000,000 as development expenditure.

5.4 Opportunities to be harnessed

5.4.1 Resource Mobilization

The 2022 Comprehensive Own Source Revenue Potential and Tax Gap Report by the Commission on Revenue Allocation (CRA) shows that Laikipia County has the capacity to generate around Kshs.2.595 billion annually from its own revenue streams, drawing significantly from areas such as market center trade fees, hospital and public health service charges, environmental and conservancy fees, building plan approvals and agricultural transportation levies.

To effectively mobilize these resources, the county government plans to pursue Public-Private Partnerships (PPPs), explore social bonds and green financing and secure grants and support from international and bilateral partners to expand fiscal space and support key service delivery and development objectives.

5.4.2 Weather Patterns

Leveraging opportunities in weather patterns involves the strategic use of data and technological tools to inform decision-making across multiple sectors. Key areas where these opportunities can be harnessed include agricultural planning, disaster preparedness, climate change mitigation, water resource management and the optimization of renewable energy systems. Effectively taking advantage of these opportunities requires collaboration among government agencies, private sector actors, research institutions and local communities to ensure that interventions are timely, coordinated and impactful.

5.4.3 Citizen Participation and Civic Education

Public engagement is a legal requirement in the planning and budgeting process. Harnessing opportunities for citizen participation and civic education can foster a more informed, engaged and proactive community. Key avenues for achieving this include stakeholder and public fora during planning, establishing feedback mechanisms and utilizing online platforms to reach wider audiences.

5.4.4 Staff Welfare

Enhancement of staff welfare can be achieved through the implementation of policies that prioritize the well-being of employees, including fair wages, comprehensive healthcare benefits and a positive work environment. A healthy and motivated workforce not only boosts productivity and reduces absenteeism but also contributes to broader economic growth. Furthermore, such measures strengthen the government's reputation as a responsible employer and promote the overall welfare of society. By actively pursuing these initiatives, the county government can promote civic participation, strengthen citizen empowerment and uphold democratic principles.

ANNEXURES

Annex 1: Proposed Ceilings with departmental salaries 2026/2027 (Kshs.)

Department	Compensation to employees	Operations and maintenance	Development	Total	% allocations
County Administration and Office of the Governor	387,459,519	445,066,199	26,500,000	859,025,718	11.18
Finance and Economic Planning	227,714,791	232,811,204	520,000,000	980,525,995	12.74
Health and Sanitation	2,071,605,453	241,170,000	890,000,000	3,202,775,453	41.73
Agriculture Livestock and Fisheries	187,634,398	16,500,000	117,500,000	321,634,398	4.19
Infrastructure and Public Works	79,806,815	90,000,000	513,000,000	682,806,815	8.90
Education, Gender, Culture and Social Services	440,723,468	135,000,000	38,000,000	613,723,468	8.00
Trade and Enterprise development	49,418,993	17,810,000	40,300,000	107,528,993	1.40
Water and environment	121,715,013	14,700,000	108,000,000	244,415,013	3.18
Nanyuki Municipality	43,408,092	3,500,000	15,000,000	61,908,092	0.81
Rumuruti Municipality	15,558,504	3,000,000	4,000,000	22,558,504	0.29
Nyahururu Municipality	19,888,754	2,000,000	5,000,000	26,888,754	0.35
Executive Total	3,644,933,801	1,201,557,403	2,277,300,000	7,123,791,204	92.77
County Assembly	-	545,000,000	10,000,000	555,000,000	7.23
Grand Total	3,644,933,801	1,746,557,403	2,287,300,000	7,678,791,204	100

Annex 2: Proposed Ceilings with salaries in County Administration (Kshs.)

