

**REPUBLIC OF KENYA**



**COUNTY GOVERNMENT OF LAIKIPIA**

**THE COUNTY TREASURY**

**COUNTY FISCAL STRATEGY PAPER (CFSP)**

**2025**

## **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 2025 County Fiscal Strategy Paper (CFSP) aligns resource allocation with national priorities, focusing on the Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium-Term Plan of Vision 2030. It emphasizes supporting programs that promote inclusive growth, particularly at the grassroots level. The CFSP has been prepared against a backdrop of stable global and domestic economic outlook. The decline of inflationary pressures and stabilization of exchange rates has led to easing of monetary policy stance which has led to improved access to credit by the private sector thereby supporting economic activities.

The county government continues to implement policies aimed at improving livelihoods, grounded in the CIDP (2023-2027). The strategy focuses on seven (7) core pillars towards realizing and sustaining social economic transformation namely: Infrastructure Development, Skills enhancement, Innovation and Technology, Private sector engagement, Micro, Small and Medium Enterprises (MSMEs) Support, Inclusive Development and Security Enhancement. Key outcomes include employment creation, improved infrastructure, increased business growth, youth empowerment, peace and stability, enhanced health and wellness and increased access to water and sanitation. These initiatives aim for inclusive, sustainable development and improved living standards, particularly for marginalized communities.

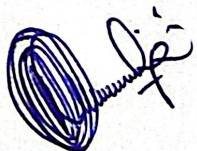
The County Treasury remains committed to maintaining fiscal responsibility, as outlined in the Public Finance Management Act, 2012 (Section 107), and the Public Finance Management Regulations (County Governments), 2015 (Section 25).

The county's economy is expected to grow by 5.4% in 2025, which will positively impact its Own Source Revenue (OSR). To ensure adequate funding for key programs, the county plans to collaborate with the National Government, engage in Public-Private Partnerships (PPPs), strengthen ties with development partners and expand the tax base while maintaining current tax rates. Additionally, the county will explore alternative financing mechanisms such as leasing and partnerships with both government and non-government agencies, to acquire necessary resources for infrastructure projects. These strategies aim to create a sustainable financial foundation for the county's development goals.

The available resources have been carefully allocated to meet essential and non-discretionary expenditures including salaries and wages, partial payment of pending bills, procurement of drugs, allocation to County Assembly and the retention of hospital collections. These allocations will be made before finalizing the spending ceilings for each department. In addition, county departments and semi-autonomous agencies are expected to prioritize programs and projects that are likely to yield the greatest outcomes, ensuring that the available resources are utilized efficiently and effectively to maximize impact.

The strategic priorities outlined in this document are directly linked to the objectives set forth in the County Integrated Development Plan (CIDP 2023-2027), which also supports the National Government's Medium-Term framework as captured in the 2025 Budget Policy Statement (BPS). This year's BPS is centered on the theme "*Consolidating gains under bottom-up economic transformation agenda for inclusive green growth.*" The successful realization of these priorities will play a crucial role in helping the county achieve its vision of becoming "*An inclusive county with a sustainable quality of life.*" By focusing on these themes, the county aims to foster inclusive growth, enhance the well-being of its citizens and ensure long-term sustainability in all aspects of development.

Given the limited resources, the sector ceilings provided in this strategy will form the basis for detailed budget allocations and prioritization of development programs and projects for FY 2025/2026. In conclusion, the county government is committed to deliver on its promise of promoting inclusive growth and sustainable development.



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



Approved

## ACKNOWLEDGEMENT

The County Fiscal Strategy Paper 2025 has been prepared in compliance with Section 117 of the Public Finance Management (PFM) Act, 2012.

It outlines the current state of the economy and the outlook over the medium term which includes broad macroeconomic issues, the medium-term fiscal framework and a summary of the Government's spending plans as a basis for the FY 2025/26 budget. The CFSP 2025 guides prioritization and implementation of government programs and provides a framework for public engagement.

The preparation of CFSP 2025, benefitted from invaluable insights from H.E the Governor, H.E the Deputy Governor and Hon. Speaker. In addition, the Finance, Planning, Budgeting and Appropriation Committees of the County Assembly of Laikipia played a key role by providing oversight and input to the process. The County Executive Committee Members provided departmental support towards preparation and finalization of this paper.

I recognise the leadership role provided by CECM for Finance, Economic Planning and County Development in the entire process. I also thank other county government departments and Agencies for providing necessary information and technical assistance in the preparation of this CFSP 2025.

I appreciate the role played by the public participation teams and other stakeholders who participated and sent memoranda to enrich this document.

Finally, I am grateful to the Budget and Economic Planning teams for their dedication in the compilation and finalisation of this document.



**Daniel Ngumi**

**Chief Officer, Finance and County Treasury.**



## ABBREVIATIONS AND ACRONYMS

|         |                                                     |
|---------|-----------------------------------------------------|
| AIA     | Appropriation in Aid                                |
| 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                |
| DANIDA  | Danish International Development Agency             |
| ECDE    | Early Childhood Development Education               |
| ESP     | Economic Stimulus Programme                         |
| FOLAREP | Forests and Landscape Restoration Plan              |
| 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            |
| IHRIS   | Integrated Human Resource Information System        |
| 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                                  |
| PFMA    | Public Finance Management Act                       |
| PPP     | Public Private Partnership                          |
| NTRH    | Nanyuki Teaching and referral Hospital              |
| NYTRH   | Nyahururu Teaching and Referral Hospital            |

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## EXECUTIVE SUMMARY

The 2025/2026 CFSP is prepared in accordance to the PFM Act section 117 which states that, the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper (CFSP) for approval and then submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.

The contents of the CFSP are largely informed by section 117(2) of the PFM Act which provides for the aligning of the CFSP with the national objectives in the Budget Policy Statement. The CFSP serves as the basis for the preparation of the annual estimates of revenue and expenditure. The CFSP has five chapters, as outlined below:

**Chapter I- Introduction to County Fiscal Strategy Paper.** This chapter outlines legal basis for the preparation of the county fiscal strategy paper, fiscal responsibility principles and the strategic objectives of the County Government.

**Chapter 2-Recent global, national and county economic developments.** This chapter highlights recent economic developments globally and at the national level and the impact that this has on the county economic development.

**Chapter 3-Macro-economic policy frameworks and medium-term outlook.** This chapter explores the global and national macro-economic development outlook and how they will impact on the county's economic outlook and fiscal performance in the medium term. Further, the chapter includes the County's medium-term framework, outlining the strategic legislative and executive actions that Government will undertake to accelerate economic growth and significant internal risks to the outlook.

**Chapter 4 -Fiscal framework and structural measures for 2025/26 and the medium term.** This chapter highlights the projections for county revenue, recurrent and development expenditure. It sets out a framework for sustainable public finances management, while managing vulnerability to economic and fiscal risks.

**Chapter 5 - Resource envelope and criteria for resource allocation.** This chapter highlights the resource envelope, sector ceilings and spending priorities for FY 2025/26, MTEF budget and the medium term. This is informed by the national objectives and goals as outlined in the Budget Policy Statement 2025 and the set-out resource sharing guidelines.

## **CHAPTER ONE INTRODUCTION**

### **1.1 Introduction**

Kenya is governed through a two-tier system of government as outlined in Chapter 11 of the Constitution of Kenya, 2010. Schedule 4 of the Constitution defines the specific mandates of county governments, which require effective planning and budgeting. The County Government Act, 2012, particularly Section 102, establishes the need for aligning these processes to ensure that the county governments can effectively fulfill their responsibilities.

The CFSP is a county government policy document that sets out the broad strategic priorities and policy goals that will guide the county departments and entities in preparing their budgets, providing a framework for resource allocation and hence implementation of the prioritized programs and projects.

### **1.2 Legal Basis for the Preparation of the County Fiscal Strategy Paper**

The CFSP is prepared in accordance with Section 117 of the Public Finance Management (PFM) Act, 2012 which states that:

- The County Treasury shall prepare and submit to the County Executive Committee the CFSP for approval and then submit the approved Fiscal Strategy Paper to the County Assembly, by the 28<sup>th</sup> February of each year.
- The County Treasury shall align its 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.
- Its further states that 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.

### **1.3 Fiscal Responsibility Principles for the County Government**

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 states that; in managing the County Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles:

- The County government's recurrent expenditure shall not exceed the county government's total revenue.
- Over the medium term a minimum of 30 percent of the County government's budget shall be allocated to the development expenditure.
- 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.
- 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.
- The County debt shall be maintained at a sustainable level as approved by County Assembly.
- Fiscal risks shall be managed prudently.
- 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 County Governments' Compliance with Fiscal Responsibility Principles**

In accordance with Section 107(2)(b) of the Public Finance Management Act, 2012, the County Treasury is obligated to implement the Fiscal Responsibility Principles outlined in the Act. In the FY 2024/2025 the County performed as follows across the principles:

- a) The County Government is required to ensure that its recurrent expenditure does not exceed its total revenue. In the 2024/2025 fiscal year, the County's recurrent expenditure stood at Kshs. 4.790 billion, while the total revenue amounted to Kshs.7.044 billion ((exclusive of grants), which means that recurrent expenditure accounted for 68% of the total revenue.
- b) Over the medium term, the County Government is committed to allocating at least 30% of its budget to development expenditure. In the budget for FY 2024/2025, the County allocated Kshs. 2.254 billion to development, out of a total budget of Kshs. 7.044 billion which represents 32%.
- c) The Public Finance Management Act, 2015 regulations require that the County Government's expenditure on wages and benefits for public officers should not exceed 35% of its total revenue. However, in the FY 2024/2025, the County allocated 52% of its budget, which amounted to Kshs. 3.709 billion towards wages, arrears and staff insurance. This expenditure was based on actual revenues of Kshs. 7.044 billion, exceeding the prescribed limit. To address the issue of the high wage bill, the County plans to re-designate existing staff to fill vacant positions internally and invest in capacity building initiatives aimed at improving service delivery.

- d) Over the medium term, the County Government is committed to ensuring that any borrowing is exclusively used for financing development projects, rather than for covering recurrent expenditure. As outlined in the Public Finance Management Act, 2012, County Public Debt encompasses all financial obligations related to loans and securities issued by the county government. In the FY 2024/2025, the County did not take on any new 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.
- e) The County is dedicated to ensuring that its public debt remains at a sustainable level, in accordance with the requirements set out in the Public Finance Management Act, 2012 and the Public Finance Management (County Governments) Regulations, 2015. These regulations stipulate that the total debt should not exceed 20% of the county's most recent audited revenues, as approved by the County Assembly. In order to adhere to this limit, the County has put in place a comprehensive debt management strategy. The FY 2024/2025 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.
- f) Fiscal risks refer to uncertainties related to the future of public finances. The County remains committed to managing these risks by strengthening its financial management processes, leading to qualified audit opinions. 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.
- g) The County aims to maintain a reasonable level of predictability regarding tax rates and tax bases, while also considering any future tax reforms that may be implemented. 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.

## **1.5: Strategic Objectives of the County Government**

### **1.5.1 County Coordination, Administration, ICT and Public Service**

- Coordination of emergency response, disaster management and enforcement.
- Increased public participation in county development processes
- Enhancement of security services
- Well-coordinated collaboration with National government agencies on Ending Drought Emergencies
- Efficient and effective E-government service delivery
- 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
- Digitized legal records and drafting laws and amendments.

### **1.5.2 Finance, Economic Planning and County Development**

- Ensure prudent financial management: Compliance with legal frameworks, Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 and Public Procurement and Disposal Regulations 2020.
- Strengthen integrated planning and budgeting through improved evidence-based policy formulation and decision-making, participatory budget process and monitoring & evaluation of development programs/projects.
- Preparation of budget policy documents (CBROP, DMSP, CFSP and Programme Based Budgets).
- Implement county risk management policy and internal controls within the County Treasury.
- Continue supplier development initiatives to enhance procurement processes and procedures.

### **1.5.3 Laikipia County Development Authority (LCDA)**

- Provide conducive investment climate, collaborate with development partners and develop strategic financing programs.

### **1.5.4 Laikipia County Revenue Board**

- Enhance efficiency and effectiveness in revenue administration through conducting revenue awareness campaigns and use of E- revenue collection systems.

### **1.5.5 Medical Services and Public Health**

- Establish one (1) multi / super-specialty hospital in Rumuruti which will also serve as a Medical Tourism Center (Level 6 hospital).
- Upgrade range of services in all health centers to include maternity and laboratory.
- Collaborate with KMTC to establish medical institution at Nanyuki level 5 Hospital and expand the range of courses offered at both Nanyuki and Nyahururu.
- Upscale the role of CHPs.

### **1.5.6 Agriculture, Livestock and Fisheries**

- 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.

#### **1.5.7 Infrastructure, Lands, Public Works and Urban Development**

- Increase efficiency in land use planning and information management through completion of the county spatial plan, approved land use plans, completion of the county land information and management system and maintenance of the GIS lab.
- Enhance development control, enforcement and inspection through completion and establishment of an online development application and approval system.
- Enhance dispute resolution on land related matters.
- Formulate renewable energy policies and strategies
- Enhance routine maintenance and repair of streetlights and floodlights.
- Improve operations of municipalities.
- Construct and maintain roads and drainages.

#### **1.5.8 Education, Library Services, Gender, Sports, Youth and Social Services**

- Increase access, retention, completion and transition rates at various levels.
- Increase number of operational vocational training centers.
- Increase number of trainees graduating with marketable hands-on skills.
- Increase number of library services.
- Increase access to bursaries and scholarships by under privileged students.
- Enhance sports development through Developing new and rehabilitate existing sports facilities sponsor regular sports tournaments implement programmes on
- Enhance economic and social empowerment for women, elderly, children, youth and PWDs;
- Enhance gender mainstreaming across sectors.

#### **1.5.9 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).
- Complete and equip the County Aggregated Industrial Park (CAIP).

#### **1.5.10 Water, Environment, Natural Resources and Climate Change**

- Develop water infrastructure to provide water for production (Mega Dams and water pans).
- Improve access to clean and safe drinking water
- Improve sanitation in urban centers, markets and low-income settlements.
- Protect and conserve catchment areas to enhance water and environmental resources.
- Reduce human-wildlife conflicts.
- Design and implement programs on climate change.

