File

COUNTY GOVERNMENT OF BUSIA
COUNTY TREASURY AND ECONOMIC PLANNING

P.O. BOX PRIVATE BAG – 50400

BUSIA, KENYA

COUNTY TREASURY

CGBS/FEIN/CECM/VOL.10/63 **17TH AUGUST 2026**

TO:

1. ALL COUNTY EXECUTIVE COMMITTEE MEMBERS
2. CLERK TO THE COUNTY ASSEMBLY.
3. THE COUNTY ATTORNEY.
4. SECRETARY/CEO OF COUNTY PUBLIC SERVICE BOARD.
5. THE MANAGING DIRECTOR BUWASCO.
6. MUNICIPAL MANAGERS(**BUSIA/MALABA**)

Received 1-Note
18/8/2025

RE: BUDGET PREPARATION GUIDELINES FOR THE FINANCIAL YEAR 2027/28-2029/30

INTRODUCTION

1. Pursuant to Section 128 of the Public Finance Management Act, 2012, read together with Regulation 30(1) of the Public Finance Management (County Governments) Regulations, 2015, the County budget preparation process for each financial year is required to commence no later than **30th August** of the preceding financial year. The law further mandates the County Executive Committee Member responsible for Finance to issue a Budget Circular, not later than **30th August** of each year, providing policy direction and guidelines to be observed by all County Government entities during the preparation of the annual budget and the Medium-Term Expenditure Framework (MTEF).

2. In compliance with these statutory requirements, the County Treasury and Economic Planning hereby issues this Budget Circular to provide the policy framework, budget preparation

COUNTY GOVERNMENT OF BUSIA
COUNTY TREASURY AND ECONOMIC PLANNING
P.O. BOX PRIVATE BAG – 50400

BUSIA, KENYA

COUNTY TREASURY

CG/BSA/FIN/CECM/VOL.10/63 **17TH AUGUST 2026**

TO:

1. ALL COUNTY EXECUTIVE COMMITTEE MEMBERS
2. CLERK TO THE COUNTY ASSEMBLY.
3. THE COUNTY ATTORNEY.
4. SECRETARY/CEO OF COUNTY PUBLIC SERVICE BOARD.
5. THE MANAGING DIRECTOR BUWASCO.
6. MUNICIPAL MANAGERS(**BUSIA/MALABA**)

RE: BUDGET PREPARATION GUIDELINES FOR THE FINANCIAL YEAR 2027/28-2029/30

INTRODUCTION

1. Pursuant to Section 128 of the Public Finance Management Act, 2012, read together with Regulation 30(1) of the Public Finance Management (County Governments) Regulations, 2015, the County budget preparation process for each financial year is required to commence no later than **30th August** of the preceding financial year. The law further mandates the County Executive Committee Member responsible for Finance to issue a Budget Circular, not later than **30th August** of each year, providing policy direction and guidelines to be observed by all County Government entities during the preparation of the annual budget and the Medium-Term Expenditure Framework (MTEF).

2. In compliance with these statutory requirements, the County Treasury and Economic Planning hereby issues this Budget Circular to provide the policy framework, budget preparation guidelines, timelines, and reporting requirements for the formulation of the Financial Year 2027/2028 Budget and the Medium-Term Budget.

3. The Circular is intended to ensure that all County Government entities prepare realistic, credible, fiscally sustainable, and programme-based budget estimates that are aligned with the Constitution of Kenya, 2010, the Public Finance Management Act, 2012, the County Integrated Development Plan (CIDP), the County Fiscal Strategy Paper (CFSP), the Annual Development Plan (ADP), and other relevant national and county policy frameworks.

4. The preparation of this Budget Circular has been informed by **National Treasury Circular No. 10/2026, Ref. No. ES 1/032 'M'/ (05), dated 6th July 2026**, issued by the Cabinet Secretary, The National Treasury. Accordingly, all County Government entities are required to strictly adhere to the policy guidelines, budget ceilings, timelines, and procedures contained herein to facilitate a coordinated, transparent, and timely budget formulation process.

I. PURPOSE

5. The purpose of this Budget Circular is to provide policy direction and comprehensive guidelines to all County Government Departments, County Public Entities, Boards, Municipalities, and other County Government institutions on the processes, procedures, timelines, and requirements for the preparation of the Financial Year 2027/2028 Budget and the Medium-Term Expenditure Framework (MTEF). The Circular is issued pursuant to Section 128 of the Public Finance Management Act, 2012, read together with Regulation 30(1) of the Public Finance Management (County Governments) Regulations, 2015.

6. In accordance with Section 128(3) of the Public Finance Management Act, 2012, this Budget Circular provides the following:

- **i.** A comprehensive budget preparation schedule specifying the key activities, milestones, and timelines within which the various stages of the budget process shall be undertaken and completed.
- **ii.** The methodology and framework for the review, estimation, and projection of County revenues and expenditures over the medium term.
- **iii.** The key policy priorities, strategic interventions, fiscal objectives, and other critical issues to be taken into consideration during the preparation of the Financial Year 2027/2028 Budget and the Medium-Term Budget.

iv. The procedures and mechanisms through which members of the public and other stakeholders shall participate in the budget formulation process, in accordance with the Constitution of Kenya, 2010, and the Public Finance Management Act, 2012.

v. The prescribed formats, templates, and documentation requirements for the submission of budget estimates and related information by all County Government entities.

vi. The requirement that all budget information, estimates, and supporting documentation shall conform to the approved Government budget classification system and other standards prescribed under the Public Finance Management legal framework.

vii. Any other policy guidance, administrative instructions, or information that the County Executive Committee Member responsible for Finance may consider necessary for the effective preparation and implementation of the budget.

7. Further, pursuant to Section 128(4) of the Public Finance Management Act, 2012, all County Government entities are required to comply fully with the provisions of this Budget Circular and to strictly adhere to the timelines and budget preparation schedule prescribed herein. Accounting Officers shall be held responsible for ensuring timely submission of quality budget estimates and supporting documents in accordance with the requirements set out in this Circular.

II. BACKGROUND

8. The FY 2027/2028 and Medium-Term Budget is being prepared against a backdrop of heightened global economic uncertainty characterized by persistent geopolitical tensions, evolving trade policies, tighter financial conditions, climate-related shocks, and elevated public debt vulnerabilities. Although inflation has moderated in many economies following aggressive monetary policy tightening over the past two years, downside risks remain due to ongoing geopolitical conflicts, supply chain disruptions, and uncertainty in global trade.

9. Nevertheless, easing inflation, improving financial conditions, and resilient labour markets are expected to support moderate global economic growth over the medium term.

i. Global Economy

10. The global economy has remained resilient despite heightened geopolitical tensions, tighter financial conditions and increased policy uncertainty. According to the latest international economic outlook, global economic growth is estimated at **3.3 percent** in 2025 and is projected to remain broadly stable at **3.3 percent** in 2026 before improving marginally thereafter. The outlook reflects easing inflationary pressures, gradual normalization of monetary policies, resilient labour markets and continued recovery in global trade, although downside risks remain from geopolitical conflicts, trade fragmentation and climate-related shocks.

Source: International Monetary Fund (IMF) and World Economic Outlook (WEO)

ii. Advanced Economies (United States of America, Euro Area and Japan)

11. Growth in advanced economies remains subdued due to weak productivity growth, ageing populations, elevated public debt and lingering effects of tight monetary policies. Economic growth is estimated at **1.8 percent** in 2025 and is projected to improve slightly to **1.9 percent** in 2026, supported by easing inflation, improved household consumption and gradual recovery in investment. However, economic performance across the Euro Area and Japan continues to remain relatively modest compared to the United States.

Source: International Monetary Fund (IMF) and World Economic Outlook (WEO)

iii. Sub-Saharan Africa (South Africa, Nigeria and Kenya)

12. Economic growth in Sub-Saharan Africa continues to strengthen despite fiscal pressures, climate shocks and global economic uncertainties. Regional growth is estimated at **4.0 percent** in 2025 and is projected to rise to approximately **4.3 percent** in 2026, supported by improved agricultural production, easing inflation, increased public and private investment, stronger domestic demand and ongoing structural reforms across many African economies. Kenya continues to outperform the regional average owing to its diversified economy and sound macroeconomic management.

Source: Regional Economic Outlook for Sub-Saharan Africa.

iv. Domestic Economic Performance

13. Kenya's economy has remained resilient and continues to outperform both global and regional averages despite external shocks. The economy is estimated to have grown by **4.6 percent** in 2025, supported by improved agricultural production, stable macroeconomic conditions, recovery in tourism, financial services, information and communication technology, and resilient household consumption. Economic growth is projected to accelerate to **5.0 percent** in 2026 and **5.2 percent** in 2027, driven by continued implementation of the Bottom-Up Economic

Transformation Agenda (BETA), increased private sector credit, improved infrastructure investment and favourable weather conditions supporting agricultural productivity.