Department	Recurrent	Development	Total
County Administration and Office of the Governor	4,090,000,000	26,500,000	4,116,500,000
Finance and Economic Planning	232,811,204	520,000,000	752,811,204
Health and Sanitation	241,170,000	890,000,000	1,131,170,000
Agriculture Livestock and Fisheries	16,500,000	117,500,000	134,000,000
Infrastructure and Public Works	90,000,000	513,000,000	603,000,000
Education, Gender, Culture and Social Services	135,000,000	38,000,000	173,000,000
Trade, Tourism and Cooperatives	17,810,000	40,300,000	58,110,000
Water, Environment and Natural resources	14,700,000	108,000,000	122,700,000
Nanyuki Municipality	3,500,000	15,000,000	18,500,000
Rumuruti Municipality	3,000,000	4,000,000	7,000,000
Nyahururu Municipality	2,000,000	5,000,000	7,000,000
Total Executive	4,846,491,204	2,277,300,000	7,123,791,204
County Assembly	545,000,000	10,000,000	555,000,000
Grand Total	5,391,491,204	2,287,300,000	7,678,791,204

Annex 3: Variance Analysis (ADP Proposal / CFSP ceilings) with salaries in Adm department for 2026/2027 (Kshs)

Department	ADP 2026/2027 Allocations	CFSP 2026/2027 Allocations	Variance
Office of the Governor and County Administration	4,760,754,000	4,096,500,000	-664,254,000
Finance and Economic Planning	904,169,000	752,811,204	-151,357,796
Health and Sanitation	4,135,538,251	1,131,170,000	-3,004,368,251
Agriculture, Livestock and fisheries	575,960,600	134,000,000	-441,960,600
Roads, Public Works and Housing	1,367,499,700	603,000,000	-764,499,700
Education, Gender, Culture and Social Services	337,891,129	173,000,000	-164,891,129
Trade, Tourism and Co-operatives	363,000,000	58,110,000	-304,890,000
Water, Environment and Natural Resources	928,875,000	122,700,000	-806,175,000
Nanyuki Municipality	197,600,300	18,500,000	-179,100,300
Rumuruti Municipality	131,600,000	7,000,000	-124,600,000
Nyahururu Municipality	142,000,000	7,000,000	-135,000,000
County Assembly	0	575,000,000	575,000,000
TOTAL	13,844,887,980	7,678,791,204	-6,166,096,776

Annex 4: Proposed Vote allocations

DEPARTMENT	Administrative Units	PROPOSED VOTE ALLOCATIONS 2026/2027		
		Recurrent	Development	Total
County Administration, Public Service and office of the governor	Headquarters	18,000,000	5,000,000	23,000,000
	ICT	2,500,000	1,500,000	4,000,000
	Personnel Emolument	3,648,000,000		3,648,000,000
	Staff Insurance	220,000,000		220,000,000
	Executive support services County Secretary	15,000,000		15,000,000
	Chief of Staff	2,000,000		2,000,000
	Policy Advisors-public engagements	15,000,000		15,000,000
	Project Co-Ordination and Monitoring	10,000,000		10,000,000
	Office of the Governor	50,000,000		50,000,000
	Office of the Deputy Governor	25,000,000		25,000,000
	County Public Service Board	15,000,000		15,000,000
	Inter-Governmental and Donor Liaison	5,000,000		5,000,000
	Performance Contracting, Quality Standards & Compliance	1,500,000		1,500,000
	Human Resource Management and Development	3,000,000		3,000,000
	Logistics and Fleet Management	2,000,000		2,000,000
	Special Programs, YOUTH ,WOMEN AND PWD	10,000,000		10,000,000
	Special Programs, Enforcement, Public Safety and Disaster Management	7,000,000	20,000,000	27,000,000
	County Attorney and Legal services	6,000,000		6,000,000