#### **1.5.11 Municipality Boards (Rumuruti, Nanyuki & Nyahururu)**

- Upgrade essential urban infrastructure such as roads, water supply, sewage system and public facilities.
- Implement measures for clean and sustainable urban environment by addressing issues like waste management and green spaces.
- Enhance public safety by investing in law enforcement and emergency services.
- Embrace technology and smart city solutions for efficient urban planning, traffic management and public services.
- Foster citizen engagement in decision-making processes and ensure transparency in municipal operations.
- Put in place measures to mitigate natural disasters or emergencies.

## CHAPTER TWO

### RECENT GLOBAL, NATIONAL AND COUNTY ECONOMIC DEVELOPMENT

#### 2.1 Introduction

Global and national economic growth variations affect both directly and indirectly our county fiscal decisions and operations. This section therefore highlights recent economic developments on the global and national level and its impacts on the county's economic development.

#### 2.2 Recent Global and Regional Economic Developments

The world economy was expected to continue growing at 3.2 percent in 2024 and 2025 from 3.3 percent in 2023 supported by easing of global inflation and supply chain constraints with a slight acceleration for advanced economies. Growth in advanced economies was projected to rise from 1.7 percent in 2023 to 1.8 percent in 2024 and 2025. This is according to *IMF World Economic Outlook report for October 2024*, which indicates the forecast for global growth five years from now at 3.1 percent being the lowest in decades. Growth in US was projected at 2.8 percent in 2024 on account of stronger outputs in consumption and non-residential investment and demand factors in the labour market. In United Kingdom and the Euro area, activity was expected to accelerate, as a result of better export performance, stronger domestic demand, rising real wages and a gradual loosening of monetary policy. However, there was expectation of slowed growth in Japan in 2024 due to temporary supply disruptions.

The growth in developing and emerging economies was projected to fall slightly from 4.4 percent in 2023 to 4.2 percent in 2024 and 2025 with variations across major economies. *IMF World Economic Outlook 2024*, projected gradual decline of global inflation from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

In sub-Saharan Africa, growth was expected to remain at 3.6 percent in 2024 as it was in 2023 and then accelerate to 4.2 percent in 2025 driven by gradual decrease of the adverse impacts of prior weather shocks and easing of supply constraints. The global economy continues to face risks such as regional conflicts or broader geopolitical tensions, tightening of monetary policy, high inflation and climate shocks.

#### 2.3 Domestic Macroeconomic Environment

Kenya's economy remained strong and resilient in the first three quarters of 2024 despite its growth being comparatively slower than the corresponding period in 2023. The GDP growth averaged 4.53 percent in the first three quarters of the year (5.0 percent in Q1, 4.6 percent in Q2 and 4.0 percent in Q3) compared to an average growth of 5.6 percent in 2023. The Growth in the first three quarters of 2024 was supported by strong performance in the agriculture sector, a slight recovery of the manufacturing sector and the resilience of services sector. All sectors of the economy

recorded positive growth rates in the first three quarters of 2024 except mining and construction, with varying magnitudes across the economic activities.

Agriculture, Forestry and Fishing expanded by 6.1 percent in Q1, 4.8 percent in Q2 and 4.2 percent in Q3 of 2024 owing to favorable weather conditions as well as government interventions that led to enhanced production. There was increase in production of tea, milk and sugarcane during the first three quarters of 2024. However, the sector's performance was somewhat curtailed by heavy rains and floods, between March and June 2024, that led to loss of livestock and damage to croplands.

Manufacturing sector growth averaged 2.27 percent in the first three quarters of 2024 compared to an average of 2 percent during the same period in 2023. This growth was supported by manufacture of food products including tea, dairy processing, production of soft drinks and sugar. However, the growth of the sector was constrained by manufacture of galvanized sheets, cement production and assembly of motor vehicles during the third quarter of 2024.

Services sector recorded strong growth momentum in the first three quarters of 2024 averaging 5.6 percent (6.2 percent Q1, 5.3 percent Q2 and 5.3 percent Q3). There were significant growths in accommodation and food service, financial and insurance, information and communication, real estate, and wholesale and retail trade sub-sectors. Performance in Accommodation and food service activities was boosted by several high-profile international conferences held in Nairobi while growth in Information and communication benefited from increased voice traffic, internet use and mobile money transfer.

Inflation eased to an average of 4.08 per cent in the third quarter of 2024 from 6.93 per cent in the corresponding quarter of 2023 mainly driven by lower prices of food and non-alcoholic beverages. Inflation declined to 3.0 percent in December 2024 compared to 6.6 percent in December 2023. This was as a result of abundant food supply arising from favorable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices and the decline in non-food non-fuel (NFNF) inflation reflecting impact of previous monetary policy tightening.

On the foreign exchange market, the Kenya Shilling stabilized against major international currencies in 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. In December 2024, the Kenya Shilling exchanged at KSh 129.4 against the US Dollar compared to KSh 159.7 in January 2024, an appreciation of 19.0 percent. Further, the Kenya shilling strengthened by 19.3 percent against the Sterling pound to exchange at KSh 163.6 in December 2024 compared to KSh 202.9 in January 2024 while against the Euro, the Kenya shilling gained by 22.2 percent to exchange at KSh 135.6 compared to KSh 174.3 over the same period.

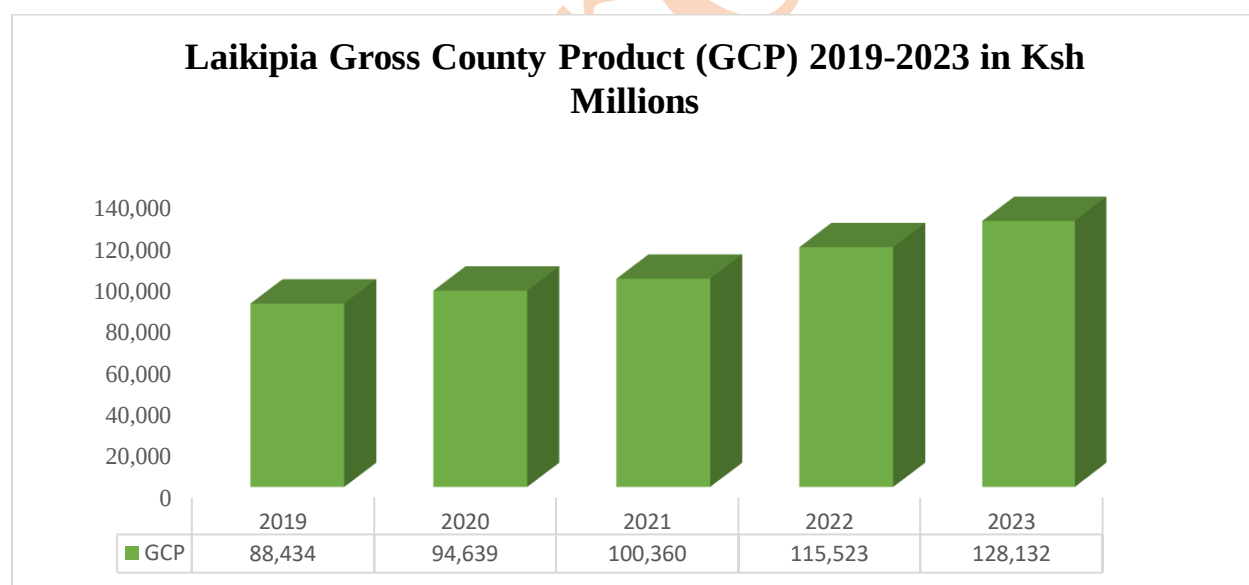
The decline of inflation to below the mid-point of the target range and stabilization of the exchange rate led to gradual easing of monetary policy stance by CBK and lowering of the Central Bank Rate (CBR) from 13 percent in August 2024 to 11.25 percent in December 2024. This is aimed at improving credit to the private sector thereby supporting economic activities. In addition, the appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investments and attracted investors to the Nairobi Securities Exchange. As a result, the NSE 20 Share Index improved to 2,011 points in December 2024 compared to 1,501 points in December 2023 while market capitalization also improved to Ksh 1,940 billion from Ksh 1,439 billion over the same period.

Further, easing of monetary policy has led to decline of interest rates with the interbank rate falling to 11.4 percent in December 2024 compared to 11.7 percent in December 2023. The 91-day Treasury Bills rate also declined to 10.0 percent in December 2024 from 15.7 percent in December 2023.

## 2.4 County Socio-Economic Performance

According to the 2024 Gross County Product Report by KNBS, the Laikipia Gross County Product (GCP) grew by 10.9 percent from Kshs. 115.5 billion in 2022 to 128.1 billion in 2023 as depicted in Figure 1. The county GCP represented 0.9 percent of the National GDP in 2023.

**Figure 1: Gross County Product (GCP) 2019-2023**



The major contributors of the GCP were agriculture (24.66 percent), transport and storage (18.18 percent), wholesale and retail trade inclusive of repair of motor vehicles (9.99 percent), construction (9.85 percent), public administration and defense (8.43 percent), real estate activities (6.16 percent) and education (4.96 percent). The rest of the economic activities including manufacturing, information and communication, financial and insurance activities,

accommodation and food service activities, mining and quarrying, electricity supply, water supply and waste collection, professional, technical and support services, human health and social work activities and other social activities contributed a combined 17.77 percent of the GCP. Performances across the Economic activities are highlighted in Table 1 below.

**Table 1: Laikipia Gross County Product by Economic Activity at Current Prices, 2019 – 2023 in (Ksh Millions)**

| <b>Economic Activities</b>                           | <b>2019</b>   | <b>2020</b>   | <b>2021</b>    | <b>2022</b>    | <b>2023</b>    | <b>Percent of GCP</b> |
|------------------------------------------------------|---------------|---------------|----------------|----------------|----------------|-----------------------|
| Agriculture forestry and fishing                     | 23,456        | 27,236        | 23,401         | 27,440         | 31,591         | 24.66                 |
| Mining and quarrying                                 | 123           | 134           | 162            | 209            | 182            | 0.14                  |
| Manufacturing                                        | 2,500         | 2,520         | 2,694          | 2,946          | 3,315          | 2.59                  |
| Electricity supply                                   | 396           | 435           | 425            | 514            | 572            | 0.45                  |
| Water supply, waste collection                       | 1,197         | 1,243         | 1,454          | 1,364          | 1,352          | 1.06                  |
| Construction                                         | 7,726         | 9,435         | 10,680         | 11,995         | 12,626         | 9.85                  |
| Wholesale and retail trade, repair of motor vehicles | 9,454         | 9,736         | 10,689         | 11,738         | 12,804         | 9.99                  |
| Transport and storage                                | 12,287        | 12,439        | 15,515         | 20,061         | 23,295         | 18.18                 |
| Accommodation and food service activities            | 1,965         | 1,283         | 2,201          | 2,402          | 3,142          | 2.45                  |
| Information and communication                        | 2,180         | 2,365         | 2,470          | 2,703          | 2,886          | 2.25                  |
| Financial and insurance activities                   | 1,848         | 2,279         | 2,754          | 3,210          | 3,814          | 2.98                  |
| Real estate activities                               | 5,919         | 6,267         | 6,736          | 7,221          | 7,891          | 6.16                  |
| Professional and technical services                  | 1,749         | 1,586         | 1,782          | 1,874          | 2,049          | 1.60                  |
| Administrative Support Services                      | 1,494         | 1,273         | 1,451          | 1,794          | 2,123          | 1.66                  |
| Public administration and defence                    | 8,709         | 9,199         | 9,142          | 10,872         | 10,803         | 8.43                  |
| Education                                            | 4,775         | 4,552         | 5,770          | 5,980          | 6,356          | 4.96                  |
| Human health and social work activities              | 946           | 1,168         | 1,364          | 1,348          | 1,476          | 1.15                  |
| Other service activities                             | 2,457         | 2,205         | 2,472          | 2,703          | 2,917          | 2.28                  |
| Financial services indirectly measured               | -747          | -716          | -802           | -851           | -1,062         | -0.83                 |
| <b>GCP</b>                                           | <b>88,434</b> | <b>94,639</b> | <b>100,360</b> | <b>115,523</b> | <b>128,132</b> | <b>100.00</b>         |

Source: 2024 Gross County Product, KNBS

Financial Services Indirectly measured - is a measure of production cost emanating from borrowing from financial institutions

### **Agriculture, Forestry and Fishing**

According to the 2024 GCP report, the sector grew by 15.1 percent in 2023 compared to a growth of 17.3 percent in 2022. 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. In addition, fish production contracted by 15.9 percent from 9,051 metric tonnes in 2022 to 7,616 metric tonnes in 2023.

### **Trade, Tourism and Co-operatives**

2024 GCP report by KNBS shows wholesale and retail trade including repair of motor vehicles sector expanded by 9.1 percent in 2023 compared to a growth of 9.8 percent in 2022 while accommodation and food service activities expanded by 30.8 percent in 2023 compared to a growth of 9.1 percent in 2022. 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.

### **Manufacturing, Innovation and Enterprise Development**

According to the 2024 GCP report, manufacturing sector expanded by 12.5 percent in 2023 as compared to 9.4 percent in 2022. 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. Conversely, the amount of funds disbursed through County Enterprise Development Revolving Fund to groups decreased by 77.9 percent from Ksh 10,090,000 in FY 2021/2022 to Ksh 2,230,000 in FY 2022/2023 as a result of a decline in the number of groups that applied for the fund.

### **Financial Services**

According to the 2024 GCP report, the financial and insurances activities in the county grew by 18.8 percent in 2023 compared to a growth of 16.6 percent in 2022. 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 10 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.

### **Construction, Transport and Storage**

2024 GCP report shows construction sector in the county expanded by 5.3 percent in 2023 as compared to a growth of 12.3 percent in 2022 while transport and storage grew by 16.1% compared to an increase of 29.3% during the same period. 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/murramed roads grew by 4.7 percent from 4,455.6 kilometers in 2022 to 4,664.5 kilometers in 2023.

### **Electricity, Water and Sanitation**

According to the 2024 GCP report, electricity supply expanded by 11.3 percent in 2023 compared to a growth of 20.9 percent in 2022. On the contrary, water supply and waste collection contracted by 0.9 percent in 2023 compared to a contraction of 6.2 percent in 2022. 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. Further, the total electricity consumption in the county grew marginally by 0.4 percent from 118.4 GWh in 2022 to 118.9 GWh 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.

### **Health Care Services**

GCP report 2024 by KNBS shows human health and social work activities expanded by 9.5 percent in 2023 compared to a contraction of 1.2 percent in 2022. 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 centres 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.