Source: Kenya National Bureau of Statistics (KNBS)

v. Overall Inflation Developments

14. Overall inflation has remained within the Government target range of **5.0 ± 2.5 percent** despite temporary upward pressure arising from higher fuel prices following geopolitical tensions in the Middle East. Headline inflation increased from **4.4 percent** in January 2026 to **6.7 percent** in May 2026, remaining within the target band. The increase was mainly driven by higher energy and transport costs, while food inflation remained relatively contained due to favourable weather conditions and improved agricultural output. The inflation outlook remains stable, supported by prudent monetary policy and adequate food supply.

Source: Kenya National Bureau of Statistics (KNBS) and Central Bank of Kenya (CBK)

vi. Interest Rate Developments

15. The Central Bank of Kenya (CBK), through the Monetary Policy Committee (MPC), maintained an accommodative monetary policy stance after an extended easing cycle. Following successive reductions from **13.0 percent** in August 2024 to **8.75 percent** in February 2026, the MPC retained the Central Bank Rate (CBR) at **8.75 percent** during both the April and June 2026 meetings to support private sector lending while safeguarding price and exchange rate stability. Market interest rates have continued to adjust downwards in response to the easing monetary policy, contributing to reduced borrowing costs for Government and the private sector.

Source: Monetary Policy Committee (MPC) and Central Bank of Kenya (CBK)

vii. Exchange Rate Developments

16. The Kenya Shilling has remained broadly stable against major international currencies, supported by strong diaspora remittances, improved tourism earnings, agricultural exports and adequate foreign exchange reserves. During the first half of 2026, the Kenya Shilling traded at approximately **KSh. 129–130** per US Dollar, reflecting improved market confidence and prudent monetary management. Foreign exchange reserves remained above **5.5 months** of import cover, providing an adequate buffer against external shocks and supporting exchange rate stability.

Source: Central Bank of Kenya (CBK)

III. FISCAL POLICY

i. Domestic Revenue Mobilization

17. The County Government of Busia remains committed to strengthening fiscal sustainability through enhanced domestic resource mobilization and prudent revenue administration. In line with the principles of fiscal responsibility under the Public Finance Management Act, 2012, the County will continue implementing a combination of policy, administrative and technological reforms aimed at improving Own Source Revenue (OSR) performance while fostering an enabling environment for business growth and investment.

18. Over the Medium-Term Expenditure Framework (MTEF) period, the County will pursue the following strategic interventions.

a) Strengthening Revenue Policy and Legal Frameworks

19. The County Government shall review, update and operationalize the County Revenue Administration Act and other relevant County revenue legislation to ensure consistency with national laws, eliminate duplication of revenue streams, simplify revenue administration and enhance fairness, transparency and predictability in taxation.

20. Further, the County will undertake periodic reviews of the Finance Act, valuation rolls, fees and charges, and user tariffs to ensure that they reflect prevailing economic conditions, inflationary trends, market realities and the cost of providing public services. These reforms are expected to improve voluntary compliance, reduce administrative costs, enhance taxpayer confidence and provide a stable and sustainable framework for own-source revenue growth.

b) Modernization of Revenue Administration Systems

21. The County Government will continue modernizing revenue administration through increased investment in digital technologies and automation. Priority will be accorded to strengthening the Integrated Revenue Management System (IRMS), expanding electronic payment platforms, integrating revenue databases across departments, implementing real-time reporting and reconciliation mechanisms, and enhancing taxpayer registration and compliance management.

22. These initiatives will improve efficiency, strengthen accountability and transparency, minimize revenue leakages, broaden the tax base, improve data integrity and promote equitable revenue collection by ensuring that all eligible taxpayers contribute their fair share towards County development.

c) Enhancement of Non-Tax Revenue

23. The County Government will strengthen the capacity of County Departments, Agencies and County Entities to generate sustainable non-tax revenues through improved service delivery, efficient management of County assets and commercialization of selected public services.

24. The County will further undertake regular reviews of fees, charges and user levies to ensure that they remain cost-reflective, competitive and responsive to prevailing economic conditions. Particular emphasis will be placed on enhancing revenue collection from market fees, bus park fees, trade licences, building plan approvals, parking fees, outdoor advertising, property rates, cess, land-related charges and other authorized County revenue streams.

25. In addition, Departments will be required to prepare realistic revenue enhancement strategies supported by measurable annual revenue targets and performance monitoring frameworks to improve accountability and revenue performance.

ii. Assumptions Underpinning the Medium-Term Fiscal Framework

26. The FY 2027/28 and Medium-Term Fiscal Framework is anchored on the prevailing macroeconomic outlook and national fiscal policy objectives as outlined in the Medium-Term Fiscal Framework. The framework is based on the following key assumptions:

a) Real Gross Domestic Product (GDP) growth is projected to average **approximately 5.3 percent in FY 2027/28** and remain above **5.5 percent over the Medium Term**, supported by improved agricultural production, sustained recovery in the services sector, continued public infrastructure investment, increased private sector activity and stable macroeconomic conditions.

b) Overall inflation is expected to remain **within the Government's target range of 5.0 percent, with an allowable deviation of ±2.5 percentage points**, supported by prudent monetary policy, easing global commodity prices and stable food supply conditions.

c) Interest rates are expected to continue a **gradual downward trend** following the easing of monetary policy, while the exchange rate is projected to remain broadly stable, supported by improved foreign exchange inflows, resilient exports, tourism earnings and remittance inflows.

d) National Government revenue is projected to increase to **approximately 17.5 percent of GDP in FY 2027/28**, driven by enhanced tax administration, improved compliance, continued implementation of tax policy reforms and sustained economic growth.

e) Total Government expenditure is projected to remain **below 21.4 percent of GDP** over the Medium Term in line with the Government's fiscal consolidation strategy aimed at containing the fiscal deficit, reducing public debt vulnerabilities and preserving macroeconomic stability.

f) The fiscal deficit is expected to continue declining in line with the Medium-Term Fiscal Framework through enhanced domestic revenue mobilization, prudent expenditure management and improved efficiency in public spending.

g) The County Government shall continue aligning its fiscal policies with the national macroeconomic framework while strengthening expenditure prioritization, improving budget credibility, enhancing public financial management and ensuring efficient utilization of available resources to achieve sustainable and inclusive socio-economic development.

IV. THE SPECIFIC GUIDELINES.

27. The preparation of the FY 2027/2028 and the Medium-Term Budget shall be guided by the principles of fiscal discipline, efficiency, accountability, transparency, value for money, and prudent public financial management as provided for under the Constitution of Kenya, 2010, the Public Finance Management Act, 2012, the Public Finance Management (County Governments) Regulations, 2015, the Public Investment Management Regulations, 2022, and other applicable Government policies and directives.

28. All Accounting Officers, Sector Working Groups (SWGs), County Government Departments, County Public Entities and Spending Units shall strictly adhere to the following guidelines during the preparation of their budget proposals.

i. Budget Preparation Process and Timelines

29. In accordance with the Public Finance Management Act, 2012 and the Public Finance Management (County Governments) Regulations, 2015, the County budget process shall be implemented within the statutory timelines prescribed under the annual budget calendar.

30. Accordingly, all County Government entities shall prepare and submit the following mandatory budget and policy documents for consideration, approval and submission within the stipulated timelines as contained in **Annex I** of this Circular:

a) County Integrated Development Plan (CIDP)

b) Annual Development Plan (ADP).

c) County Budget Review and Outlook Paper (CBROP).

d) Sector Reports.

e) County Fiscal Strategy Paper (CFSP).

f) County Debt Management Strategy Paper.

g) Programme-Based Budget (PBB) and supporting schedules.

h) County Appropriation Bill.

i) County Finance Bill.

j) Citizen Budget.

k) Programme Performance Reviews (PPRs)/County Budget Implementation Reports.

l) Supplementary Budgets, where necessary.

31. Accounting Officers shall ensure strict compliance with all statutory deadlines to facilitate timely preparation and approval of the County Budget.

ii. Institutional Framework

32. The FY 2027/2028 Budget shall be prepared by all County Government Votes/Departments within the approved institutional framework.

33. The following Votes shall prepare and submit their Medium-Term Budget Proposals:

a) Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness.

b) Trade, Investment, Industrialization, Cooperatives, Small and Micro Enterprises (SMEs).

c) Education and Industrial Skills Development.

d) County Treasury and Economic Planning.

e) Transport, Roads and Public Works.

f) Youth, Sports, Culture, Gender, Creative Arts and Social Services.

g) Public Service and Management.

h) Lands, Housing and Urban Development.

i) Busia Municipality.

j) Malaba Municipality.

k) Water, Environment, Irrigation, Natural Resources and Climate Change.

l) Health Services and Sanitation.

m) County Public Service Board.

n) Strategic Partnerships and Digital Economy.

o) Office of the Governor.

p) County Law Office.

q) County Assembly.