	Kenya Devolution Support Programme (KDSP):-CPF	35,000,000		35,000,000
	Total	4,090,000,000	26,500,000	4,116,500,000
Finance Economic Planning and the County Treasury	Headquarters	120,811,204	495,000,000	615,811,204
	Accounting & Financial Reporting	9,000,000		9,000,000
	Budgeting Supply and Fund Administration	8,000,000		8,000,000
	Revenue Generation & Resource Mobilization	50,000,000	15,000,000	65,000,000
	Internal Audit & Risk Management	7,000,000		7,000,000
	Supply Chain Management	9,000,000		9,000,000
	Statistics, Economic Planning & County Development	7,000,000		7,000,000
	Laikipia County Development Authority	8,000,000	10,000,000	18,000,000
	Asset and Fleet Management Department	4,000,000		4,000,000
	Laikipia Car and Mortgage Fund - Headquarters	10,000,000		10,000,000
	Total	232,811,204	520,000,000	752,811,204
Health and Sanitation	Headquarters	40,000,000	50,000,000	90,000,000
	Medical Services	25,000,000	280,000,000	305,000,000
	Public Health & Sanitation	80,420,000	15,000,000	95,420,000
	Sub County Hospitals	8,000,000	35,000,000	43,000,000
	Sub-county health management-Laikipia West Headquarters	36,000,000	210,000,000	246,000,000
	Sub-county health management-Laikipia East Headquarters	51,750,000	300,000,000	351,750,000
	Total	241,170,000	890,000,000	1,131,170,000
Agriculture, Livestock and Fisheries	Headquarters	8,000,000	20,000,000	28,000,000
	Crop Production & Horticulture	3,000,000	7,500,000	10,500,000
	FSRP-COUNTERPART FUNDING		30,000,000	30,000,000
	Irrigation, Drainage & Water Storage	1,500,000	25,000,000	26,500,000
	Veterinary Services	1,500,000	17,000,000	18,500,000
	Livestock Production	1,500,000	16,000,000	17,500,000
	Fisheries Production	1,000,000	2,000,000	3,000,000
	Total	16,500,000	117,500,000	134,000,000
Infrastructure and Public works	Headquarters	20,500,000		20,500,000
	Land and Physical Planning	4,000,000	20,000,000	24,000,000
	KUSP-COUNTERPART FUNDING		50,000,000	50,000,000
	Housing and Urban Settlement	1,500,000	5,000,000	6,500,000
	Public Works	2,000,000	5,000,000	7,000,000
	Roads Transport	32,000,000	420,000,000	452,000,000
	Power Supply & Energy	30,000,000	13,000,000	43,000,000
	Total	90,000,000	513,000,000	603,000,000
Education Youths and Sports	Education			
	Headquarters	8,000,000		8,000,000
	Early Childhood Development (ECD) and Childcare Facilities	84,500,000		84,500,000

	Youth Polytechnics, Vocational Training & Library Resource Centres	30,000,000	35,000,000	65,000,000
	Sub Total	122,500,000	35,000,000	157,500,000
	Gender			
	Headquarters	1,000,000		1,000,000
	CEDC	3,500,000	2,000,000	5,500,000
	Culture and Social Services	1,000,000	1,000,000	2,000,000
	Sports	7,000,000		7,000,000
	Sub Total	12,500,000	3,000,000	15,500,000
	Total	135,000,000	38,000,000	173,000,000
Trade, Tourism, and enterprise Development	Headquarters	8,000,000		8,000,000
	Co-operatives	4,000,000	8,000,000	12,000,000
	Home Craft Industrialization & Enterprise Development		30,000,000	30,000,000
	Trade & Investments	3,810,000	2,300,000	6,110,000
	Tourism, Culture and Entertainment	2,000,000		2,000,000
	Total	17,810,000	40,300,000	58,110,000
Water, Environment and Natural Resource	Headquarters	2,500,000		2,500,000
	Water Services		15,000,000	15,000,000
	Environment & Natural Resources	6,200,000	3,000,000	9,200,000
	Locally Led Climate Action Program (FLLOCA)	6,000,000	90,000,000	96,000,000
	Total	14,700,000	108,000,000	122,700,000
Nanyuki Municipality	Headquarters	2,500,000		2,500,000
	Urban infrastructure improvement	1,000,000	15,000,000	16,000,000
	Total	3,500,000	15,000,000	18,500,000
Rumuruti Municipality	Headquarters	2,000,000		2,000,000
	Urban infrastructure improvement	1,000,000	4,000,000	5,000,000
	Total	3,000,000	4,000,000	7,000,000
Nyahururu Municipality	Headquarters	1,000,000	1,000,000	2,000,000
	Urban infrastructure improvement	1,000,000	4,000,000	5,000,000
	Total	2,000,000	5,000,000	7,000,000
TOTAL EXECUTIVE		4,826,491,204	2,277,300,000	7,103,791,204
County Assembly		565,000,000	10,000,000	575,000,000
Grand Total		5,391,491,204	2,287,300,000	7,678,791,204