### **Education and Training Services**

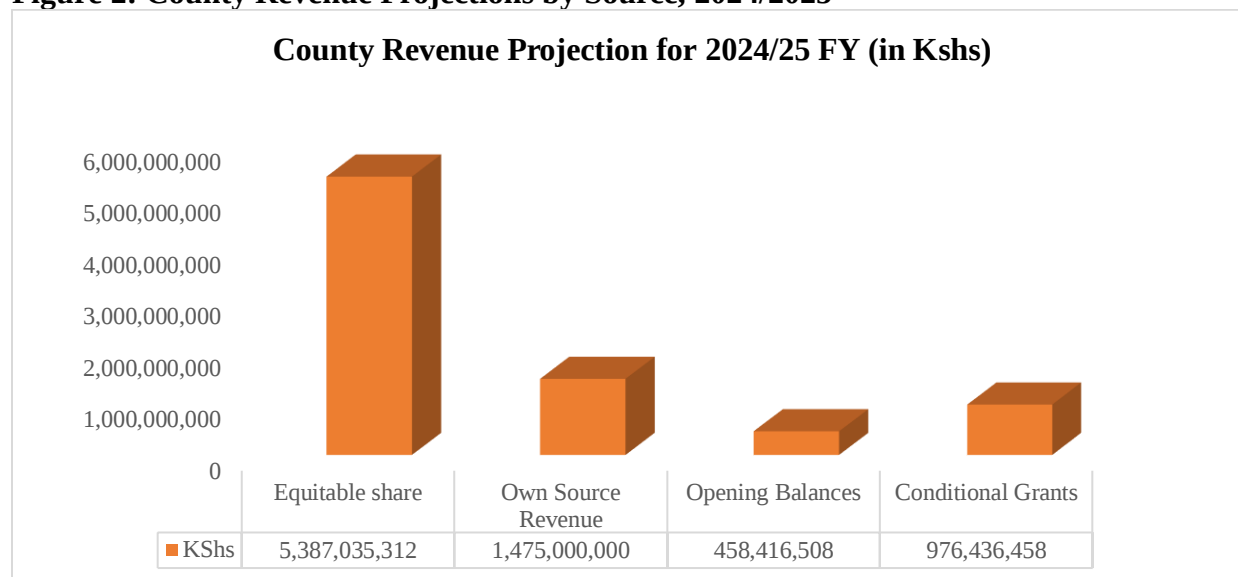
According to the 2024 GCP report by KNBS, Education sector expanded by 6.3 percent in 2023 compared to a growth of 3.6 percent in 2022. Laikipia CSA 2024 shows the number of learning institutions in the county grew slightly by 0.26 percent from 1,136 institutions in 2022 to 1,139 institutions in 2023. 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. Contrariwise, 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.

### **2.5 Budget Performance at the County Level**

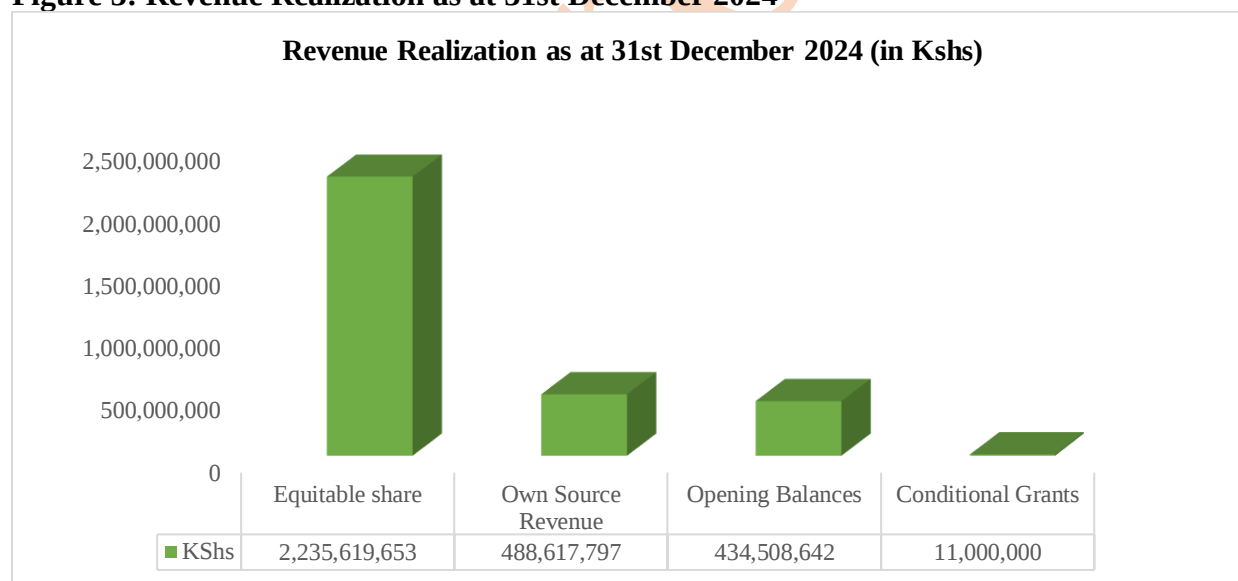
The FY 2024/2025 the County Government expects to receive total revenue amounting to Kshs. 8,296,888,278 comprising of equitable share allocation of Ksh 5,387,035,312, own source revenue projections at Ksh 1,475,000,000, opening balances of Ksh 458,416,508 and conditional grants of Ksh. 976,436,458. This is as captured in figure 2.

**Figure 2: County Revenue Projections by Source, 2024/2025**



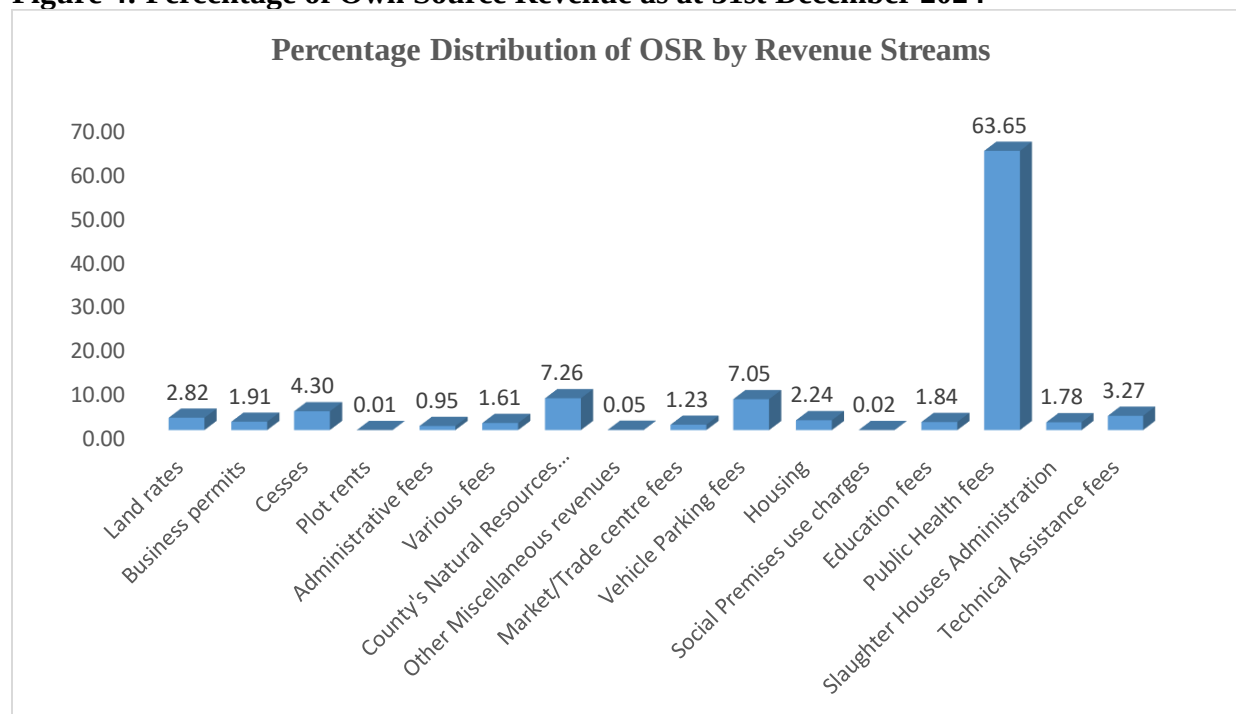
In the first half of FY 2024/2025, the county realized Kshs. 3,169,746,092 as revenue representing 38.2 percent of county total revenue target. The county realized 41.5 percent on equitable share, 33.1 percent on Own Source Revenue, 94.8 percent on Opening balances and 1.1 percent on conditional grants. This is illustrated in figure 3.

**Figure 3: Revenue Realization as at 31st December 2024**



In the first half of FY 2024/2025, the Own Source Revenue collections against the annual targets were mainly derived from revenue streams such as; Public health fees (63.65 percent), County natural resources exploitation (7.26 percent), Vehicle parking fees (7.05 percent), Cesses (4.30 percent), Technical Assistance fees (3.27 percent), Land rates (2.82 percent), Housing (2.24 percent), Business permits (1.91 percent), Education fees (1.84 percent) and slaughter house administration (1.78 percent) among other revenue streams as demonstrated in figure 4 below.

**Figure 4: Percentage of Own Source Revenue as at 31st December 2024**



More revenue collections are expected to be realized between January and March 2024 due to business permit renewals, land and plot rates and enhanced enforcement of the Finance Act 2023. The following factors affected revenue performance in the period ending 31<sup>st</sup> December 2024.

- Delay in compliance with OCOB exchequer requirements hence increased turn over period.
- Non-disbursement of Exchequer releases by the National Treasury.
- Non-disbursement of conditional grants.
- Non-realization of quarterly Own Source Revenue target due to subdued economic activities in some sectors of county economy.

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 fast-tracking the approval of valuation rolls 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 2024 to December 2024 the exchequer unit cumulatively processed and transferred a total of KShs 2.645 billion (Excluding A.I.A) representing 32.9 percent performance against the approved budget. The county executive recorded a 32.6 percent performance while the county assembly realized 36.1 percent performance. Ksh. 478,582,452 and Ksh. 2.167 billion was spent on development and recurrent expenditures respectively, representing 15.2 percent and 44.3 percent absorption rates of the total approved budget.

The County Government will ensure rationalization of expenditure to improve efficiency and reduce wastages. Measures in place include; enhanced implementation of e-procurement and strengthening of the audit department; prioritize implementation and completion of ongoing projects and programmes as set out in the budget; adherence to strict project timelines and budgets through projects' field inspection visits and pursue joint initiatives with development partners to support increased public expenditure on capital projects. In addition, the county government will limit recruitments to areas with critical human resource needs, re-designate existing staff to fill existing gaps internally and enhance staff capacity building for better service delivery.

Public participation and citizens' engagements will be enhanced to ensure smooth implementation of the Finance Act 2024, participatory legislation, development planning, budgeting and programmes/projects implementation.

Approved

## CHAPTER THREE

### MACRO-ECONOMIC POLICY FRAMEWORK AND MEDIUM-TERM OUTLOOK

#### 3.1 Introduction

This chapter delves into the global and national macroeconomic development outlook and how they will affect the country's economic outlook and fiscal performance in the medium term. Moreover, the chapter provides a comprehensive view of how the county government plans to manage and steer its economic growth. It will also shed light on how macroeconomic variables will affect the county's economic outlook and fiscal performance in the medium term.

#### 3.2 Global, National and County Economic Prospects

According to IMF *World Economic outlook, Policy, Pivot, Rising treats, October 2024* Global growth is expected to remain stable yet underwhelming. At 3.2 percent in 2024 and 2025, the growth projection is virtually unchanged from those in both the April and July 2024 World Economic Outlook. The outlook reflects stronger-than-expected growth in the USA, some large emerging market economies such as India and improved growth prospects in the UK.

In the advanced economies, growth is projected to remain stable at 1.8 percent in 2025 as projected in 2024 but achieve a slight growth from 1.7 percent estimated in 2023 with several global factors posing risks to the outlook. Monetary policy regimes could remain tight for an extended period due to persistent inflation, heightened geopolitical tensions in the Middle East and risks associated with the Ukraine-Russia war could lead to high energy costs, disrupt international trade and slow global growth.

In the emerging markets and developing economies, growth is projected to decline slightly but remain stable at 4.2 percent in 2025 from a growth of 4.4% estimated in 2023 and 4.2 % projected in 2024.

At the regional level, growth in Sub-Saharan Africa is expected to rebound to 3.6% in 2024 and 4.2% in 2025 from 3.6% in 2023. This growth is driven by improved economic activities as the adverse impacts of prior weather shocks subside and supply constraints gradually ease.