34. Each Accounting Officer shall be responsible for coordinating the preparation of departmental budget proposals and ensuring compliance with this Circular.

iii. Form and Content of the Budget

a) Programme-Based Budgeting (PBB)

35. The FY 2027/2028 Budget shall continue to be prepared and presented using the Programme-Based Budgeting (PBB) framework in accordance with Section 130(1)(b)(v) of the Public Finance Management Act, 2012.

36. Departments shall review existing programmes and align them with their constitutional mandates, strategic objectives and service delivery functions.

Any proposal to introduce a new programme shall require prior approval from the County Treasury.

37. Programme structures shall comply with the following requirements:

- Programme outcomes and outputs shall be Specific, Measurable, Achievable, Realistic and Time-bound (SMART).
- Performance indicators shall comply with the CREAM principles (Clear, Relevant, Economic, Adequate and Monitorable).
- Outputs, indicators and targets shall clearly demonstrate departmental accountability.
- Similar activities without distinct outputs shall be consolidated under appropriate delivery units.
- Cross-cutting functions shall be integrated within relevant programmes to eliminate duplication.
- Each programme shall be assigned to only one department.

- Departments with multiple programmes shall establish a dedicated Administration, Planning and Support Services Programme to cater for management and coordination costs.

38. Duplicate programme titles across County entities shall not be permitted.

b) Fiscal Consolidation Policy

39. The County Government shall continue implementing fiscal consolidation measures aimed at strengthening fiscal sustainability while safeguarding essential public service delivery.
Accordingly, Sector Working Groups shall prepare realistic Medium-Term Budget Estimates that:

- Enhance domestic revenue mobilisation.
- Rationalise recurrent expenditure.
- Prioritise high-impact development programmes.
- Protect social sector investments.
- Improve efficiency and value for money.

40. Resource allocation shall focus on programmes that generate the highest socio-economic returns.

c) Rolling Three-Year Medium-Term Budget Estimates

41. Consistent with the Medium-Term Expenditure Framework (MTEF), budget proposals shall cover three financial years.
Departments shall therefore prepare:

- FY 2027/2028 Budget Estimates.
- FY 2028/2029 Projections.
- FY 2029/2030 Projections.

42. The outer-year estimates shall be realistic, affordable and consistent with anticipated resource availability.

d) Programme Performance Reviews (PPRs)

43. Accounting Officers shall undertake comprehensive Programme Performance Reviews covering implementation of the FY 2023/2024, FY 2024/2025 and FY 2025/2026 Budgets.

The reviews shall evaluate both financial and non-financial performance, assess achievement of planned outputs and outcomes, identify implementation challenges, document lessons learned and inform future resource allocation.

44. Departments shall not be considered for additional resource allocation unless finalized Programme Performance Review Reports have been submitted to the County Treasury in the prescribed format.

iv. Programme Prioritization and Costing

a) Alignment with the Fourth Medium-Term Plan (MTP IV) and the Bottom-Up Economic Transformation Agenda (BETA)

45. The FY 2027/2028 Budget shall be aligned to the Fourth Medium-Term Plan (2023–2027) of Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

46. Priority shall be accorded to programmes supporting:

- Agricultural Transformation.
- Micro, Small and Medium Enterprises (MSMEs).
- Housing and Urban Development.
- Universal Healthcare.
- Digital Superhighway and Creative Economy.

47. Sector Working Groups shall prioritise expenditure based on:

- Contribution to MTP IV and BETA priorities.
- Completion of ongoing and stalled projects.
- Employment creation and poverty reduction.
- Climate change adaptation and mitigation.
- Cost-effectiveness and sustainability.
- Constitutional, presidential and Cabinet directives.

48. Each SWG shall establish documented sector-specific prioritisation criteria to guide resource allocation within the available fiscal space.

b) Entrenching Zero-Based Budgeting (ZBB)

49. Given the prevailing constrained fiscal environment, all departments shall adopt the principles of Zero-Based Budgeting (ZBB).

Every budget item shall be justified afresh, irrespective of previous allocations. Resource allocation shall be based on programme relevance, efficiency, effectiveness and demonstrated value for money.

50. Departments shall eliminate low-priority and non-essential expenditures while prioritising interventions that support economic growth, livelihoods and improved service delivery.

c) Programme Costing

51. Departments shall utilise the IFMIS Budget Preparation Module and the approved Costing Tool in preparing detailed programme estimates.

Budget estimates shall adequately provide for:

- Ongoing policies.
- Approved new policies.
- Contractual obligations.
- Verified pending bills.
- Recurrent expenditure.
- Development expenditure.

52. Activity costing shall comply with the County Treasury Baseline Costing Guidelines.

d) Budget Baseline

53. All baseline estimates shall be based on prevailing market prices.

The County Treasury shall apply appropriate inflation adjustments within the IFMIS Costing Tool to ensure realistic medium-term expenditure projections.

v. Key Cost Components

54. The Budget Estimates shall adequately provide for the following expenditure categories:

a) Compensation to Employees.

b) Use of Goods and Services.

c) Utilities and Rent.

d) Other Mandatory Expenditure.

e) Operations and Maintenance.

f) Appropriations in Aid (A-i-A).

g) Development Expenditure.

- **Compensation to Employees**

55. Departments shall comply with the fiscal responsibility principles under the Public Finance Management Act, 2012, which require expenditure on employee compensation to remain within the prescribed fiscal limits.

Recruitment shall only be undertaken to replace staff exiting through natural attrition and shall be budget-neutral unless otherwise approved by the County Treasury.

56. All personnel emoluments shall:

- Comply with the advisory issued by the Salaries and Remuneration Commission (SRC).
- Be processed through the County Public Service Board or County Assembly Service Board, as applicable.
- Be supported by approved establishment records.
- Be captured in the Human Resource Information System (HRIS).

57. Departments shall provide information on:

- Staff establishment as at 1 July 2026.
- Expected retirements during FY 2027/2028–FY 2029/2030.
- Approved recruitments.
- Gratuity obligations.
- Contract expiries.
- Associated financial implications.

- **Use of Goods and Services**

58. Departments shall review all recurrent expenditure requirements to eliminate non-essential expenditure.

Budget estimates shall be supported by demand schedules, service agreements and other relevant documentation.

- **Utilities and Rent**

59. Utility costs shall include electricity, water, internet, fuel, gas and other contractual service obligations.

Rent estimates shall be supported by valid lease agreements and approvals from the Department responsible for Lands for any new office accommodation.

- **Operations and Maintenance**

60. Operations and maintenance expenditure shall be estimated using the Quantity × Price methodology.

- **Appropriations in Aid (A-i-A)**

61. Departments generating Appropriations in Aid shall submit:

- Actual collections for FY 2023/2024, FY 2024/2025 and FY 2025/2026.
- Projections for FY 2027/2028 and the Medium Term.

All A-i-A estimates shall be entered in the IFMIS Budget Module.

vi. Development Expenditure

a) New Development Projects

62. All proposed development projects shall comply with the Public Investment Management Regulations, 2022 before inclusion in the Budget.

63. Projects shall only be considered where:

- Feasibility studies have been completed.
- Land acquisition and compensation issues have been resolved.
- Stakeholder consultations have been undertaken.
- Engineering designs and approvals have been completed.
- Regulatory approvals have been obtained.
- Implementation resources have been identified.
- Project information has been captured in the Public Investment Management Information System (PIMIS).

b) Ongoing and Stalled Projects

64. Priority shall be given to completion of ongoing and viable stalled projects before commencement of new projects.

65. Departments shall submit updated implementation status reports indicating:

- Project completion levels.
- Cumulative expenditure.
- Outstanding financial requirements.
- Revised project costs.
- Medium-term financing requirements.

c) Public-Private Partnerships (PPPs)

66. Departments are encouraged to explore Public-Private Partnerships (PPPs) and other innovative financing mechanisms to leverage private sector investment in public infrastructure.

d) Counterpart Funding

67. Departments implementing donor-funded programmes shall provide adequate counterpart funding consistent with signed financing agreements.

e) Additional Allocations

68. Additional allocations provided under the County Governments Additional Allocations framework shall be reflected under the relevant programmes and sub-programmes and managed in accordance with applicable legislation and financing agreements.

vii. Cross-Cutting Requirements

a) Public Participation and Stakeholder Engagement

69. In accordance with Article 201 of the Constitution, Section 125 of the Public Finance Management Act, 2012 and Regulation 6(2) of the Public Finance Management (County Governments) Regulations, 2015, all County entities shall undertake meaningful public participation and stakeholder engagement during budget preparation.

70. Stakeholders shall include:

- Development partners.
- Private sector organisations.
- Civil society organisations.

- Community-based organisations.
- Professional bodies.
- Special interest groups.
- Local communities.