Annex 5: Resolutions by County Assembly on Previous County Fiscal Strategy Paper 2025

In line with the provisions of the Public Finance Management Act and the guiding principles of fiscal responsibility, the County Treasury affirms that the recommendations by the County Assembly on the approved County Fiscal Strategy Paper 2025 were fully adopted and formed the basis of the previous year's departmental ceilings. The ceilings such approved were integrated into the resource framework to ensure consistency, transparency and adherence to legislative oversight. This compliance underscores the county Treasury commitment to prudent financial management, respect for institutional checks and balances and the

promotion of equitable resource distribution across all departments. By aligning the CFSP with Assembly resolutions, the Treasury strengthens accountability in budget formulation and enhances the credibility of the county's fiscal planning process.

Annex 6: Revenue performance 2024/25-2025/26

Financial Year	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
Revenue Class	Actual			Actual	Target	Actual Half Year 2025/26
Property rates	46,390,622	67,194,816	53,136,498	61,752,565	101,004,746	10,165,097
Business Permit	76,072,888	95,829,547	88,007,887	82,178,034	92,451,872	9,958,249
Cess	34,741,517	31,615,184	34,483,975	36,444,001	40,624,056	39,196,793
Ground Rent	692,654	1,098,712	395,580	1,123,001	1,000,000	0
Temporary Occupation License (TOL)?TOP	351,500	187,300	132,000	128,150	190,759	0
Debts Clearances Certificate Fee	1,208,200	1,521,903	1,923,984	1,271,566	2,026,904	0
Application Fee	4,119,524	5,211,042	4,886,856	6,490,476	8,078,224	0
Plot Transfer Fee	1,609,000	410,600	1,022,550	2,699,858	2,749,719	0
Plot Subdivision Fee	21,107,440	28,865,395	12,759,586	6,183,421	17,778,604	0
Liquor licenses	11,890,010	22,968,516	10,550,332	29,623,561	30,170,650	0
Reimbursement/Salary recovery(income)	584,270	-	-	-	-	-
Sand, Gravel, and Ballast Extraction Fees	50,512,483	39,441,650	52,928,666	48,949,471	45,000,000	0
Quarry Extraction Fees	3,073,000	993,300	-	3,448,588	7,302,707	0
Garbage Dumping/ Conservancy Fee	17,336,477	22,473,794	29,328,761	19,295,815	18,864,044	2,368,204
Game and Nature Park Fee	11,396,532	13,185,498	12,866,885	16,614,941	16,921,786	0
Market Entrance / Gate Fee	9,494,210	8,011,696	11,825,589	11,137,465	13,563,116	11,912,364
Stalls Rent	-	-	-	1,859,899	1,902,000	0
Park fees	33,738,473	35,499,850	38,072,750	38,766,704	41,117,553	29,273,335
Street Parking	35,605,514	38,130,067	29,901,081	29,010,536	36,875,483	9,007,194
Housing Estates Monthly Rent	18,268,946	26,154,680	22,154,468	25,560,201	26,637,706	0
Social Hall Hire	163,000	248,010	89,800	51,500	252,590	194,000
Stadium Hire	116,000	93,010	217,700	169,000	221,720	-
Vocational/Training School Fee	29,755,791	10,385,000	16,616,000	16,870,000	25,000,000	5,832,198
Library Service Fee	-	-	-	205,018	208,804	0
Health Centers Services/Hospital fee	398,880,236	467,253,034	560,402,055	680,836,440	700,000,000	307,502,144
Public health fees and licences	13,083,750	16,780,659	15,729,283	15,352,582	22,513,008	2,148,743
Slaughtering Fee	15,770,002	15,337,882	19,925,231	15,307,296	18,708,530	0
Hides & Skins Fee	20,000	83,750	-	21,710	121,249	-
livestock Movement Permit and other charges	1,996,450	1,658,435	26,920	829,650	2,161,562	-
Plan approvals, beaconing	55,581,896	41,366,775	61,408,400	44,870,326	65,911,191	7,467,219
Fire-Fighting Services	5,661,560	4,750,705	4,888,269	5,516,170	5,241,333	-
weight & measures	761,510	573,540	1,461,891	1,055,342	1,400,083	-
Disposal of Assets	2,371,000	-	-	-	5,000,000	-
Signs board	-	-	-	-	-	3,868,461