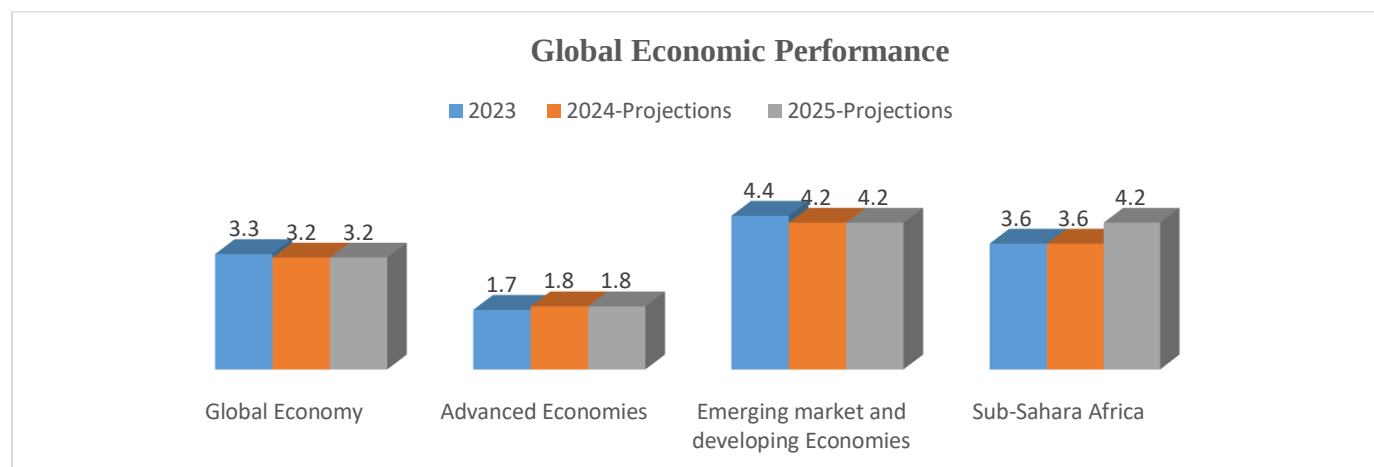
**Table 2: Global Economic Performance**

| Economy                           | Growth % |          |             |      |
|-----------------------------------|----------|----------|-------------|------|
|                                   | Actual   | Estimate | Projections |      |
|                                   | 2022     | 2023     | 2024        | 2025 |
| World                             | 3.5      | 3.3      | 3.2         | 3.2  |
| Advanced Economies                | 2.6      | 1.7      | 1.8         | 1.8  |
| of which: USA                     | 1.9      | 2.9      | 2.8         | 2.2  |
| Euro Area                         | 3.4      | 0.4      | 0.8         | 1.2  |
| Japan                             | 1.0      | 1.7      | 0.3         | 1.1  |
| Emerging and developing Economies | 4.1      | 4.4      | 4.2         | 4.2  |
| of which: China                   | 3.0      | 5.2      | 4.8         | 4.5  |
| India                             | 7.0      | 8.2      | 7.0         | 6.5  |
| Sub-Sahara Africa                 | 4.0      | 3.6      | 3.6         | 4.2  |
| of which: South Africa            | 1.9      | 0.7      | 1.1         | 1.5  |

|         |     |     |     |     |
|---------|-----|-----|-----|-----|
| Nigeria | 3.3 | 2.9 | 2.9 | 3.2 |
| Kenya   | 4.9 | 5.6 | 5.2 | 5.4 |

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

**Figure 5: Global Economic Performance - Percent Change 2023-2025**



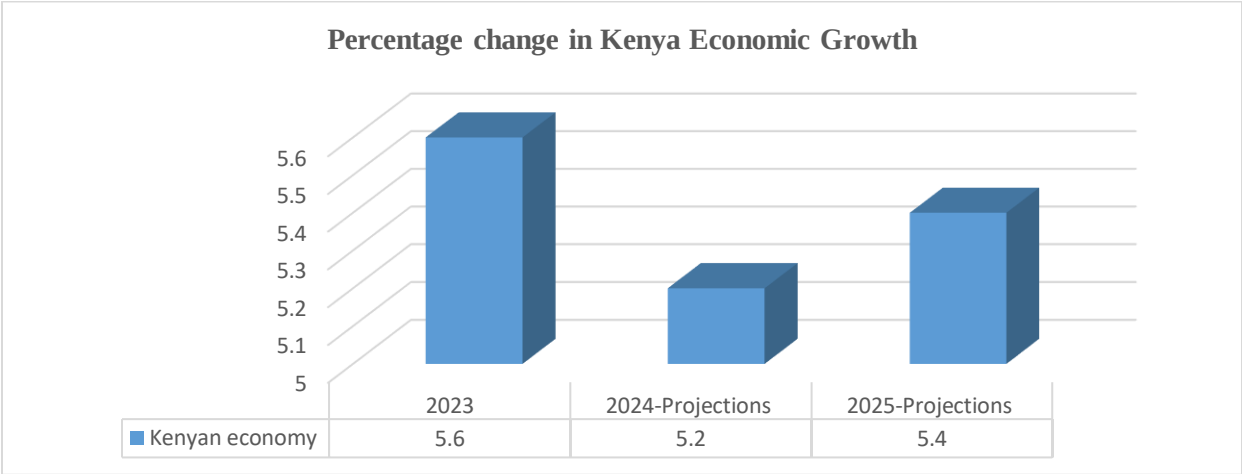
World Economic Outlook October 2024

Global headline inflation is expected to fall from an annual average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

Considering the performance of Kenya's economy in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy, growth is estimated to expand overall by 5.2 percent in 2024 and 5.4 percent in 2025. These projections are mainly supported by a robust service sector and recovery of manufacturing sector; robust agricultural productivity and improvement in exports.

The outlook will be reinforced by implementation of policies and reforms under the priority sectors of the Bottom-Up Economic Transformation Agenda (BETA) and improvement in aggregate demand. Additionally, Kenya's growth is also expected to benefit from the implementation of the recently signed trade agreements under the European Union Economic Partnership Agreement and African Continental Free Trade Area. Similarly, implementation of prudent fiscal and monetary policies will continue to support economic activities.

**Figure 6: Kenya Economic Performance - Percent Change 2023-2025**



The monetary policy stance over the medium term will aim at achieving and maintaining overall inflation within the target range of  $5\pm 2.5$  percent while maintaining a competitive exchange rate and stable interest rates. This will be supported by low and stable food prices attributed to stable supply due to favorable weather conditions, low fuel inflation, stable exchange rate and lowering of international oil prices.

**Kenya Medium-Term Framework: Development Priorities**

The FY 2025/2026 and the Medium-Term Framework will focus on implementation of the Bottom-up Economic Transformation Agenda (BETA) as prioritized in the Medium-Term Plan (MTP) IV for Kenya Vision 2030. The Agenda is geared towards economic turnaround and inclusive growth and aims to increase investments in the five core pillars envisaged to have the largest impact to the economy as well as on household welfare. These include Agricultural Transformation and Inclusive Growth; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry.

The Government will also prioritize implementation of strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; Services Economy; Environment and Climate Change; Education and Training; Women Agenda; Social Protection, Sports, Culture and Arts, Youth Empowerment and Development Agenda; Governance; and Foreign Policy and Regional Integration.

**3.3 Laikipia County Medium-Term Framework: Transformative Agenda**

In 2025/2026 and over the Medium-Term, the county’s economy is expected to realize a growth of around 3.5% driven by the rebound in agriculture sector as result of anticipated adequate rainfall, ongoing fertilizer and seed subsidy program and robust growth of the services sector (accommodation and food services activities, education, other service activities and wholesale and retail trade).

To foster inclusive growth and economic transformation over the medium term, the County Government will persist in implementing structural reforms and prudent budgetary policies. As such, the county government will prioritize the implementation of development initiatives across the seven (7) core pillars towards realizing and sustaining social economic transformation namely: Infrastructure development; Skills enhancement; Innovation and Technology; Private sector engagement; Micro, Small and Medium Enterprises (MSMEs) Support; Inclusive Development; and Security Enhancement.

### **3.4 County Sectoral Support for Broad-Based Sustainable Economic Growth**

The County government is taking steps to improve the livelihoods of its residents. As a result, the government has prioritized key areas to focus on, namely: Agriculture, irrigation and livestock development; Roads, lands, urban development, energy and housing; Education and training; Trade and enterprise development; Health care; Water and Sanitation; Gender, sports, youth and social services; County administration and coordination; and Finance and economic planning.

#### **3.4.1 Agriculture, Irrigation and Livestock Development**

In 2025/2026 and over the Medium-Term, the government has prioritized several key programmes and projects aimed at improving productivity, increasing efficiency and promoting sustainability. These initiatives include: Provision of agriculture sector extension services; increase access and use of certified and quality planting materials; promotion of the adoption of climate smart agriculture technologies; support food security services and post-harvest management; investment in agribusiness marketing and value addition; and development of water harvesting, storage and irrigation facilities. Under livestock production the government will promote animal health diseases and pest control; increase market access and value addition; promotion of fodder production by farmers; and promote fish production, marketing and regulatory services.

#### **3.4.2 Roads, lands, Urban Development, Energy and Housing**

The County Government intends to provide well-planned and sustainable human settlement; provide quality, convenient and sustainable urban services; increase access to green energy for households and institutions; provide all county building projects with necessary public works services; and develop and maintain road network. Under lands and physical planning, the county will facilitate efficient approvals for housing; facilitate issuance of title deeds to residents in informal settlements; and fast-track surveying and physical planning of urban areas. In collaboration with the National government, the county government will continue to support the implementation of the affordable housing program.

#### **3.4.3 Education Library services, Gender, Sports, Youth and Social Services**

Education and skills enhancement through provision of quality education and technical skills to learners and students at early childhood and tertiary education. In 2025/2026 and over the medium-term, the county government plans to implement the following development initiatives; Increase the capacity of vocational training and Early Childhood Education centers by constructing new workshops and classrooms; Employ and capacity build the ECDE teachers and VTCs trainers;

support the realization of home grown school feeding programme; provide education empowerment to students through bursaries and scholarships; support library services; integrate ICT in learning; supply teaching and learning material to ECD and VTC centres; and strengthen partnerships in learning and skills development.

Delivery of Gender, Sports, Youth, and Social services plays a critical role in promoting inclusivity, empowerment and development within the county. In line with this, the County government plans to implement the following development initiatives in the medium term; Develop new and rehabilitate existing sports facilities including stadiums and community playfields; sponsor regular sports tournaments within and outside the county; provide sports gear and equipment; develop and support operations of art centres and talent hubs; support digital and creative economy; implement programmes on economic and social empowerment for women, elderly, children, youth and PWDs; ensure gender mainstreaming across sectors of the economy; construct new or rehabilitate existing community social centres; and implement programmes to control drugs and substance abuse.

#### **3.4.4 Trade and Enterprise Development**

The sector is responsible for the promotion of orderly growth of trading activities in the county through provision of business development services and regulatory frameworks. To support trade and enterprise development, the County government plans to implement the following development initiatives in 2025/2026 and over the medium term: Develop market infrastructures for food, livestock and other commodities; implement education and training programs for entrepreneurs and business people; and promote innovation in product development. In addition, the government will continue promoting value addition and local manufacturing through development of industrial parks (CAIP) and offering support to informal sector, support cooperative and enterprise development through cooperative and enterprise revolving funds. Further, the government will continue creating an enabling environment for private sector to thrive and encourage entrepreneurship.

#### **3.4.5 Health Care**

The sector aims to enhance access to affordable and quality healthcare to all the county residents by investing in preventive and curative health care services. In line with this, the County government plans to implement the following development initiatives: Support ambulance service with sufficient fleet; build human resource capacity for health; develop health care infrastructures at all levels; stock the health facilities with medical commodities and health products; supply medical diagnostic equipment and technology; support family planning, maternal, neonatal, child and adolescent health (RMNCAH); control and prevent Non-Communicable Diseases (NCD), HIV/AIDS and TB; digitization of health services; and support to public health services and community health strategy.

### **3.4.6 Water and Sanitation**

Water and sanitation are critical components of human life and it is essential to ensure that everyone has access to safe and clean water. The county is experiencing inadequate water supply in both urban and rural areas, primarily due to prolonged droughts. To provide safe, secure, and sustainable water supply and sanitation services, the county plans to implement the following development initiatives in 2025/2026 and over the medium term; Increase water supply in rural areas by constructing new water infrastructure and rehabilitating existing systems, such as boreholes, dams, pans and water pipelines; provide plastic storage tanks at household level; fund the development of community water projects; continuously carryout Strategic Project Monitoring and interventions towards Ending Drought Emergencies; Conserve and protect water catchment areas; institute good governance in water management; and partner with urban water companies to supply water and sanitation services in urban areas. Additionally, the government plans to construct public toilets in urban areas; construct new and extend sewer treatment systems and up-scale solid waste management systems.

### **3.4.7 County Administration and Coordination**

This sector plays a vital role in ensuring that the county government functions efficiently and effectively in-service delivery. In line with this, the county government plans to implement the following initiatives in 2025/2026 and over the medium term: Ensure enhanced management of staff performance; continue the implementation of the county organizational structure; coordinate with the national government and other government agencies in implementation of national policies, programs and projects; work closely with security agencies to ensure peace and stability in the county; strengthen public participation and stakeholders engagement; ensure county policies, laws and regulations are followed; partner with relevant entities in mitigating emergencies and disasters; collaborate with Civil Society Organizations (CSOs) in service delivery; and increase ICT connectivity in service delivery.

### **3.4.8 Finance and Economic Planning**

This sector serves a critical role in resource mobilization; public finance management; policy formulation; and participatory development planning, budgeting and tracking implementation. In 2025/2026 and over the medium term, the government plans to implement the following initiatives; Enhance revenue collections and administration; formulation of development plans and budget output papers; Strengthen budget expenditure controls, internal controls, and systems; Facilitate public participation and stakeholder engagements on development planning and budgeting; carryout monitoring, evaluation and reporting on development implementation; collect and collate data to inform decision making; enhance documentation and reporting of county assets and liabilities; and foster partnerships in resource mobilization and development implementation.

### **3.4.9 Environment and Natural Resources**

Laikipia County's environment and natural resources are diverse and critical to the livelihood of its inhabitants. While the county benefits from rich wildlife, water resources, forest and land, it faces challenges such as climate change, land degradation and human-wildlife conflicts, which

require collaborative and sustainable solutions. In 2025/2026 and over medium term the government plans to implement the following initiatives aimed at protecting and conserving the environment and increasing productivity of natural resources in the county: Increase access to climate change funding and carbon credit markets; capacity build the ward climate change committees; install and maintain electric fences; fast track the operationalization of Laikipia National game reserve; implement solid waste management including demarcation and maintenance of dumpsites; implement FOLAREP and Ewaso Narok management plan; formulate Laikipia mining, quarrying and sand harvesting Act and Laikipia mineral extraction policy; register and capacity build artisanal miners; carryout research and exploration of various minerals in the county; and strengthen public participation and community engagement on Environment and Natural Resources management issues.

### **3.5 Risks to the Outlook**

The budget forecast faces potential setbacks that stem from internal and external factors. These factors pose a downside risk to the economic outlook for 2025/2026 and the medium term. As a result, the county government will consider these factors and develop strategies to mitigate the risks.

#### **3.5.1 External Factors**

**Global Geopolitical Tensions-** These include further escalation of geopolitical tensions particularly the wars in the Middle East, Ukraine-Russia and Syria; potential worsening of supply disruptions due to the shipping crisis in the Red Sea and Suez Canal, which could result in higher import and production costs; and uncertainty about the evolution of international oil prices. To mitigate the impacts of the global geopolitical tensions and conflicts on the county economy, the government will continue to invest in alternative and renewable sources of energy sources, improve agriculture productivity and attract investors to set up industries to reduce dependence on international markets.

**Un-anticipated Lower Global Economic Growth-** Lower than anticipated global economic growth and particularly in major exports destination could reduce Kenya's exports, tourism receipts and remittances growth, while increase in global fuel prices could increase Kenya's imports bill. Tight global financial conditions arising from lower-than-expected return of global inflation to target levels could aggravate Kenya's vulnerabilities towards meeting external financing requirements. To mitigate these risks, the government's is committed to consolidate and prioritize concessional borrowing.