71. County Entities shall ensure that development programmes uphold the principles of good governance, integrity, transparency, accountability and anti-corruption throughout planning, budgeting, implementation, monitoring and reporting. Programme and project proposals shall, where applicable, demonstrate their contribution to the achievement of the Sustainable Development Goals (SDGs), African Union Agenda 2063, the Bottom-Up Economic Transformation Agenda (BETA), the County Integrated Development Plan (CIDP) and other applicable national and county development priorities.

b) Climate Change Mainstreaming

72. Departments shall mainstream climate change mitigation and adaptation interventions in all programmes and budgets.
Climate-related expenditures shall be clearly identified and reported in accordance with national climate budgeting guidelines.

c) Gender-Responsive, Child-Sensitive and Disability-Inclusive Budgeting

73. The County Government reaffirms its commitments to gender equality, the protection of children's rights and the full inclusion of persons with disabilities, in line with Articles 53 and 54 of the constitution and international instruments such as the UN convention on the Rights of persons with Disabilities and the UN convention on the Rights of a child. Integrating gender perspective, child-sensitive budgeting and disability -inclusive budgeting into fiscal planning is essential to address irregularities and allocate resource equitably.

74. County departments must identify and tag interventions that strengthen social protection that address the needs of; women, children, adolescents, persons with disabilities, the elderly and other vulnerable households. In addition, departments must also include gender-responsive measures for FY 2027/28 and medium-term budget and improve tracking and reporting of these interventions as shown in **Annex 6.**

d) Further Equity and Social Inclusion Mainstreaming

75. County Entities shall mainstream youth empowerment, employment creation, the needs of older persons and other vulnerable and marginalized groups, public health including HIV and AIDS, nutrition, social protection, and digital transformation and innovation across all programmes and projects, where applicable. Budget proposals shall demonstrate how these interventions contribute to inclusive growth, equitable service delivery and improved socio-economic outcomes through appropriate resource allocation, targeted interventions and measurable performance indicators for effective monitoring, evaluation and reporting.

e) Budget Transparency

76. Budget transparency provides a strong foundation for inclusive and equitable development. Complete and quality budget information enhances visibility, and by extension, accountability of development initiatives and service delivery to the citizenry and especially for women, persons with disability and children. Accessible and quality budget information also empowers communities to meaningfully engage in decision-making processes. In line with the legal requirements for development of various budget documents, as well as the guidelines/templates provided by National Treasury, Busia County Commits to full disclosure of budget information under each of the key thematic areas.

V. PREPARATION AND SUBMISSION OF BUDGET PROPOSALS

77. Sector Chairpersons shall ensure that all activities relating to the budget preparation process within their respective sectors, including the preparation and consolidation of Sector Budget Proposals, are undertaken in a timely, coordinated, and comprehensive manner in accordance with the approved Budget Calendar.

78. Each Sector shall ensure that its Budget Proposals are fully aligned with the priorities outlined in the County Fiscal Strategy Paper (CFSP), the County Integrated Development Plan (CIDP), the Annual Development Plan (ADP), the Programme-Based Budget (PBB) framework, and other relevant national and county policy documents. The proposals should be realistic, fiscally sustainable, and fully compliant with the provisions of the Constitution of Kenya, the Public Finance Management Act, 2012, and the Public Finance Management (County Governments) Regulations, 2015.

78. Each Sector shall ensure that its Budget Proposals are fully aligned with the priorities outlined in the County Fiscal Strategy Paper (CFSP), the County Integrated Development Plan (CIDP), the Annual Development Plan (ADP), the Programme-Based Budget (PBB) framework, and other relevant national and county policy documents. The proposals should be realistic, fiscally sustainable, and fully compliant with the provisions of the Constitution of Kenya, the Public Finance Management Act, 2012, and the Public Finance Management (County Governments) Regulations, 2015.

79. All Sector Budget Proposals shall be finalized, approved at the Sector level, and submitted to the County Treasury not later than **23rd October 2026**, in accordance with the Budget Calendar provided in **Annex I** of this Circular. Late submissions will disrupt the statutory budget preparation process and may compromise compliance with the legally prescribed timelines.

VI. COMPLIANCE MONITORING AND REPORTING

80. Accounting officers are responsible for ensuring compliance with these guidelines and for maintaining complete records of the budget preparation process. The County Treasury will carry out technical review, monitor adherence to budget ceilings and conduct quality assurance checks on programme design, costing and supporting documents.

81. Persistent non-compliance may lead to adjustments during consolidation or disallowance of unsubstantiated budget items. Accounting officers must ensure internal controls are robust and that budget estimates are realistic and defensible.

VII. CONCLUSION

82. The successful preparation of the FY 2027/2028 and Medium-Term Budget Estimates will depend on the timely collaboration and commitment of all County Departments, Sector Working Groups, Boards, and other spending units. Accounting Officers are therefore required to ensure full compliance with the provisions of this Circular and the applicable legal and policy framework governing the budget process.

83. All officers involved in the preparation of the budget shall be expected to observe the principles of fiscal responsibility, transparency, accountability, efficiency, equity, and prudent utilization of public resources. The County Treasury will continue to provide the necessary technical guidance and support throughout the budget preparation process and expects full cooperation from all stakeholders to ensure the timely preparation of a credible, policy-driven, and legally compliant FY 2027/2028 and Medium-Term Budget.

HON. ANDREW M. NAKITARE
COUNTY EXECUTIVE COMMITTEE MEMBER
COUNTY TREASURY AND ECONOMIC PLANNING

Copy to:

1. H.E. The Governor.
2. H.E. The Deputy Governor
3. County Secretary.
4. Secretary County Budget and Economic Forum.
5. National Treasury.
6. Controller of Budget.
7. Commission on Revenue Allocation.

ANNEX 1: BUDGET CALENDER FOR FY 2027/2028 AND MEDIUM TERM

ACTIVITY	RESPONSIBILITY	TIMELINE
1. Develop and issue MTEF Guidelines and (Budget Calendar)-Section 128 of PFMA, 2012	**County Treasury**	**30th August 2026**
2. Development of Annual Development Plan-Section 126 of PFMA,2012		
2.1 Submission of Information for Preparation of Annual Development Plan (ADP)	County Treasury & Economic Planning/CBEF	**20th July, 2026**
2.2 Preparation of Draft Annual Development Plan	Economic Planning	**08th August, 2026**
2.3 Public Participation on ADP	County Treasury & Economic Planning	**20th August, 2026**
2.4 Submission of County Annual Development Plan to County Executive Committee	County Treasury & Economic Planning	**24th August, 2026**
2.5 Approval of County Annual Development Plan by County Executive Committee	County Treasury & Economic Planning	**28th August, 2026**
2.6 Submission of County Annual Development Plan to County Assembly	County Treasury & Economic Planning	**01st September, 2026**
2.7 Publish and Publicize Executive Approved ADP	County Treasury & Economic Planning	**07th September, 2026**
2.8 Approval of Annual Development Plan by the County Assembly	County Assembly	**14th September, 2026**
2.9 Consolidate, Publish and Publicize of the County Assembly Approved ADP	County Treasury	**04th October, 2026**
3. Preparation of County Budget Review and Outlook Paper (CBROP) Section 118 of PFMA,2012		
3.1 Request County Government Entities/ Departments to submit information on CBROP	CEC Member- County Treasury and Economic Planning	**13th August, 2026**
3.2 Submission of Information necessary for the Development of County Budget Review and Outlook Paper	All Departments	**24th August, 2026**
3.3 Develop Draft County Budget Review and Outlook Paper (CBROP)	County Treasury	**23rd September, 2026**
3.4 Submit Proposed County Budget Review and Outlook Paper (CBROP) to the County Executive Committee.	County Treasury	**30th September, 2026**
3.5 Deliberation and Approval of the CBROP	County Executive Committee	**14th October, 2026**
3.6 Submission of Approved CBROP to the County Assembly	County Treasury	**21st October, 2026**
3.7 Publish and Publicize Executive Approved CBROP	County Treasury	**09th October, 2026**
4. Preparation and Approval of Supplementary Budget Estimates- Section 135 of PFMA,2012		
4.1 Request County Government Entities/Departments to submit their Supplementary budget estimates	CEC Member- County Treasury and Economic Planning	**03rd August, 2026**
4.2 Submission of Supplementary Budget Estimates to the County Treasury by Departments	County Executive Committee Members	**10th August, 2026**
4.3 Consolidation of Departmental submissions into proposed supplementary Budget Estimates	Director Budget/Budget Officers	**24th August, 2026**
4.4 Submission of Proposed Supplementary Budget Estimates to County Executive Committee	CECM- County Treasury and Economic Planning	**31st August, 2026**
4.5 Approval of Supplementary Budget Estimates by County Executive Committee	County Executive Committee	**04th September, 2026**