advertisement/Promotion						
Administrative services fee						13,687,542
UNICEF Health Grant/Donations			1,753,500			
Totals	902,354,455	997,324,350	1,086,896,497	1,203,623,287	1,351,000,000	452,581,543

Annex 7: County Departmental Expenditure Performance

Department	A Actual 2023/24 (KShs)	B Budget 2024/25 (Kshs)	C Actual 2024/25 (KShs)	Budget 2025/26 (Kshs)	Actual Q2 2025/26 (Kshs)
Administration	3,210,402,000	3,817,043,894	3,712,648,284	4,127,745,094	1,206,945,703
Finance	689,531,022	871,360,428	787,746,806	720,222,450	168,652,937
Health	639,215,085	1,035,112,786	945,201,470	1,466,013,752	160,970,572
Agriculture	99,945,278	305,246,775	106,583,587	360,051,852	77,150,814
Infrastructure	237,029,613	751,501,219	354,364,867	1,023,421,666	107,969,325
Education & Gender	150,188,582	161,835,998	140,145,075	235,829,091	20,505,090
Trade	97,036,127	180,074,786	98,109,473	148,198,216	11,181,065
Water	120,153,636	264,090,239	159,912,695	373,490,269	40,228,086
Nanyuki	7,000,000	119,214,879	7,100,000	166,135,998	3,900,000
Rumuruti	9,839,914	7,000,000	7,000,000	56,028,938	1,500,000
Nyahururu	-	2,000,000	-	6,000,000	-
Total	5,260,341,257	7,514,381,004	6,318,812,257	8,683,137,326	1,799,003,592

Annex 8: Performance of the Recurrent Budget

Department	A Actual 2023/24 (KShs)	B Budget 2024/25 (Kshs)	C Actual 2024/25 (KShs)	Budget 2025/26 (Kshs)	Actual Q2 2025/26 (Kshs)
4511-Administration	3,195,594,874	3,802,763,994	3,698,654,708	3,739,804,576	1,206,945,703
4512-Finance	216,415,240	243,499,121	210,333,344	220,947,870	69,885,781
4513-Health	289,061,364	206,703,920	191,139,660	228,390,000	37,727,085
4514-Agriculture	31,407,829	16,000,000	15,627,349	17,498,370	6,138,574
4515-Infrastructure	42,944,148	37,000,000	33,194,127	55,513,054	19,209,890
4516-Education & Gender	128,113,401	106,145,670	102,728,092	115,000,000	20,505,090
4517-Trade	18,079,958	13,410,000	13,025,496	15,910,000	7,181,065
4519-Water	25,864,928	17,000,000	12,546,640	14,600,615	2,342,555
4521-Nanyuki	-	37,000,000	2,100,000	3,500,000	1,400,000
4523-Rumuruti	4,839,914	2,000,000	2,000,000	3,000,000	1,500,000
4524-Nyahururu	-	2,000,000	-	1,000,000	-
Sub Total	3,952,321,656	4,483,522,705	4,281,349,416	4,415,164,035	1,372,835,744