#### **3.5.2 Internal Factors**

**Extreme Weather Patterns-** Adverse weather conditions such as drought and floods could weaken agricultural output, leading to destruction of capital and increase food insecurity. To address this, the county government shall encourage farmers to adopt crop management practices that cope with drought conditions which include; planting of drought-resistant crops, using efficient irrigation systems and practicing soil conservation techniques. Financing for Locally led

Climate Action (FLLoCA) Programs will also supplement the governments' efforts in mitigating effects of droughts and other climate change related risks.

**Natural and Man-Made Calamities-** These can pose significant risks to the economic outlook of a county and even the country at large. Natural disasters such as floods, can cause extensive damage to infrastructure, disrupt supply chains and lead to loss of life and property. Man-made hazards such as banditry, fires, pollution, accidents, and political instability can also significantly impact the economy by disrupting business operations, reducing investor confidence and causing financial losses. The county will continually invest in disaster preparedness and response measures such as early warning systems, constructing drainage systems, strengthening of enforcement and adherence to good governance practices.

**Financial uncertainties-** County government may experience uncertainties in its revenue streams performance due to various factors such as changes in tax laws, economic downturns or unexpected events such as natural disasters. As a result, they may face budget constraints due to limited resources, competing demands for funding and unforeseen expenses. To mitigate the impact of these uncertainties, the government will focus on improving its financial management systems, exploring alternative revenue sources and prioritizing spending. Additionally, the county government will foster partnerships with other stakeholders to help overcome budget constraints.

**Technological changes-**The county administration continues to place a lot of emphasis on digital technology. Some e-government programs like IFMIS, IHRIS, and IPPD among others play an important role in the county. However, digital technology has potential risks like cybercrimes and fraud. The county government will consistently educate users on the value of upgrading cyber security and prioritizing implementation of cyber security policies to mitigate such dangers.

In conclusion, the county government will closely monitor these risks and take corrective action to mitigate against their potential negative impacts. Further, the County Government will collaborate with the National Government in implementing policy directions toward addressing the above risks.

## **CHAPTER FOUR**

### **FISCAL FRAMEWORK AND STRUCTURAL MEASURES FOR 2025/2026 AND THE MEDIUM-TERM**

#### **4.1 Introduction**

This Chapter outlines the projected county revenues and expenditures (recurrent and development) for the 2025/2026 financial year. A Fiscal framework entails the use of spending levels and tax rates to influence the economy.

#### **4.2 The Fiscal Framework**

The financial year 2025/2026 fiscal framework is designed in line with the macroeconomic policy framework and the policy priorities set by the County Government. Over the medium term, the government's tax and spending plans will focus on driving social economic development that targets to improve the quality of life for county residents. The CFSP 2025 provides the estimated resource envelope and spending plan that will facilitate delivery of essential public goods and services.

This CFSP provides the link between planning and budgeting as laid out in both the CIDP 2023-2027 and the ADP 2025/2026.

#### **4.3 Revenues Projections**

Articles 202 and 203 of the Constitution of Kenya 2010 define how revenue raised nationally is shared between the National and County Governments. Additionally, counties may receive other allocations as conditional or unconditional grants, as outlined in the draft BPS 2025.

The BPS 2025 projects total national government revenue including Appropriation-in-Aid (A-i-A) of Ksh 3,516.6 billion (18.2 percent of GDP) from the projected Ksh 3,060.0 billion (16.9 percent of GDP) in FY 2024/2025. Of this, ordinary revenue is projected at Ksh 3,018.8 billion (15.7 percent of GDP) from the projected Ksh 2,631.4 billion. Revenue performance will be underpinned by the on-going reforms in tax policy and revenue administration geared towards expanding the tax base and improving tax compliance.

The total budget for FY 2025/2026 is projected at Ksh 4,485.7 billion for allocations to the three Arms of Government including sharable revenues to the County Governments. Of this amount, Kshs. 2,749.51 billion will be allocated to the National Government, Kshs 1,331.13 for consolidated fund services while County Governments are set to receive Kshs. 405.07 billion as their share of national revenue.

As per Article 203 (1) of the Constitution and Based on ordinary revenue projection of Ksh 3,018.80 billion in FY 2025/2026, Ksh 2,603.14 billion will be allocated to National Government, Ksh 405.07 billion to County Governments as equitable revenue share and Ksh 7.87 billion to the Equalization Fund. The National Treasury proposes to further allocate Ksh 2.74 billion to the Equalization Fund in FY 2025/2026 as partial payment to arrears. In addition, County

Governments will receive Kshs. 2.946 billion in unconditional and kshs 9.948 billion in conditional allocations. The conditional grants are intended to support the achievement of specific national policy objectives that are to be implemented at the county level.

In the FY 2025/2026 Laikipia County projects to receive Kshs. 5,640,962,159 as equitable share. In addition, the County expects to receive additional conditional/unconditional grant allocations including kshs 37,500,000 for kdsp level 1 and kshs 352,500,000 for Kdsp level 2, other specific grants will be known upon finalization of the additional allocation of revenue bill.

Laikipia County has targeted to collect Kshs. 1,351,000,000 as Own Source Revenue in the 2025/2026 financial year, as outlined in Table 4 and Figure 8. Consequently, the total projected county revenue for the same period is Kshs. 6,991,962,159 as detailed in Table 5. Key revenue streams anticipated to make significant contributions to this target include hospital fees, single business permits, land rates, vehicle parking fees, county natural resource exploitation and technical service fees

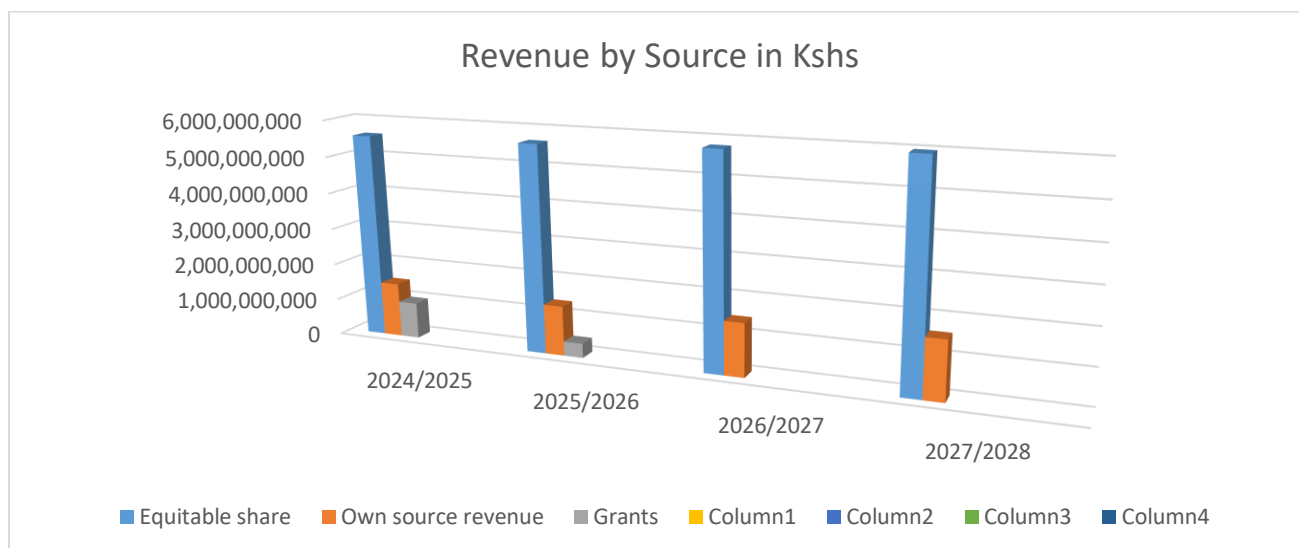
The County Government through the County Revenue Board will continue to implement policies and reforms that will enhance own Source Revenues while sustaining achieved growth levels. Some of these interventions will include;

- Fast track the approval and implementation of a new valuation roll
- Enhancing capacity of the County Revenue Board to effectively carry out its mandate.
- Expanding the revenue base of various revenue streams.
- Enhancing E- collection systems to reduce revenue leakages.
- Implementing and enforcing relevant sector-specific laws to ensure effective and efficient revenue collection.
- Publicizing and implementing of the Annual Finance Acts.
- Improved oversight and monitoring of the revenue collection process.
- Promote compliance by implementing recognition programs and hosting open days.

**Table 3: Summary of County Revenues in 2024/2025-2027/2028 (KSh.)**

| Revenue source                | Budget (Kshs.)       | Projections(kshs)    |                      |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
|                               | 2024/2025            | 2025/2026            | 2026/2027            | 2027/2028            |
| Equitable share               | 5,569,687,183        | 5,640,962,159        | 5,798,155,480        | 5,970,365,392        |
| Own source revenue            | 1,475,000,000        | 1,351,000,000        | 1,446,574,450        | 1,591,231,895        |
| <b>Total sharable Revenue</b> | <b>7,044,687,183</b> | <b>6,991,962,159</b> | <b>7,244,729,930</b> | <b>7,561,597,287</b> |
| <b>Grants</b>                 | 976,436,457          | 390,000,000          |                      |                      |
| <b>Grand Total</b>            | <b>8,021,123,640</b> | <b>7,381,962,159</b> | <b>7,244,729,930</b> | <b>7,561,597,287</b> |

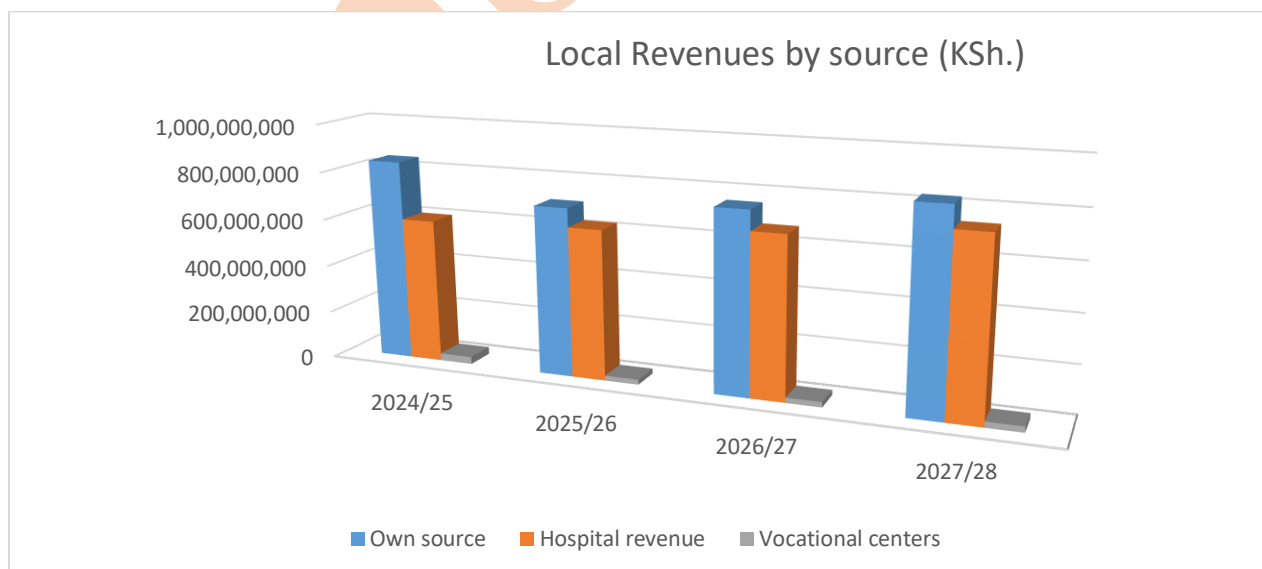
**Figure 7: County Revenues by Source 2024/2025 -2027/2028 (KSh.)**



**Table 4: Analysis of Own Source Revenue 2024/2025 -2027/2028(Kshs)**

| Revenue Source              | Budget               | Projections          |                      |                      |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|                             | 2024/2025            | 2025/2026            | 2026/2027            | 2027/2028            |
| Local revenue               | 842,500,000          | 704,000,000          | 753,919,587          | 829,311,546          |
| Hospital Revenue            | 602,500,000          | 626,000,000          | 670,538,967          | 737,592,864          |
| Vocational training centres | 30,000,000           | 21,000,000           | 22,115,896           | 24,327,485           |
| <b>Total</b>                | <b>1,475,000,000</b> | <b>1,351,000,000</b> | <b>1,446,574,450</b> | <b>1,591,231,895</b> |

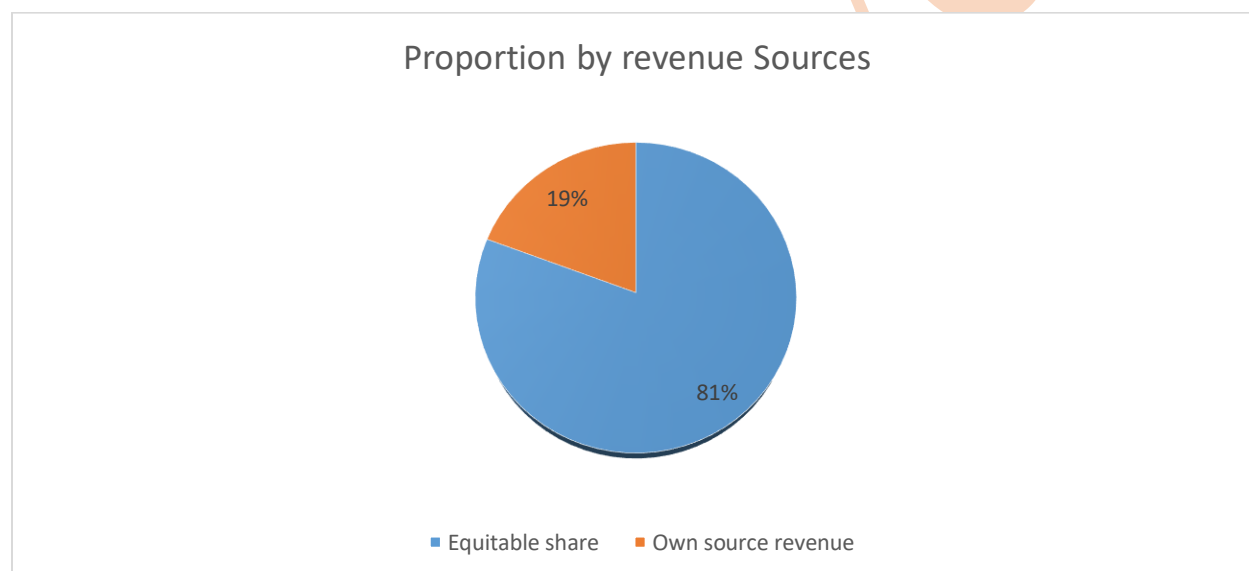
**Figure 8: County Local Revenues 2024/2025 -2027/2028 (KSh.)**



Equitable share remains the primary source of revenue for the county at 81 percent, while own-source revenue is projected at 19 percent, as illustrated in Figure 9. To address the potential resource gap that may emerge during the implementation of the 2025/2026 spending plan, the government is committed to enhancing 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 and driving the achievement of key strategies for raising external revenue.