ACTIVITY	RESPONSIBILITY	TIMELINE
4.6 Submission of Executive Committee Approved Supplementary Budget Estimates and Appropriation Bill to the County Assembly for approval	CECM- County Treasury and Economic Planning	**07th September, 2026**
4.7 Publish and Publicize Executive Approved Supplementary Budget Estimates	CECM- County Treasury and Economic Planning	**14th September, 2026**
4.8 Approval of Supplementary Budget Estimates and Appropriation Bill by the County Assembly	County Assembly	**28th September, 2026**
4.9 Consolidate, Publish and Publicize the County Assembly Approved Supplementary Budget Estimates	CECM- County Treasury and Economic Planning	**19th October, 2026**
5. Sector Reports		
5.1 Submission of Information for Preparation of Sector Reports	All Departments	**07th September, 2026**
5.2 Preparation of Sector Report	Sector Working Groups	**22nd September, 2026**
5.3 Public Participation	County Treasury	**12th October, 2026**
5.4 Consolidation of Sector Reports	County Treasury	**21st October, 2026**
5.5 Submission of Sector Report to County Executive for approval	County Treasury	**23rd October, 2026**
5.6 Deliberation and Approval of the Sector Reports	County Executive Committee	**06th November, 2026**
3.6 Submission of Approved Sector Report to the County Assembly	County Treasury	**09th November, 2026**
5.7 Publish and Publicize Executive Approved Sector Reports	County Treasury	**30th November, 2026**
6. Development of County Fiscal Strategy Paper (CFSP)-Section 117 of the PFMA,2012 and Debt Management Strategy Paper (DMSP)-Section 123 of the PFMA,2012		
6.1 Request County Government Entities/ Departments to submit their information on CFSP	CEC Member- County Treasury and Economic Planning	**19th October, 2026**
6.2 Submission of Information for Preparation of Draft County Fiscal Strategy Paper (CFSP)	All Departments/Sector Working Groups	**26th October, 2026**
6.3 Draft County Fiscal Strategy Paper & Debt Management Strategy Paper	County Treasury	**09th November, 2026**
6.4 Public Participation meetings of the draft CFSP as per PFMA,2012 Sec. 125	County Treasury/CBEF	**16th November, 2026**
6.5 Submission of CFSP and Debt Management Strategy Paper (DMSP)to the County Executive Committee for approval	County Treasury	**23rd November, 2026**
6.6 CFSP and DMSP Approval by County Executive Committee	County Executive Committee	**30th November, 2026**
6.7 Submission of CFSP/Debt Management Strategy Paper to County Assembly for approval	County Treasury	**08th December, 2026**
6.8 Publish and Publicize Executive Approved CFSP and DMSP.	County Treasury	**16th December 2026**
6.9 Approval of CFSP & DMSP by County Assembly	County Assembly	**22nd December, 2026**

ACTIVITY	RESPONSIBILITY	TIMELINE
6.10 Aligning CFSP to the recommendations of the County Assembly and Publish & Publicize	County Treasury	**11th January, 2026**
7. Preparation and Approval of Budget Estimates- Section 125 of the PFMA,2012		
7.1 Request County Government Entities/Departments to submit their information on Budget Estimates	CEC Member- County Treasury and Economic Planning	**08th December, 2026**
7.2 Submission of budget proposals FY 2026/2027 to the County Treasury	All departments	**23rd December, 2026**
7.3 Consolidation of departmental submissions on budget proposal	County Treasury	**05th January, 2027**
7.4 Public Participation in Proposed Budget Estimates PFMA,2012 Sec. 125	County Treasury/CBEF	**19th January, 2027**
7.5 Submission of Proposed Budget Estimates to the County Executive Committee for approval	County Treasury	**25th January, 2027**
7.6 Approval of Proposed Budget Estimates by County Executive Committee	County Executive Committee	**09th February, 2027**
7.7 Submission of Executive Approved Budget Estimates to the County Assembly for approval and Appropriation Bill	County Treasury	**15th February, 2027**
7.8 Approval of the Budget Estimates by the County Assembly	County Assembly	**28th February, 2027**
7.9 Approval of Appropriation Bill	County Assembly	**28th February, 2027**
7.10 Consolidate, Publish and Publicize the County Assembly Approved Budget Estimates & Appropriation Bill	County Treasury	**19th March, 2027**
8. Preparation and Approval of County Integrated Development Plan (CIDP)-Section 126 of the PFMA, 2012		
8.1 Review of the current CIDP	Chief Officer – Economic planning	**18th September, 2026**
8.2 Issuing of a CIDP Preparation Circular with Instructions and Deadlines to all County Accounting Officers	County secretary	**03rd October, 2026**
8.3 Establishment of the CIDP Preparation Secretariat	CECM Economic Planning	**08th October, 2026**
8.4 Sensitization/Familiarization of the CECs, MCA, County Directors	Chief Officer – Economic planning	**24th November 2026**
8.5 Collection of primary data through public consultation forums and memorandums	Chief Officer – Economic planning	**01st December, 2026**
8.6 Data cleaning	Chief Officer – Economic planning	**09th December, 2026**
8.7 Formulation costing of Programmes and Projects	Chief Officer – Economic planning	**19th December, 2026**
8.8 Preparation of the zero draft by the technical secretariat team	Chief Officer – Economic planning	**24th January, 2027**
8.9 Validation of CIDP draft document	Chief Officer – Economic planning	**23rd January, 2027**
8.10 Submission of the CIDP draft to the Executive for consideration and adoption	CECM – Economic Planning	**06th February, 2027**
8.11 Submission of the CIDP draft to County Assembly for approval	CECM – Economic Planning	**14th February, 2027**

ACTIVITY	RESPONSIBILITY	TIMELINE
8.12 Approval of the final CIDP	CECM – Economic Planning	**22nd February, 2027**
8.13 Consolidate, Publish and Publicize the County Assembly Approved CIDP	County Treasury	**15th March, 2027**
9. Citizens Budget PFM Regulations No. 6 (1) (c)		
9.1 Preparation of Citizens Budget	County Treasury	**14th April, 2026**
9.2 Publish and Publicize Citizens Budget	County Treasury	**21st April, 2026**
10. Preparation and approval of Finance Bill-PFMA,2012 Section 132 and 133		
10.1 Preparation of Draft Finance Bill	County Treasury	**23rd December, 2026**
10.2 Public Participation on the draft finance bill	County Treasury/CBEF	**07th January, 2027**
10.3 Submission of proposed Finance Bill to the County Executive Committee for approval	County Treasury	**14th January 2027**
10.4 Approval of Finance Bill by the County Executive Committee	County Executive Committee	**29th January, 2027**
10.5 Submission of the finance bill to the county assembly	County Treasury	**09th February, 2027**
10.6 Publish and Publicize Finance Bill	County Treasury	**19th February, 2027**
10.7 Approval of Finance bill by the County Assembly	County Assembly	**28th February, 2027**
10.8 Consolidate, Publish and Publicize the County Assembly Approved Finance Bill	County Treasury	**19th March, 2027**
11. Budget Implementation Review Reports		
11.1 Submission of Quarter 1 Budget Implementation Review Reports from the Departments	All departments	**15th October, 2026**
11.2 Preparation of Quarter 1 Budget Implementation Review Reports, Consolidation and Submission to County Assembly	Director Budget	**30th October, 2026**
11.3 Submission of Quarter 2 Budget Implementation Review Reports from the Departments	All departments	**15th January, 2027**
11.4 Preparation of Quarter 2 Budget Implementation Review Reports, Consolidation and Submission to County Assembly	Director Budget	**31st January, 2027**
11.5 Submission of Quarter 3 Budget Implementation Review Reports from the Departments	All departments	**15th April, 2027**
11.6 Preparation of Quarter 3 Budget Implementation Review Reports, Consolidation and Submission to County Assembly	Director Budget	**30th April, 2027**
11.7 Submission of Quarter 4 Budget Implementation Review Reports from the Departments	All departments	**15th July, 2027**
11.8 Preparation of Quarter 4 Budget Implementation Review Reports, Consolidation and Submission to County Assembly	Director Budget	**30th July, 2027**

ANNEX 2: SECTOR COMPOSITION AND WORKING GROUPS (SWGs) FY 2027/28

The County sectors will be structured as follows:

CLASSIFICATION OF FUNCTIONS OF THE GOVERNMENT (COFOG)	MTEF SECTOR	DEPARTMENTS/ ADMINISTRATIVE SEGMENTS (DIRECTORATES)
Economic Affairs	Agriculture, Rural and Urban Development	4961001200 Veterinary
		4961002000 Agribusiness
		4961002100 Livestock
		4961002200 Fisheries Development & Aquaculture
		4961002300 Smart Agriculture
		4968001200 Physical Planning
		4968001300 Survey
	Energy, Infrastructure and ICT	4966000200 Transport
		4966001000 Public Works
		4966001200 Mechanical & Fleet Management Unit
		4968000500 Housing
		4968001000 Malaba Municipality
		4968001100 Busia Municipality
		4969001300 Energy
		4978000100 Strategic Partnerships & Digital Economy
		4978000300 ICT
	General Economic and Commercial Affairs	4962000400 Trade
		4962001100 Cooperatives & Investments
		4962001200 Industry
		4965000200 Local Tourism
Health	Health	4970000000 HEALTH & SANITATION
Education	Education	4963000600 Tertiary/Vocational Training Development
		4963001000 ECDE
General Public Service	Public Administration and International Relations	4962001500 Cooperative Audit
		4978000200 Resource Mobilization
		4964000300 Budget
		4964000400 Accounting
		4964000600 Internal Audit
		4964000700 Revenue
		4964000900 Economic Planning
		4964001100 Monitoring and Evaluation
		4964001400 Supply Chain Management
		4964001700 County Bureau of Statistics
		4967000600 Public Administration
		4967000900 Security & Enforcement
		4967001000 Communication Directorate