Annex 9: Performance of the Development Budget

Department	A Actual 2023/24 (KShs)	B Budget 2024/25 (Kshs)	C Actual 2024/25 (KShs)	Budget 2025/26 (Kshs)	Actual q2 2025/26 (Kshs)
Administration	14,807,126	14,279,900	13,993,576	387,940,518	0
Finance	473,115,782	627,861,307	577,413,462	499,274,580	98,767,156
Health	350,153,721	828,408,866	754,061,810	1,237,623,752	123,243,487
Agriculture	68,537,449	289,246,775	90,956,238	342,553,482	71,012,240
Infrastructure	194,085,465	714,501,219	321,170,740	967,908,612	88,759,435
Education & Gender	22,075,181	55,590,328	37,416,983	120,829,091	-
Trade	78,956,169	166,664,786	85,083,977	132,288,216	4,000,000
Water	94,288,708	247,090,239	147,366,055	358,890,104	37,885,531
Nanyuki	1,000,000	82,214,879	5,000,000	162,635,998	2,500,000
Rumuruti	5,000,000	5,000,000	5,000,000	53,028,938	-
Nyahururu	-	-	-	5,000,000	-
Sub Total	1,302,019,601	3,030,858,299	2,037,462,841	4,267,973,291	426,167,849

Annex 10: pending bills Q2 2025/2026

Description	Total adjustments B/F 25/26	Paid during the Period Ended 31 st December 2025(Kshs.)	Balance C/F during the Period Ended June,2026(Kshs.)
Construction of buildings	229,280,489	-	229,280,489
Construction of civil works	557,187,911	30,598,080	526,589,831
Supply of goods	552,446,761	12,942,880	539,503,881
Supply of services	374,526,535	19,910,107	354,616,428
Salary	188,084,043	188,084,043	-
Total	1,901,525,739	251,535,110	1,649,990,629

Annex 11: Summary of public and Stakeholders feedback and actions taken

Department	Stakeholders recommendations	Action taken in CFSP 2026
Finance, planning and County development	Disclosure and Plan for clearance of pending bills	The pending bills summary is provided in the annexure and a plan for their management provided for under the Non – debt budget financing in chapter four
Education, Gender, Culture and Social Services	PWDs initiatives Youth Policy and programs Women initiatives-	Allocations provided in the CFSP
Health and sanitation	Preventive and curative - mental health and drug abuse management -Dentistry services	Allocations to be provided in the main programs and will be disaggregated during budget preparation
County Administration	Detail an action plan for managing wage bill Disaster management – fire and drought mitigation.	Provided in chapter four on under the projected recurrent projections. Provided for under emergency services while working together with

	Ict and connectivity – Fully functional ict hubs	other partners including national government, Red- cross for effectiveness. Collaborations ongoing with National Government and other stakeholders to enhance ICT
Agriculture, Livestock and Fisheries	-Promote value addition, processing and packaging to reduce post-harvest losses -Promote aquaculture in ponds and dams including small scale farmers	Allocations provided in the CFSP 2026 Provided under Fisheries Management and development
Infrastructure	Sewer systems development	Expansion of sewer systems is being managed by the water companies.
Municipalities (Nanyuki, Rumuruti and Nyahururu)	Establish a clear strategic objective on smooth transfer of functions, assets,staff and budgets to municipalities	The county is in the process of transferring all functions, assets, staffs and enhanced resources to municipalities.
County Assembly	Align allocation with CARA	The County Assembly Allocation will be aligned with approved ceiling when CARA is finalized.