- Generate funds through alternative financing methods, including loans, PPP's and other financial instruments.
- Enhance collaborations with development partners and other non-state actors including CBO's and NGO's to support various programs.

**Figure 9: Proportion of sharable County Revenues by source 2025/2026**



#### 4.4 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 2025/2026 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 2025/2026 is projected at Kshs. 6,991,962,159. Expenditure to be funded by conditional grants will include kshs 390,000,000 funding from Kenya devolution support program (KDSP 2).

#### 4.4.1 Development Expenditure

To ensure compliance with fiscal responsibility principles, the county has projected development expenditures across departments for the fiscal year 2025/2026, excluding grants, at Kshs. 2,204,600,864. This amount represents 32 percent of the total county expenditure.

#### 4.4.2 Recurrent Expenditure

Recurrent expenditure for fiscal year 2025/2026 is projected at Kshs. 4,787,361,295 representing 68 percent of total sharable revenues. Included in this expenditure is personnel emolument projected at Kshs. 3,648,000,000 for both executive and the county Assembly.

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:

- Reducing or eliminating non-priority expenditures.
- Full implementation of the E-Procurement System.
- Effective management of assets and liabilities.
- Working with partners and stakeholders to secure financing for commercially viable projects.

**Table 5: Summary Budget Allocations for the FY 2025/26 – 2027/28 (Ksh.)**

| VOTE         | Budget               | Projections          |                      |                      |
|--------------|----------------------|----------------------|----------------------|----------------------|
|              | 2024/2025            | 2025/2026            | 2026/2027            | 2027/2028            |
| Development  | 2,254,351,882        | 2,204,600,864        | 2,383,516,147        | 2,646,559,051        |
| Recurrent    | 4,790,335,301        | 4,787,361,295        | 4,861,213,783        | 4,915,038,237        |
| <b>Total</b> | <b>7,044,687,183</b> | <b>6,991,962,159</b> | <b>7,244,729,930</b> | <b>7,561,597,287</b> |

#### 4.5: Balanced Fiscal Framework

Laikipia County has allocated resources for expenditure programs that are consistent with the expected revenues for the fiscal year 2025/2026 and the medium term.

## CHAPTER FIVE

### RESOURCE ENVELOPE AND CRITERIA FOR RESOURCE ALLOCATION

#### 5.0 Introduction

This chapter provides a comprehensive overview of the resource envelope, the criteria used for resource allocation, and the recommended departmental allocations for the fiscal year 2025/2026. It outlines the financial framework and the methodology behind the distribution of resources, ensuring alignment with the national goals and objectives set out in the BPS 2025. Further, the chapter highlights the top priorities across various sectors, with each sector's goals closely reflecting the broader strategic vision outlined in the national budget policy, reinforcing a unified approach to national development and resource management.

#### 5.1 Resource Envelope

In summary, the County's resource envelope is made up of the equitable share from the National Government, own-source revenue (OSR) and both conditional and unconditional grants from the National Government and development partners. These combined resources provide the financial foundation necessary for the County to implement its development priorities and achieve its goals.

In the 2025/2026 financial year, Laikipia County anticipates generating total shareable revenue of Kshs. 6,991,962,15. This includes Kshs 5,640,962,159 as the equitable share, Kshs. 1,351,000,000 from own-source revenue. Conditional grant allocations will be including kshs 37,500,000 for kdsp level 1 and kshs 352,500,000 for Kdsp level 2, other specific grants will be known upon finalization of the additional allocation of revenue bill.

The following criteria will be used to guide the allocation of resources:

- (i) To meet non-discretionary expenditure.
- (ii) Debt Management – Resources will be distributed in a way that ensures expenditures align with revenue, preventing the accumulation of debt. Additionally, provisions will be made for partial payment of outstanding bills.
- (iii) Strategic goals and objectives of departments – Resources will be allocated in accordance with the objectives and strategic outcomes of each departmental program.
- (iv) Public participation priorities – Allocations will consider public views.
- (v) Legal and statutory obligations governing county expenditures.
- (vi) Social welfare, equity and fairness – Resources and social services will be allocated fairly and equitably to all stakeholders and throughout the county.
- (vii) Value for money and the long-term sustainability of development programs.
- (viii) Funding for phased or ongoing projects.
- (ix) The need to ensure the maintenance of consistent current service levels.

#### 5.2 Sector Priorities and Ceilings

In alignment with the MTEF budgeting approach, this section outlines the sector priorities and ceilings for the fiscal year 2025/2026, ensuring a continuation of resource allocation from the

previous financial year. The overall spending ceiling incorporates funds allocated for strategic interventions, which are based on the programs and their corresponding outputs detailed in the CIDP 2023–2027 and the ADP 2025/2026. Additionally, a portion of the allocation will be directed towards settling part of the outstanding bills, which will be managed by the finance department. The sector priorities, along with the respective ceilings for both recurrent and development expenditures, are presented for all departments, ensuring a structured and coherent approach to fiscal planning for the year ahead.

### **5.2.1 County Coordination, Administration, ICT and Public Service**

The primary objective of the sector is to establish a strong and efficient governance structure that effectively meets the needs of the local population. This will be achieved through: Support decentralized units to ensure efficient and effective service delivery; enhance staff management for improved service delivery; support the operations of the CPSB; manage the coordination of emergency response, disaster management, and enforcement to safeguard the residents' safety; support the establishment of mechanisms that allow public participation in decision-making processes and governance; develop laws and policies that improve service delivery; and enhance digital connectivity and the delivery of government services through electronic means.

The sector is composed of six sections including the County Public Service Board each playing a crucial role in achieving the sector's objectives.

In order to implement the prioritized programs within the sector for the fiscal year 2025/2026, a total allocation of Kshs. 801,291,200 has been set aside. This amount represents 11.5 percent of the overall county budget. The allocation is divided into Kshs. 17,730,594 for development expenditures and Kshs. 783,560,606 for recurrent expenditures. Of the total sector allocation, the County Public Service Board will receive a total of Kshs. 15,000,000 of which will be spent on recurrent expenditures.

### **5.2.2 Finance, Economic Planning and County Development**

This sector is responsible for ensuring sound financial management, developing fiscal and economic policies, and mobilizing resources to support socio-economic development. It is composed of six Directorates, two Semi-Autonomous Government Agencies (the LCDA and LCRB) and three County Funds, all working together to achieve its objectives.

The sector's key priorities for the medium term include; Ensuring responsible financial management; development of planning and budget policy documents; enforcing the County Risk Management Policy and establish internal controls; improving resource mobilization among others.

For the fiscal year 2025/2026, the sector is projected to receive a total allocation of Kshs. 992,449,581 which includes Kshs. 7,000,000 for the LCDA and Kshs. 45,000,000 for the LCRB, accounting for 13.83 percent of the total county budget. Out of this, Kshs. 447,100,270 will be allocated to development expenditures including part payment of pending bills, and Kshs. 515,349,312 will be set aside for recurrent expenditures.

### **5.2.3 Health and Sanitation**

The sector's objective is to develop a health system that is focused on the needs of the clients, responsive and grounded in evidence. Its goal is to provide the highest level of health care for all county residents by delivering services that are efficient, affordable and easily accessible, while maintaining accountability in service provision. Furthermore, the sector aims to strengthen the delivery of preventive and promotive health services throughout the county.

The sector includes NTRH, NYTRH, Sub County hospitals and lower-tier health facilities.

The main priorities for the sector in the medium term include: Upgrading of health facilities; expanding the range of services offered at health centers; strengthening and decentralizing the referral and emergency response system; and enacting relevant health legislation among others.

To implement the prioritized programs, the sector is set to receive a total of KSh. 2,726,949,394 in the fiscal year 2025/2026 representing 39 percent of the total county expenditure. This amount includes KSh. 1,853,259,394 for recurrent expenditure and KSh. 873,690,000 for development expenditure. NTRH will receive KSh. 51,750,000 for recurrent expenditure and KSh. 293,250,000 for development expenditure. NYTRH will receive KSh. 36,000,000 for recurrent expenditure and KSh. 204,000,000 for development expenditure. Additionally, Sub County hospitals will receive KSh. 6,150,000 for recurrent expenditure and KSh. 34,850,000 for development expenditure.

### **5.2.4 Agriculture, Livestock and Fisheries**

The sector is essential in supporting livelihoods and stimulating economic growth through a diverse strategy. With a focus on transforming agriculture, livestock and fisheries into commercially viable enterprises, the sector aims to foster sustainable food and nutrition security while also strengthening the overall economy.

The main priorities for the sector in the medium term includes; delivering efficient and effective agricultural support and advisory services; boosting agricultural productivity to ensure food supply and generate income; improving grain storage facilities and ensure the availability of quality farm inputs; promoting the development of irrigation infrastructure and improve water supply for agricultural production; and supporting of livestock breeds improvement and control of livestock diseases.

To implement the prioritized programs, the sector is set to receive KShs. 316,177,879, which constitutes 4.5 percent of the overall expenditure for the fiscal year 2025/2026. This budget includes KShs. 214,787,879 for recurrent expenditure and KShs. 101,390,000 for development expenditure.

### **5.2.5 Infrastructure, Lands, Public Works and Urban Development**

The sector aims to become a key driver in developing high-quality infrastructure and promoting sustainable human settlements to support socio-economic development. The sector is committed to maintaining and expanding affordable public utility infrastructure and services, focusing on crucial areas such as road transport, road maintenance, spatial planning, surveying and mapping, town planning, land governance, and urban development. In addition, the sector will develop and implement renewable energy policies and support access to affordable housing.

The sector is structured into six administrative sections and three municipality boards, each contributing to these objectives.

To implement the prioritized initiatives, the sector is allocated KShs. 588,875,758 which constitutes 8.4 percent of the total expenditure for the fiscal year 2025/2026. Of this amount, KShs. 117,575,758 is for recurrent expenditure, while KShs. 471,300,000 is allocated for development expenditure.

#### **5.2.6 Education, Library services, Gender, Sport, Culture and Social Services**

The sector aims to foster an environment that promotes transformative education and training while fostering inclusivity and improving societal well-being. To realize this vision, it plans to support and manage educational facilities while creating a supportive atmosphere to improve access, retention, completion, and transition rates in ECDE and vocational training. Additionally, the sector will support library services and enhance access to bursaries and scholarships for underprivileged students. It will advance gender equality by implementing programs that eliminate discrimination. In the field of sports development, its goals include supporting sports programs, identifying talent, and providing resources to nurture a vibrant sports culture. Moreover, the department is committed to preserving and promoting cultural heritage by supporting cultural events, festivals and activities that celebrate diversity. Ultimately, its primary goals are to build a more equitable, active and culturally enriched community.

To achieve the prioritized programs, the sector is projected to receive a total of KShs. 624,772,727 which accounts for 8.9 percent of the total expenditure for 2025/2026. Of this amount, KShs. 553,772,727 will be allocated to recurrent expenditure, while KShs. 71,000,000 will be allocated to development expenditure.

#### **5.2.7 Trade, Tourism and Co-operatives Development**

The sector is focused on improving the business environment, promoting financial inclusion, boosting tourism development and strengthening the cooperative movement, which are aimed at driving the county's economy and fostering employment and wealth generation. With Laikipia County recognized as a key tourist destination, efforts will be made to enhance its visibility, improve tourism infrastructure at major sites and integrate the county into important tourism circuits in the coming year. Other measures include; strengthening the Co-operative and Enterprise Revolving Fund; complete and equip the County Aggregated Industrial Park (CAIP); and support to MSMEs

To achieve the outlined priorities, the sector is set to receive a total of KShs. 99,875,758 which constitutes 1.4 percent of the total expenditure for 2025/26. Of this, KShs. 61,485,758 will be allocated for recurrent expenditure, while KShs. 38,390,000 will be allocated to development expenditure.

#### **5.2.8 Water, Environment, Natural Resources and Climate Change**

The sector is committed to creating an environment that ensures access to adequate, clean, and safe drinking water, as well as reliable sanitation services. In addition, the sector is committed to

ensure conservation, protection and restoration of natural resources and implement appropriate adaptation and mitigation measures to combat the effects of climate change.

To achieve the prioritized programs, the sector is projected to receive a total of KShs. 280,569,862 which accounts for 4.0 percent of the total budget for 2025/2026. Of this amount, KShs. 175,569,862 will be allocated for recurrent expenditure, while KShs. 105,000,000 will be allocated for development expenditure.

#### **5.2.9 Rumuruti Municipality**

Rumuruti Town, serving as the administrative hub of Laikipia County, is strategically located at the center of the region, offering easy access from all parts of the county. Several factors are expected to drive population growth, including the relocation of the county headquarters and the increasing connectivity of Northern Kenya with the rest of the country, with Rumuruti acting as a key gateway.

In the medium term, the municipality aims at achieving the following priorities: upgrading key urban infrastructure; Ensure environmental sustainability and public safety.

The entity is projected to receive a total of KShs. 7,500,000 which accounts for 0.1 percent of the total budget for 2025/2026. Of this amount, KShs. 3,500,000 will be allocated for recurrent expenditure, while KShs. 4,000,000 will be allocated for development expenditure.

#### **5.2.10 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 appealing location for investors.

In the medium term, the municipality aims to achieve several key priorities: Smart urban planning; foster citizen engagement in decision-making processes; and implement disaster management and resilient plans.

The entity is set to receive a total of KShs. 13,500,000 which makes up 0.2 percent of the total expenditure for 2025/2026. Of this, KShs. 3,500,000 will be allocated for recurrent expenditure, while KShs. 10,000,000 will be allocated for development expenditure.

#### **5.2.11 Nyahururu Municipality**

Nyahururu, renowned for the stunning Thompson Falls, has carved out a unique identity as a hub for agriculture, commerce and tourism. The town thrives on its strategic location, with major highways connecting it to major towns like Nairobi, Nakuru and Nyeri, which makes it an essential link in the transport industry.