CLASSIFICATION OF FUNCTIONS OF THE GOVERNMENT (COFOG)	MTEF SECTOR	DEPARTMENTS/ ADMINISTRATIVE SEGMENTS (DIRECTORATES)
		4971000000 County Public Service Board
		4972000100 Office of the Governor
		4972000300 Office of the County Secretary
		4972000500 Office of the Deputy Governor
		4972001200 County Chief of Staff's Office
		4975000000 County Assembly
		4977000000 County Attorneys
		4977000100 County Attorney
Recreation, Culture and Social Protection	Social Protections, Culture and Recreation	4962001400 Alcoholic Drinks
		4965000100 Culture & Social Services
		4965000300 Child Care
		4965001200 Development & Management of Sporting Activities
		4965001600 Gender
		4965001700 Youth Affairs
Environmental Protection and Community Amenities	Environmental Protection, Water and Natural Resources	4969000200 Environment
		4969000300 Natural Resources
		4969000800 Water
		4969001000 Climate Change
		4969001200 Irrigation

Please note that most administrative segments (directorates) are aligned to different Medium-Term Expenditure Framework (MTEF) sectors, as guided by the National Treasury.

Vote/ Department

NO	Codes	Vote/Department
1	4961000000	Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness
2	4962000000	Trade, Investment, Industrialization, Cooperatives Small and Micro Enterprise.
3	4963000000	Education and Industrial Skills Development
4	4964000000	County Treasury and Economic Planning
5	4965000000	Youth, Sports, Culture, Gender, Creative Arts and Social Services
6	4966000000	Transport, Roads and Public Works
7	4967000000	Public Service Management
8	4968000000	Lands, Housing & Urban Development
9	4969000000	Water, Environment, Irrigation, Natural Resources and Climate Change
10	4970000000	Health Services and Sanitation
11	4971000000	County Public Service Board
12	4972000000	The Governorship
13	4975000000	County Assembly
14	4977000000	County Law Office

15	4978000000	Strategic Partnerships and Digital Economy
16	4979000000	Malaba Municipality
17	4980000000	Busia Municipality

ANNEX 3: STRUCTURE, COMPOSITION, TERMS OF REFERENCE AND RESPONSIBILITIES OF SECTOR WORKING GROUPS

1. Structure and Composition of Sector Working Groups (SWGs)

Each Sector Working Group (SWG) shall comprise the following:

- **Chairperson** – One Accounting Officer elected by consensus from among the Accounting Officers responsible for the county divisions constituting the respective sector.
- **Sector Convener** – Appointed by the County Executive Committee Member responsible for Finance and Economic Planning.
- **Representatives of Development Partners.**
- **Representatives of the Private Sector.**
- **Representatives of Civil Society Organizations.**
- **Representatives of Professional Bodies,** Academia and Research Institutions, where appropriate.
- **Representatives responsible for climate change, gender, disability, adolescent, youth, social inclusion or other cross-cutting policy areas, where applicable.**
- **Any other stakeholders** whose participation may be considered necessary by the Sector Working Group.

2. Terms of Reference of Sector Working Groups

Sector Working Groups shall ensure that sector priorities, programmes and projects are aligned with the Constitution of Kenya, the County Integrated Development Plan (CIDP), the County Annual Development Plan (CADP), the Governor's Manifesto, the Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), the Sustainable Development Goals (SDGs), Agenda 2063 and other relevant national and county policy frameworks.

Specifically, the Sector Working Groups shall:

- Review sector objectives, outcomes and strategies to ensure consistency with county and national development priorities.
- Ensure that all sector programmes and projects mainstream climate change adaptation and mitigation, environmental sustainability, disaster risk reduction, gender equality, child sensitive programming, including adolescents (10-19 years), disability inclusion, equity and social inclusion, in accordance with applicable national and county legislation, policies and budget guidelines.
- Review departmental mandates, programmes, projects and service delivery performance, taking into account previous budget implementation reports, expenditure reviews, audit findings and monitoring and evaluation reports.
- Identify sector priorities and approve programmes and projects for implementation during the Medium-Term Expenditure Framework (MTEF) period.
- Identify the policy, legislative, institutional and administrative reforms required to improve sector performance.
- Analyze the financial implications of proposed programmes, projects and policies over the MTEF period.
- Prioritize programmes and allocate available resources among county departments, decentralized units and county public entities based on agreed prioritization criteria.
- Assess programme and project proposals to ensure that climate, gender, child sensitive, disability and other equity mainstreaming requirements have been adequately integrated, costed, tagged and supported by measurable outputs, outcomes and performance indicators before recommending them for funding
- Identify low-priority, low-impact or completed programmes and recommend resource reallocation to higher priority interventions.
- Identify viable programmes and projects suitable for financing through Public-Private Partnerships (PPPs), Public-Public Partnerships, joint ventures, grants, development partner support and other innovative financing mechanisms.

- Review baseline expenditures and identify one-off expenditures for exclusion from future baseline allocations where appropriate.
- Ensure that only implementation-ready capital projects are proposed for funding, including projects with completed feasibility studies, designs, statutory approvals, environmental safeguards, land ownership documentation and realistic implementation schedules.
- Promote efficiency savings through rationalization of operational expenditures, elimination of duplication and application of value-for-money and Zero-Based Budgeting principles where appropriate.
- Provide detailed justification for proposed new programmes, project rescheduling, project extensions, scaling-up, scaling-down or project termination, including the financial implications thereof.
- Coordinate preparation of Sector Reports, Programme-Based Budget proposals, itemized budgets and other submissions required under the County Budget Calendar.
- Develop objective programme prioritization and resource allocation criteria consistent with County Treasury guidelines.
- Ensure that all proposed programmes and projects are adequately costed and supported by measurable performance indicators, outputs, outcomes and implementation timelines.
- Verify that programme proposals incorporate climate budget tagging, gender-responsive, child-sensitive and disability-inclusive budgeting requirements, and the use of appropriate disaggregated data and performance indicators for monitoring and reporting.
- Identify key stakeholders and facilitate their effective participation during sector consultations, public participation and budget preparation processes.
- Promote inclusive stakeholder engagement by ensuring the effective participation of women, youth, persons with disabilities, older persons, marginalized communities, development partners, civil society organizations and other relevant stakeholders throughout the sector planning and budgeting process.

3. Roles and Responsibilities of Sector Conveners

The Sector Convener shall be responsible to the County Executive Committee Member responsible for Finance and Economic Planning and shall provide technical leadership, coordination and quality assurance throughout the Sector Working Group process.

Specifically, the Sector Convener shall:

- Coordinate all Sector Working Group activities in accordance with the County Budget Calendar and Budget Preparation Guidelines.
- Brief the Sector Chairperson and members on the County Treasury budget preparation framework, timelines and reporting requirements.
- Facilitate preparation and implementation of the Sector Working Group work plan.
- Ensure timely convening of Sector Working Group meetings and stakeholder consultations.
- Coordinate stakeholder mapping and ensure participation of relevant government agencies, development partners, private sector, civil society organizations and other stakeholders.
- Ensure that stakeholder engagement processes are inclusive and representative, with adequate participation of women, youth, persons with disabilities, older persons, marginalized groups, development partners, civil society organizations, academia and the private sector.
- Provide technical guidance on programme prioritization, costing methodologies, programme classification and Programme-Based Budgeting requirements.
- Provide technical guidance to departments on integrating climate change, environmental sustainability, disaster risk reduction, gender-responsive, child-sensitive and disability-inclusive budgeting, and other equity and social inclusion considerations into programme design, costing and performance frameworks.
- Ensure that sector priorities are aligned with the CIDP, CADP, County Fiscal Strategy Paper (CFSP), county policy priorities and approved resource ceilings.

- Ensure that all programmes and projects are adequately costed and supported by measurable performance indicators, targets and implementation plans.
- Verify that programme and project submissions comply with the County Treasury requirements on climate budget tagging, equity mainstreaming, performance indicators and other cross-cutting policy requirements before submission to the County Treasury.
- Coordinate preparation of the Sector Report, indicative sector budget proposals, Programme-Based Budget submissions and other required reports.
- Ensure that sector recommendations are informed by expenditure reviews, monitoring and evaluation findings, audit reports and previous budget implementation performance.
- Monitor implementation of the Sector Working Group work plan and promptly report implementation challenges, risks and proposed mitigation measures to the County Treasury.
- Submit periodic progress reports to the County Treasury on implementation of Sector Working Group activities.
- Coordinate preparation of sector presentations for public participation forums, the County Budget and Economic Forum (CBEF) and budget hearings.
- Participate in Budget Procedure Group meetings and other budget consultative forums to ensure that agreed sector priorities are adequately funded within the available resource envelope.
- Perform any other function assigned by the County Treasury or the County Executive Committee Member responsible for Finance and Economic Planning in relation to the budget preparation process.

ANNEX 4: DEPARTMENTAL PROGRAMME PERFORMANCE REVIEW (DPPR) GUIDELINES

Theme

The county departmental themes

Executive Summary

The Executive Summary shall present a concise overview of:

- Departmental mandate.
- Key achievements during the review period.
- Programme performance.
- Expenditure performance.
- Capital project implementation.
- Performance in mainstreaming climate change, gender, child sensitivity, disability, equity and social inclusion across programmes and projects.
- Pending bills.
- Key implementation challenges.
- Lessons learnt.
- Major recommendations.

1. Introduction

Departments shall provide a brief introduction that sets the context for the Departmental Expenditure and Programme Performance Review (DEPPR). The introduction should describe the department's mandate and strategic direction, explain the purpose and scope of the review, and outline the methodology used in undertaking the assessment.

Specifically, the introduction should include:

1.1. The constitutional, legal and policy mandate of the department.

1.2. The department's vision, mission and strategic objectives.

1.3. The alignment of departmental programmes and projects with the County Integrated Development Plan (CIDP), County Annual Development Plan (CADP), County Fiscal Strategy Paper (CFSP), Governor's Manifesto, Fourth Medium Term Plan (MTP IV), Bottom-Up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), Agenda 2063 and other relevant national and county development priorities.

1.4. Summarize the department's approach to mainstreaming climate change adaptation and mitigation, environmental sustainability, disaster risk reduction, gender equality, child sensitive programming, disability inclusion, youth empowerment, social protection, digital transformation and other applicable cross-cutting priorities during the review period.

1.5. The purpose and objectives of the Departmental Programme Performance Review.

1.6. The scope of the review, including the financial years covered and the programmes, projects and expenditure analyzed.

1.7. The methodology adopted in conducting the review, including data collection methods, analytical approaches and stakeholder consultations where applicable.

1.8. The principal sources of information used in the review, including approved Programme-Based Budgets, financial statements, IFMIS reports, budget implementation reports, Annual Progress Reports (APRs), monitoring and evaluation reports, audit reports, project implementation reports and other relevant administrative records.

1.9. Any limitations encountered during the review and their implications for the findings and conclusions.

2. Programme Performance Review

Departments shall undertake a comprehensive review of programme performance for the three financial years under review (FY 2023/24–FY 2025/26) to assess progress towards the achievement of programme objectives, outcomes and outputs.

The review shall evaluate the extent to which departmental programmes and sub-programmes have contributed to the achievement of planned results and strategic priorities, taking into account approved performance indicators, resource allocations and implementation challenges.

The review shall also assess the extent to which programmes and projects integrated cross-cutting development priorities, including climate change adaptation and mitigation, environmental sustainability, disaster risk reduction, gender-responsive, child-sensitive and disability-inclusive budgeting, youth empowerment, social protection, digital transformation and other applicable equity and social inclusion interventions. The assessment shall identify the outputs, outcomes and beneficiaries achieved, implementation challenges, lessons learnt and implications for future planning and budgeting.

ANNEX 4A: REVIEW OF PROGRAMME PERFORMANCE FOR FY 2023/24-2025/26

Table 2.1: Analysis of Programme Targets and Actual Targets

Programme	Sub-Programme	Programme Outcome	Performance Indicator	Unit of Measure	FY 2023/24 Target	FY 2023/24 Actual	FY 2024/25 Target	FY 2024/25 Actual	FY 2025/26 Target	FY 2025/26 Actual	Variance	Reasons for Variance	Corrective Measures

Table 2.2: Analysis of Cross-Cutting Priority Targets and Actual Targets.

Cross-Cutting Priority	Key Intervention	Budget Allocation	Actual Expenditure	Key Outputs	Key Outcomes	Beneficiaries (Sex/Age/PWD Disaggregation)	Performance Rating	Key Challeng
Climate Change								
Environmental Sustainability								
Disaster Risk Reduction								
Gender Equality								
Child Sensitive Programming								
Disability Inclusion								
Youth Empowerment								
Social Protection								
Digital Transformation								

Analyze expenditure trends over the three-year review period.

Departments shall analyze expenditure allocated to cross-cutting development priorities, including climate change, gender equality, disability inclusion and other equity interventions, indicating approved allocations, actual expenditure, budget absorption, implementation performance and key factors affecting expenditure efficiency.

Departments should provide a narrative explaining:

- Achievements.
- Underperformance.
- Emerging issues.
- Lessons learnt.
- Implications for future budgeting.

ANNEX 4B: ANALYSIS OF EXPENDITURE TRENDS FOR THE FY 2023/24-2025/26

Table 2.3: Recurrent Budget - Approved Budget versus Actual Expenditure (KSh.)

Economic Classification	FY 2023/24 Approved	FY 2023/24 Actual	Absorption (%)	FY 2024/25 Approved	FY 2024/25 Actual	Absorption (%)	FY 2025/26 Approved	FY 2025/26 Actual	Absorption (%)	Variance	Rema
Compensation to Employees											
Use of Goods and Services											
Routine Maintenance											
Grants, Transfers & Subsidies											
Other Recurrent											
Total Recurrent											

Table 2.4: Development Budget - Approved Budget versus Actual Expenditure (KSh.)

Economic Classification	FY 2023/24 Approved	FY 2023/24 Actual	Absorption (%)	FY 2024/25 Approved	FY 2024/25 Actual	Absorption (%)	FY 2025/26 Approved	FY 2025/26 Actual	Absorption (%)	Rema
Acquisition of Non-Financial Assets										
Capital Transfers										
Capital Grants										
Other Development										
Total Development										

Table 2.2: Analysis of Programme and Economic classification expenditure (KSh.)

Economic Classification	Approved Budget Allocation			Actual Expenditure		
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2023/24	FY 2024/25	FY 2025/26
Programme 1:						
Recurrent Expenditure						
Compensation to Employees						
Use of Goods and Services						
Grants and other transfers						
Other recurrent						
Capital Expenditure						
Acquisition of Non-financial assets						
Capital Grants						
Other Development...						
Total Programme 1:						
Repeat as above for programme 2,3 etc.						
Total Vote:						

Departments shall include all approved programmes in the Programme-Based Budget (PBB), report the approved budgets and actual expenditures for each of the three financial years under review, calculate annual budget absorption rates, indicate overall expenditure trends, explain significant expenditure variances and their underlying causes, and provide practical recommendations to strengthen budget credibility, execution and service delivery in subsequent financial years.

Table 2.6: Analysis of Sub-Programme Budget Performance (KSh.)

Programme	Sub-Programme	Sub-Programme Objective	FY 2023/24 Approved Budget	FY 2023/24 Actual Expenditure	Absorption (%)	FY 2024/25 Approved Budget	FY 2024/25 Actual Expenditure	Absorption (%)	FY 2025/26 Approved Budget	FY 2025/26 Actual Expenditure	Absorption (%)	Three-Year Average Absorption (%)	Key Reasons for Variance	Corrective Actions Recommendations

Departments shall present all approved sub-programmes under each programme in the Programme-Based Budget (PBB), report the approved budgets and actual expenditures for each financial year under review, calculate annual and three-year average budget absorption rates, explain significant expenditure variances and their underlying causes, and recommend corrective actions to strengthen budget execution, programme implementation and service delivery during the subsequent Medium-Term Expenditure Framework (MTEF) period.

Table 2.7: Analysis of Expenditure Performance by Decentralized Units and County Public Entities (KSh.)

Decentralized Unit / County Public Entity	Category (Municipality/Health Facility/VTC/County Public Entity/Other)	FY 2023/24 Approved Budget	FY 2023/24 Actual Expenditure	Absorption (%)	FY 2024/25 Approved Budget	FY 2024/25 Actual Expenditure	Absorption (%)	FY 2025/26 Approved Budget	FY 2025/26 Actual Expenditure	Absorption (%)	Three-Year Average Absorption (%)	Key Performance Issues	Corre Actio Recom dati

This table shall be completed only by departments responsible for decentralized units, municipalities, city boards, county public entities or other autonomous county institutions. Departments shall report the approved budgets and actual expenditures for all entities under their mandate for each financial year under review, calculate annual and three-year average budget absorption rates, analyze expenditure trends, budget credibility, implementation efficiency, financial sustainability and significant expenditure variances, highlight key performance challenges, and recommend corrective actions to strengthen planning, budgeting, financial management, accountability and service delivery.