The municipality targets to achieve the following priorities: Urban infrastructure improvement and governance and Recreational facilities improvement

The entity is set to receive a total of KShs. 6,000,000 which makes up 0.1 percent of the total expenditure for 2025/2026. Of this, KShs. 1,000,000 will be allocated for recurrent expenditure, while KShs. 5,000,000 will be allocated for development expenditure.

#### **5.2.12 Legislative Services**

The county assembly plays an important role in legislating the laws and policies that govern the county. The assembly aims at strengthening governance, promoting transparency and provides oversight in the development implementation.

In 2025/2026, the County Assembly expects to receive a total of Kshs. 564,000,000 representing 7.6 percent of the total budget with Kshs.504,000,000 being recurrent expenditure and Kshs.30,000,000 as development expenditure.

### **5.3 Opportunities to be harnessed**

#### **i. Resource Mobilization**

The 2022 Comprehensive Own Source Revenue Potential and Tax Gap Report from the Commission on Revenue Allocation (CRA) reveals that Laikipia County has the potential to generate approximately Kshs. 2.595 billion annually from its own revenue sources. This estimate is based on substantial contributions from various sectors, including market center trade fees (Kshs. 858.1 million), hospital and public health services (Kshs. 669.3 million), environmental and conservancy administration fees (Kshs. 408.1 million), building plan approvals (Kshs. 189 million) and agricultural transportation fees (Kshs. 137.3 million), among others.

To effectively mobilize resources, the county government will pursue Public-Private Partnerships (PPPs); social bonds, green financing, grants from international organizations and donations from bilateral partners.

#### **ii. Weather patterns**

Leveraging opportunities in weather patterns involves utilizing data and technologies for a range of purposes. Some of these opportunities include: agricultural planning, disaster preparedness, climate change mitigation, water resource management and renewable energy. Taking advantage of these opportunities requires cooperation among various stakeholders.

#### **iii. Citizen Participation and Civic Education**

Leveraging opportunities for citizen participation and civic education can result in a more knowledgeable and active community. Some of the key opportunities include: Youth Engagement; Public Awareness Campaigns; Feedback Mechanisms; Online Platforms; Community Outreach Programs; Media Collaboration; E-Governance Initiatives; Community Empowerment; and Collaboration with development partners.

#### **iv. Staff Welfare**

Governments can capitalize on staff welfare by implementing policies that prioritize the well-being of employees. This involves offering fair wages, healthcare benefits, and cultivating a positive working environment. A satisfied and healthy workforce can drive higher productivity, lower absenteeism, and contribute to overall economic growth. Moreover, it strengthens the government's reputation as a responsible employer and supports the well-being of society at large. By taking advantage of these opportunities, the county government can cultivate a culture of civic involvement, empower citizens, and reinforce democratic processes.

Approved

## ANNEXTURES

### Annex 1: Proposed Ceilings with departmental salaries 2025/2026 (Kshs.)

| Department                                                       | Operations and maintenance | Salaries             | Total Recurrent      | Development          | Total                | % Allocation |
|------------------------------------------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| Health and Sanitation                                            | 187,320,000                | 1,665,939,394        | 1,853,259,394        | 873,690,000          | 2,726,949,394        | 39.0         |
| Finance and Economic Planning                                    | 189,531,130                | 325,818,181          | 515,349,311          | 477,100,270          | 992,449,581          | 14.2         |
| Office of the Governor and County Administration                 | 347,500,000                | 436,060,606          | 783,560,606          | 17,730,594           | 801,291,200          | 11.5         |
| Education, Library Services, Gender, Culture and social services | 114,500,000                | 439,272,727          | 553,772,727          | 71,000,000           | 624,772,727          | 8.9          |
| County Assembly                                                  | 216,000,000                | 288,000,000          | 504,000,000          | 30,000,000           | 534,000,000          | 7.6          |
| Infrastructure and public works                                  | 40,000,000                 | 77,575,758           | 117,575,758          | 471,300,000          | 588,875,758          | 8.4          |
| Agriculture Livestock and Fisheries                              | 16,000,000                 | 198,787,879          | 214,787,879          | 101,390,000          | 316,177,879          | 4.5          |
| Water and Environment                                            | 14,600,165                 | 160,969,697          | 175,569,862          | 105,000,000          | 280,569,862          | 4.0          |
| Trade, Tourism and Enterprise development                        | 15,910,000                 | 45,575,758           | 61,485,758           | 38,390,000           | 99,875,758           | 1.4          |
| Nanyuki Municipality                                             | 3,500,000                  |                      | 3,500,000            | 10,000,000           | 13,500,000           | 0.2          |
| Nyahururu Municipality                                           | 1,000,000                  |                      | 1,000,000            | 5,000,000            | 6,000,000            | 0.1          |
| Rumuruti Municipality                                            | 3,500,000                  |                      | 3,500,000            | 4,000,000            | 7,500,000            | 0.1          |
| <b>Total</b>                                                     | <b>1,149,361,295</b>       | <b>3,638,000,000</b> | <b>4,787,361,295</b> | <b>2,204,600,864</b> | <b>6,991,962,159</b> | <b>100.0</b> |

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

| Department                                                         | Recurrent            | Development          | Total                | % Allocation |
|--------------------------------------------------------------------|----------------------|----------------------|----------------------|--------------|
| County administration, public service and office of the governor   | 3,697,500,000        | 17,730,594           | 3,715,230,594        | 53.1         |
| Finance, economic planning and the county treasury                 | 189,531,130          | 477,100,270          | 666,631,400          | 9.5          |
| Health and sanitation                                              | 187,320,000          | 873,690,000          | 1,061,010,000        | 15.2         |
| Agriculture livestock and fisheries                                | 16,000,000           | 101,390,000          | 117,390,000          | 1.7          |
| Infrastructure and public works                                    | 40,000,000           | 471,300,000          | 511,300,000          | 7.3          |
| Education and library services gender, culture and social services | 114,500,000          | 71,000,000           | 185,500,000          | 2.7          |
| Trade, tourism and enterprise development                          | 15,910,000           | 38,390,000           | 54,300,000           | 0.8          |
| Water and environment                                              | 14,600,165           | 105,000,000          | 119,600,165          | 1.7          |
| Rumuruti municipality                                              | 3,500,000            | 4,000,000            | 7,500,000            | 0.1          |
| Nyahururu municipality                                             | 1,000,000            | 5,000,000            | 6,000,000            | 0.1          |
| Nanyuki municipality                                               | 3,500,000            | 10,000,000           | 13,500,000           | 0.2          |
| County assembly                                                    | 504,000,000          | 30,000,000           | 534,000,000          | 7.6          |
| <b>Total</b>                                                       | <b>4,787,361,295</b> | <b>2,204,600,864</b> | <b>6,991,962,159</b> | <b>100.0</b> |

### Annex 3: Proposed Departmental Ceilings 2026/2027 (Kshs.)

| Department                                                       | Recurrent     | Development | Total         | % allocation |
|------------------------------------------------------------------|---------------|-------------|---------------|--------------|
| County Administration and Office of the Governor                 | 817,137,299   | 23,975,364  | 841,112,663   | 11.61        |
| Finance and Economic Planning                                    | 497,406,833   | 493,285,728 | 990,692,561   | 13.67        |
| Health and Sanitation                                            | 1,869,053,071 | 894,423,244 | 2,763,476,315 | 38.14        |
| Agriculture Livestock and Fisheries                              | 218,151,765   | 112,536,600 | 330,688,365   | 4.56         |
| Infrastructure and Public Works                                  | 118,444,899   | 465,968,761 | 584,413,660   | 8.07         |
| Education, Library Services, Gender, Culture and Social Services | 560,726,240   | 70,611,200  | 631,337,440   | 8.71         |
| Trade, Tourism and Co-operatives                                 | 64,062,871    | 41,373,750  | 105,436,621   | 1.46         |
| Water, Environment and Natural Resources                         | 178,587,401   | 137,912,500 | 316,499,901   | 4.37         |

|                        |                      |                      |                      |            |
|------------------------|----------------------|----------------------|----------------------|------------|
| Rumuruti Municipality  | 8,034,192            | 16,549,500           | 24,583,692           | 0.34       |
| Nyahururu Municipality | 10,042,740           | 22,066,000           | 32,108,740           | 0.44       |
| Nanyuki Municipality   | 12,051,288           | 38,615,500           | 50,666,788           | 0.70       |
| County Assembly        | 507,515,184          | 66,198,000           | 573,713,184          | 7.92       |
| <b>Total</b>           | <b>4,861,213,783</b> | <b>2,383,516,147</b> | <b>7,244,729,930</b> | <b>100</b> |

### Annex 3: Proposed Departmental Ceilings 2027/2028 (Kshs.)

| Department                                                       | Recurrent            | Development          | Total                | % allocation |
|------------------------------------------------------------------|----------------------|----------------------|----------------------|--------------|
| County Administration and Office of the Governor                 | 827,788,785          | 45,553,192           | 873,341,977          | 11.55        |
| Finance and Economic Planning                                    | 503,431,982          | 542,614,301          | 1,046,046,282        | 13.83        |
| Health and Sanitation                                            | 1,887,049,759        | 939,231,581          | 2,826,281,340        | 37.38        |
| Agriculture Livestock and Fisheries                              | 220,206,636          | 123,790,260          | 343,996,896          | 4.55         |
| Infrastructure and Public Works                                  | 119,879,738          | 512,565,637          | 632,445,375          | 8.36         |
| Education, Library Services, Gender, Culture and Social Services | 566,761,621          | 90,029,280           | 656,790,901          | 8.69         |
| Trade, Tourism and Co-operatives                                 | 64,800,892           | 49,648,500           | 114,449,392          | 1.51         |
| Water, Environment and Natural Resources                         | 180,288,162          | 154,462,000          | 334,750,162          | 4.43         |
| Rumuruti Municipality                                            | 8,186,842            | 24,824,250           | 33,011,092           | 0.44         |
| Nyahururu Municipality                                           | 10,233,552           | 33,099,000           | 43,332,552           | 0.57         |
| Nanyuki Municipality                                             | 12,280,262           | 57,923,250           | 70,203,512           | 0.93         |
| County Assembly                                                  | 514,130,004          | 72,817,800           | 586,947,804          | 7.76         |
| <b>Total</b>                                                     | <b>4,915,038,235</b> | <b>2,646,559,051</b> | <b>7,561,597,285</b> | <b>100</b>   |

### Annex 4: proposed program ceilings (without grants)

| Department                                                       | Programmes/ Sub-programs                  | PROPOSED CEILINGS 2025/2026 |             |               | APPROVED CEILINGS |             |               |
|------------------------------------------------------------------|-------------------------------------------|-----------------------------|-------------|---------------|-------------------|-------------|---------------|
|                                                                  |                                           | Recurrent                   | Development | Total         | Recurrent         | Development | Total         |
| County Administration, Public Service and Office Of The Governor | General Administration                    | 20,000,000                  | 16,000,000  | 36,000,000    | 18,000,000        | 12,000,000  | 30,000,000    |
|                                                                  | Sports                                    |                             |             | -             | -                 | -           | -             |
|                                                                  | Public Service Management                 | 3,350,000,000               |             | 3,350,000,000 | 3,350,000,000     | -           | 3,350,000,000 |
|                                                                  | Staff insurance                           | 200,000,000                 |             | 200,000,000   | 200,000,000       | -           | 200,000,000   |
|                                                                  | ICT                                       | 4,000,000                   | 1,730,594   | 5,730,594     | 2,000,000         | 1,730,594   | 3,730,594     |
|                                                                  | County Secretary                          | 20,000,000                  |             | 20,000,000    | 10,000,000        | -           | 10,000,000    |
|                                                                  | Policy Advisors                           | 2,500,000                   |             | 2,500,000     | 2,500,000         | -           | 2,500,000     |
|                                                                  | Project co-ordination and monitoring      | 4,000,000                   |             | 4,000,000     | 4,000,000         | -           | 4,000,000     |
|                                                                  | County administration Service             | 1,500,000                   |             | 1,500,000     | 1,500,000         | -           | 1,500,000     |
|                                                                  | Office of the Governor                    | 61,000,000                  |             | 61,000,000    | 71,000,000        | -           | 71,000,000    |
|                                                                  | Office of the deputy Governor             | 28,000,000                  |             | 28,000,000    | 5,000,000         | -           | 5,000,000     |
|                                                                  | County Public Service Board Services      | 16,000,000                  |             | 16,000,000    | 15,000,000        | -           | 15,000,000    |
|                                                                  | Inter-Governmental Donor liaison          | 5,000,000                   |             | 5,000,000     | 5,000,000         | -           | 5,000,000     |
|                                                                  | Human Resource Management and development | 3,000,000                   |             | 3,000,000     | 3,000,000         | -           | 3,000,000     |
|                                                                  | Logistics and Fleet Management            | 1,500,000                   |             | 1,500,000     | 1,500,000         | -           | 1,500,000     |
|                                                                  | Special Programmes,                       | 5,000,000                   | 4,000,000   | 9,000,000     | 5,000,000         | 4,000,000   | 9,000,000     |

|                                                    |                                                                        |                      |                    |                      |                      |                    |                      |
|----------------------------------------------------|------------------------------------------------------------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
|                                                    | Enforcement, Public Safety and Disaster Management                     |                      |                    |                      |                      |                    |                      |
|                                                    | County Attorney and legal services                                     | 4,000,000            |                    | 4,000,000            | 4,000,000            | -                  | 4,000,000            |
|                                                    | <b>Total</b>                                                           | <b>3,725,500,000</b> | <b>21,730,594</b>  | <b>3,747,230,594</b> | <b>3,697,500,000</b> | <b>17,730,594</b>  | <b>3,715,230,594</b> |
| Finance, Economic Planning and The County Treasury | General Administration                                                 | 43,031,130           | 22,100,270         | 65,131,400           | 50,531,130           | 22,100,270         | 72,631,400           |
|                                                    | Pending bills                                                          | 15,000,000           | 315,000,000        | 330,000,000          | 21,500,000           | 305,000,000        | 326,500,000          |
|                                                    | Emergency fund                                                         | 5,000,000            | 40,000,000         | 45,000,000           | 5,000,000            | 35,000,000         | 40,000,000           |
|                                                    | Legal fees                                                             | 20,000,000           |                    | 20,000,000           | 20,000,000           | -                  | 20,000,000           |
|                                                    | Lease rentals for dumping and garbage trucks and other lease contracts |                      | 55,000,000         | 55,000,000           | -                    | 105,000,000        | 105,000,000          |
|                                                    | Accounting & Financial Reporting                                       | 7,000,000            |                    | 7,000,000            | 7,000,000            | -                  | 7,000,000            |
|                                                    | Budgeting Supply and Fund Administration                               | 7,000,000            |                    | 7,000,000            | 7,000,000            | -                  | 7,000,000            |
|                                                    | Revenue Generation & Resource Mobilization                             | 35,000,000           | 10,000,000         | 45,000,000           | 35,000,000           | 10,000,000         | 45,000,000           |
|                                                    | Internal Audit & Risk Management                                       | 5,000,000            |                    | 5,000,000            | 5,000,000            | -                  | 5,000,000            |
|                                                    | Supply Chain management                                                | 5,500,000            |                    | 5,500,000            | 5,500,000            | -                  | 5,500,000            |
|                                                    | Statistics, Economic Planning & County Development                     | 8,000,000            |                    | 8,000,000            | 8,000,000            | -                  | 8,000,000            |
|                                                    | Laikipia Development Authority                                         | 8,000,000            | 5,000,000          | 13,000,000           | 7,000,000            | -                  | 7,000,000            |
|                                                    | Asset and Fleet Management                                             | 3,000,000            |                    | 3,000,000            | 3,000,000            | -                  | 3,000,000            |
|                                                    | <b>Total</b>                                                           | <b>161,531,130</b>   | <b>447,100,270</b> | <b>608,631,400</b>   | <b>174,531,130</b>   | <b>477,100,270</b> | <b>651,631,400</b>   |
|                                                    | Car and mortgage                                                       | 15,000,000           |                    | 15,000,000           | 15,000,000           | -                  | 15,000,000           |
|                                                    | <b>Total</b>                                                           | <b>176,531,130</b>   | <b>447,100,270</b> | <b>623,631,400</b>   | <b>189,531,130</b>   | <b>477,100,270</b> | <b>666,631,400</b>   |
| Health and Sanitation                              | General Administration                                                 | 40,000,000           | 48,580,000         | 88,580,000           | 40,000,000           | 48,580,000         | 88,580,000           |
|                                                    | Medical Services                                                       | 23,000,000           | 325,000,000        | 348,000,000          | 23,000,000           | 278,420,000        | 301,420,000          |
|                                                    | Public Health & Sanitation                                             | 30,420,000           | 35,000,000         | 65,420,000           | 30,420,000           | 14,590,000         | 45,010,000           |
|                                                    | Appropriation In Aid                                                   |                      |                    | -                    | -                    | -                  | -                    |
|                                                    | Sub county hospitals                                                   | 6,150,000            | 34,850,000         | 41,000,000           | 6,150,000            | 34,850,000         | 41,000,000           |
|                                                    | Nyahururu teaching and referral                                        | 36,000,000           | 204,000,000        | 240,000,000          | 36,000,000           | 204,000,000        | 240,000,000          |
|                                                    | Nanyuki Teaching and referral Laikipia East                            | 51,750,000           | 293,250,000        | 345,000,000          | 51,750,000           | 293,250,000        | 345,000,000          |
|                                                    | <b>Total</b>                                                           | <b>187,320,000</b>   | <b>940,680,000</b> | <b>1,128,000,000</b> | <b>187,320,000</b>   | <b>873,690,000</b> | <b>1,061,010,000</b> |
| Agriculture Livestock and Fisheries                | General Administration                                                 | 8,000,000            | 13,000,000         | 21,000,000           | 8,000,000            | 20,000,000         | 28,000,000           |
|                                                    | Crop Production and Horticulture                                       | 3,000,000            | 62,000,000         | 65,000,000           | 3,000,000            | 10,000,000         | 13,000,000           |
|                                                    | Irrigation, Drainage & Water Storage                                   | 2,000,000            | 8,000,000          | 10,000,000           | 1,350,000            | 36,800,000         | 38,150,000           |
|                                                    | Veterinary Services                                                    | 1,500,000            | 5,000,000          | 6,500,000            | 1,350,000            | 16,500,000         | 17,850,000           |
|                                                    | Livestock Production                                                   | 2,000,000            | 60,000,000         | 62,000,000           | 1,350,000            | 16,000,000         | 17,350,000           |
|                                                    | Fisheries Production                                                   | 1,000,000            | 5,000,000          | 6,000,000            | 950,000              | 2,090,000          | 3,040,000            |
|                                                    | <b>Total</b>                                                           | <b>17,500,000</b>    | <b>153,000,000</b> | <b>170,500,000</b>   | <b>16,000,000</b>    | <b>101,390,000</b> | <b>117,390,000</b>   |
| Infrastructure and Public Works                    | General Administration                                                 | 10,000,000           |                    | 10,000,000           | 10,000,000           | -                  | 10,000,000           |
|                                                    | Land and Physical Planning                                             | 3,000,000            | 20,000,000         | 23,000,000           | 3,000,000            | 20,000,000         | 23,000,000           |

|                                                                       |                                                                     |                      |                      |                      |                      |                      |                      |
|-----------------------------------------------------------------------|---------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                       | Housing and Urban Development                                       | 1,000,000            | 4,000,000            | 5,000,000            | 1,000,000            | 4,000,000            | 5,000,000            |
|                                                                       | Public Works                                                        | 2,000,000            | 5,000,000            | 7,000,000            | 2,000,000            | 5,000,000            | 7,000,000            |
|                                                                       | Road network improvement                                            | 2,000,000            | 182,000,000          | 184,000,000          | 2,000,000            | 429,300,000          | 431,300,000          |
|                                                                       | Power Supply and Energy                                             | 22,000,000           | 13,000,000           | 35,000,000           | 22,000,000           | 13,000,000           | 35,000,000           |
|                                                                       | <b>Total</b>                                                        | <b>40,000,000</b>    | <b>224,000,000</b>   | <b>264,000,000</b>   | <b>40,000,000</b>    | <b>471,300,000</b>   | <b>511,300,000</b>   |
| Education and Library Services<br>Gender, Culture and Social Services | General Administration                                              | 4,000,000            |                      | 4,000,000            | 10,000,000           | -                    | 10,000,000           |
|                                                                       | Early Childhood Development (ECD) and Childcare Facilities          | 4,000,000            | 35,500,000           | 39,500,000           | 4,000,000            | 35,500,000           | 39,500,000           |
|                                                                       | Bursaries and scholarships                                          | 75,000,000           |                      | 75,000,000           | 75,000,000           | -                    | 75,000,000           |
|                                                                       | Youth Polytechnics, Vocational Training and Library Resource Centre | 10,000,000           | 31,000,000           | 41,000,000           | 10,000,000           | 31,000,000           | 41,000,000           |
|                                                                       | Library services                                                    | 3,000,000            | 1,500,000            | 4,500,000            | 4,000,000            | 1,500,000            | 5,500,000            |
|                                                                       | <b>Sub Total</b>                                                    | <b>96,000,000</b>    | <b>68,000,000</b>    | <b>164,000,000</b>   | <b>103,000,000</b>   | <b>68,000,000</b>    | <b>171,000,000</b>   |
|                                                                       | General Administration                                              | 3,000,000            |                      | 3,000,000            | 1,000,000            | -                    | 1,000,000            |
|                                                                       | Centre for Empowerment of disadvantage children CEDC                | 3,000,000            | 2,000,000            | 5,000,000            | 3,000,000            | 2,000,000            | 5,000,000            |
|                                                                       | Culture and Social Services                                         | 3,500,000            | 5,000,000            | 8,500,000            | 1,000,000            | 1,000,000            | 2,000,000            |
|                                                                       | Sports Including (R-Governors Cup-5m, Kicosca 6m)                   | 11,500,000           | 16,000,000           | 27,500,000           | 6,500,000            | -                    | 6,500,000            |
|                                                                       | <b>Sub Total</b>                                                    | <b>21,000,000</b>    | <b>23,000,000</b>    | <b>44,000,000</b>    | <b>11,500,000</b>    | <b>3,000,000</b>     | <b>14,500,000</b>    |
|                                                                       | <b>Total</b>                                                        | <b>117,000,000</b>   | <b>91,000,000</b>    | <b>208,000,000</b>   | <b>114,500,000</b>   | <b>71,000,000</b>    | <b>185,500,000</b>   |
| Trade, Tourism and Enterprise Development                             | General Administration                                              | 7,000,000            |                      | 7,000,000            | 7,000,000            | -                    | 7,000,000            |
|                                                                       | Co-operative Development and Promotion                              | 4,000,000            | 15,500,000           | 19,500,000           | 4,000,000            | 15,500,000           | 19,500,000           |
|                                                                       | Trade and Investments                                               | 4,000,000            | 28,000,000           | 32,000,000           | 3,810,000            | 20,590,000           | 24,400,000           |
|                                                                       | Tourism development and promotion                                   | 3,000,000            | 4,000,000            | 7,000,000            | 1,100,000            | 2,300,000            | 3,400,000            |
|                                                                       | <b>Total</b>                                                        | <b>18,000,000</b>    | <b>47,500,000</b>    | <b>65,500,000</b>    | <b>15,910,000</b>    | <b>38,390,000</b>    | <b>54,300,000</b>    |
| Water and Environment                                                 | General Administration                                              | 8,000,000            |                      | 8,000,000            | 6,500,000            | -                    | 6,500,000            |
|                                                                       | Water services                                                      | 2,000,000            | 30,000,000           | 32,000,000           | 2,000,000            | 30,000,000           | 32,000,000           |
|                                                                       | Environment and Natural Resources-CLIMATE CHANGE                    | 6,100,165            | 75,000,000           | 81,100,165           | 6,100,165            | 75,000,000           | 81,100,165           |
|                                                                       | <b>Total</b>                                                        | <b>16,100,165</b>    | <b>105,000,000</b>   | <b>121,100,165</b>   | <b>14,600,165</b>    | <b>105,000,000</b>   | <b>119,600,165</b>   |
| Rumuruti Municipality                                                 | Urban Infrastructure Improvement                                    | 8,000,000            | 15,000,000           | 23,000,000           | 3,500,000            | 4,000,000            | 7,500,000            |
| Nyahururu Municipality                                                | Urban Infrastructure Improvement                                    | 10,000,000           | 20,000,000           | 30,000,000           | 1,000,000            | 5,000,000            | 6,000,000            |
| Nanyuki Municipality                                                  | Urban Infrastructure Improvement                                    | 12,000,000           | 35,000,000           | 47,000,000           | 3,500,000            | 10,000,000           | 13,500,000           |
| <b>Total Executive</b>                                                |                                                                     | <b>4,327,951,295</b> | <b>2,100,010,864</b> | <b>6,427,962,159</b> | <b>4,283,361,295</b> | <b>2,174,600,864</b> | <b>6,457,962,159</b> |
| County Assembly                                                       |                                                                     | 504,000,000          | 60,000,000           | 564,000,000          | 504,000,000          | 30,000,000           | 534,000,000          |
| <b>Grand Total</b>                                                    |                                                                     | <b>4,831,951,295</b> | <b>2,160,010,864</b> | <b>6,991,962,159</b> | <b>4,787,361,295</b> | <b>2,204,600,864</b> | <b>6,991,962,159</b> |

**Annex 5: Key issues to be addressed during the 2025/26 FY**

| Department                                                  | Main issues to be addressed                                                                            | Action taken                                                                                                                                           |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medical Services and Public Health                          | Improve and upgrade health infrastructure                                                              | CFSP shows enhanced allocation for the sector to address the identified gaps                                                                           |
|                                                             | Enhance medical supplies to all health facilities                                                      |                                                                                                                                                        |
|                                                             | Provide adequate medical personnel in all health facilities                                            |                                                                                                                                                        |
| Water, Environment, Natural Resources and Climate Change    | Construct, equip and maintain County water infrastructure                                              | Enhanced by County rig- Work in progress and working with, Government and private stakeholders                                                         |
|                                                             | Enhance solid waste collection and disposal mechanisms                                                 | Enhanced allocations under municipalities                                                                                                              |
|                                                             | Sensitization and information provision on climate change                                              | Being undertaken through FLOCCA program                                                                                                                |
| Agriculture, Livestock and fisheries                        | Provision extensive agricultural extension services                                                    | Enhanced allocation for the department in the Fy 2025/2026                                                                                             |
|                                                             | Construction of dams, water pans and fish ponds                                                        |                                                                                                                                                        |
|                                                             | Provision of soil testing services, certified seeds, tree seedling and fruit tree seedlings            |                                                                                                                                                        |
| Infrastructure, Lands, Public Works and Urban Development   | Road network improvement across the county                                                             | Continue to use County Equipment's and Machinery to Cover more kilometres                                                                              |
|                                                             | Installation and maintenance of solar streetlights and high mast floodlights                           | Increased resource allocation                                                                                                                          |
|                                                             | Survey and proper planning of all towns and urban centres                                              | The department in collaboration with other stakeholders including the national government to continue working on this thematic area on priority basis. |
| Education youth sports and social development               | Upgrade and improve ECDE Infrastructure, provide learning materials and introduce ECDE feeding program | CFSP shows enhanced allocation for the sector                                                                                                          |
|                                                             | Upgrade all stadia across the county                                                                   |                                                                                                                                                        |
|                                                             | Increase County bursaries allocations                                                                  |                                                                                                                                                        |
|                                                             | Construction of talent centres and youth centres with an ICT hub                                       |                                                                                                                                                        |
|                                                             | Increase staff personnel in ECDE & TVETs institutions                                                  |                                                                                                                                                        |
| Trade, tourism and cooperatives development                 | Construction and maintenance markets across the county                                                 | Work in progress                                                                                                                                       |
|                                                             | Easy access to co-operative revolving fund                                                             | Continuous Training on the process.                                                                                                                    |
| County Coordination, Administration, ICT and Public Service | Proper mobilization for public participation meetings                                                  | Done as evidenced during the just concluded CFSP PP with targeted enhanced mobilisation through various channels including social media.               |
|                                                             | Provision of feedback mechanism                                                                        | Continuous implementation through various forums including the Governors forums.                                                                       |
|                                                             | Prioritize disaster response and management                                                            | Allocation in the supplementary budget for fire engine and Enhanced allocation as evidenced in the CFSP                                                |
| Finance, Economic Planning and County Development           | Review of License fees                                                                                 | To be Done through public consultations by Laikipia County Revenue Board                                                                               |
|                                                             | Implement strategies to reduce pending bills                                                           | Work in progress with annual allocations to reduce the amount of pending bills.                                                                        |