4. Capital Projects Performance Review

ANNEX 4C: ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS

Table 2.8: Analysis of Performance of Capital Projects (KSh.)

Vote	Project code and name	Estimated cost the project	Timelines		FY 2023/2024			FY 2024/2025			FY 2025/2026				Remarks
			Start Date	Completion date	Approved Budget	Actual Cumulative Expenditure as at 30th June 2024	% project completion status as at 30th June 2024	Approved Budget	Actual Cumulative Expenditure as at 30th June 2025	% project completion status as at 30th June 2025	Approved Budget	Actual Cumulative Expenditure as at 30th June 2026	Outstanding balance as at 30th June 2026	% project completion status as at 30th June 2026	
		KSh...			KSh...										
	Project 1														
	Project 2														
Total															

Under remarks column, provide a brief overview of the implementation progress including status and what the project intended to achieve.

Project Status Classification

Departments shall classify projects using one of the following categories:

- **Completed** – Project implementation fully completed and operational.
- **Ongoing** – Project under implementation within the approved schedule.
- **Stalled** – Project implementation halted due to financial, legal, contractual, technical or other challenges.
- **Not Started** – Budget allocation exists but implementation has not commenced.
- **Suspended** – Project implementation temporarily halted by administrative, legal, policy or contractual action.
- **Terminated** – Project discontinued following policy, technical or financial decisions.

Instructions for Completion

Departments shall:

- Include all development projects implemented during the review period.
- Ensure consistency with the approved Programme-Based Budget, Annual Development Plan (ADP) and project register.
- Report both financial and physical implementation progress.
- Compute budget absorption using:

Budget Absorption (%) = (Actual Expenditure ÷ Approved Budget) × 100

- Indicate cumulative expenditure from project inception to facilitate assessment of project completion and future financing requirements.
- Clearly indicate revised completion dates where projects experience delays.

- Distinguish between new, ongoing and phased projects.
- Highlight projects with cost overruns, implementation delays, contractual disputes or funding gaps.

Cross-Cutting Development Priorities

Discuss:

- Climate resilience measures incorporated into projects.
- Environmental sustainability and natural resource conservation measures.
- Disaster risk reduction considerations.
- Gender responsiveness.
- Child sensitive programming considerations.
- Accessibility and universal design for persons with disabilities.
- Employment opportunities created for youth, women and vulnerable groups.
- Stakeholder participation and social safeguards.

ANNEX 4D: SUMMARY OF PENDING BILLS

Departments shall provide a comprehensive analysis of pending bills for the review period, indicating their composition, age profile, causes, legal implications, and proposed settlement strategy. The analysis should distinguish between recurrent and development pending bills and identify measures being undertaken to prevent future accumulation.

Table 2.9: Analysis of Pending Bills by Nature (KSh. Million)

Category	Opening Balance (1 July 2025)	New Pending Bills Incurred	Bills Settled During FY 2025/26	Closing Balance (30 June 2026)	< 90 Days	90–180 Days	181–365 Days	Over 365 Days	% of Total Pending Bills	Remark
Compensation to Employees										
Utilities (Electricity, Water, ICT, Telephone, etc.)										
Goods Supplied										
Services Rendered										
Routine Maintenance										
Capital Works / Certified Works										
Land Acquisition and Compensation										
Legal Claims and Court Awards										
Grants, Transfers and Subsidies										

Other Pending Bills (Specify)										
Total									**100%**	

ANNEX 5A: FORMAT FOR PRESENTATION OF PROGRAMME PERFORMANCE BASED BUDGET (PBB)

Vote No: Title

Part A: Vision

Part B: Mission

Part C: Performance Overview and Rationale Funding

This section provides a structured analysis of the program's performance and outlook, covering:

- **Mandate Overview:** A concise description of the entity's core responsibilities and objectives.
- **Expenditure trends:** Comparative review of the approved budget versus the actual expenditure for the Financial Year 2023/24 through 2025/26.
- **Performance highlights:** Major achievements against the planned outputs and services over the same period.
- **Implementation challenges:** Key Constraints encountered during budget execution and the strategies proposed to address them.
- **Forward Agenda:** The Major services and outputs to be delivered in the FY 2027/28-and Medium-Term.

Part D: Strategic Objectives

List each Programme and their corresponding strategic objective. Adhere to the following guidelines.

- Assign exactly one strategic objective or desired outcome to each programme.
- Ensure every objective directly aligns to institutional Strategic Plan and principal goals of MTP IV, Vision 2030 and CIDP 2023-2027.

Part E: Summary of the Programme Key Outputs, Performance Indicators and Targets for FY 2027/2028-2029/2030

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2025/2026	Actual achievement 2025/2026	Baseline 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Name of Programme Outcome									
Sub Programme 1.1									
Sub Programme 1. 2.. etc.									

Part F: Summary of Expenditure by Programmes and Sub-Programmes FY 2027/2028-2029/2030 (KSh.)

Programme	Approved Budget FY 2025/2026	Actual Expenditure FY 2025/2026	Baseline FY 2026/27	Estimates FY 2027/28	Projected FY 2028/29	Projected FY 2029/30
PROGRAMME 1(State the name of the Programme)						
Sub Programme 1.1						
Sub Programme 1.2...N						
Total Expenditure of Programme 1						
PROGRAMME 2(State the name of the Programme)						
Sub Programme 2.1						
Sub Programme 2.2...N						
Total Expenditure of Programme 2						
Total Expenditure of Vote						

NB. Repeat as shown in the Table under section F above for all Programmes. Provide total expenditure for each Programme and their summation must equal the total expenditure of the vote.

Part G: Summary of Expenditure by Vote and Economic Classification (KSh.)

Code	Expenditure Classification	Approved Budget FY 2025/26	Actual Expenditure FY 2025/26	Baseline FY 2026/27	Estimates FY 2027/28	Projected Estimates FY 2028/29	Projected Estimates FY 2029/30
	Current Expenditure						
2100000	Compensation to Employees						

Code	Expenditure Classification	Approved Budget FY 2025/26	Actual Expenditure FY 2025/26	Baseline FY 2026/27	Estimates FY 2027/28	Projected Estimates FY 2028/29	Projected Estimates FY 2029/30
2200000	Use of goods and Services						
2700000	Social Benefits						
2800000	Other expense						
3100000	Non-Financial Assets						
	Capital Expenditure						
2200000	Use of goods and services						
2800000	Other Expenses						
3100000	Non-Financial Assets						
	Total Expenditure of Vote						

The total current expenditure and capital expenditure must be equal to the total expenditure vote given in tables E, F, & G.

Part H: Summary of Expenditure by Programme, Sub-Programme and Economic Classification (KSh.)

Code	Expenditure Classification	Approved Budget FY 2025/26	Actual Expenditure FY 2025/26	Baseline FY 2026/27	Estimates FY 2027/28	Projected Estimates FY 2028/29	Projected Estimates FY 2029/30
	Programme 1: (State the name of the Programme here)						
	Sub- Programme 1.1						
	Current Expenditure						
2100000	Compensation to Employees						
2200000	Use of goods and services						
2800000	Other Expenses						
3100000	Non-Financial Assets						
	Capital Expenditure						
2200000	Use of goods and services						
2800000	Other Expense						
3100000	Non-Financial Assets						
	Programme 2: (State the name of the Programme here)						
	Sub- Programme 2.1						
	Current Expenditure						
2100000	Compensation to Employees						
2200000	Use of goods and services						
2800000	Other Expense						
3100000	Non-Financial Assets						
	Capital Expenditure						

Code	Expenditure Classification	Approved Budget FY 2025/26	Actual Expenditure FY 2025/26	Baseline FY 2026/27	Estimates FY 2027/28	Projected Estimates FY 2028/29	Projected Estimates FY 2029/30
2200000	Use of goods and services						
2800000	Other Expense						
3100000	Non-Financial Assets						

Repeat as above in cases where a department has more than one Programme and/or Sub-Programme.

Part I: Summary of Human Resource Requirement

Programme Code	Programme Title	Designation /Position Title	Authorized Establishment	In-Post as of 30th June, 2026	Funded Positions	Positions to be Funded		
					FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
XX1	General Admin. Planning and support services							
XX2								
XX3								
Total Funded Positions								

ANNEX 5B: COSTING TECHNIQUES

Departments shall apply the following costing methodologies:

- Quantity × Price (Primary and Mandatory Method).
- Trend Analysis.
- Lump Sum Estimation.
- Ad Hoc Costing.

  - **The Quantity × Price** method shall be the default costing methodology. Where alternative methods are used, detailed justification shall be provided.
  - **Trend analysis** shall only be applied where Quantity × Price cannot reasonably be used.
  - **Lump Sum costing** shall be restricted to low-value, routine expenditure items.
  - **Ad Hoc costing** shall apply only to one-off interventions and exceptional expenditures.

ANNEX 6: FORMAT FOR PRESENTATION OF GENDER-EQUITABLE, CHILD-SENSITIVE AND DISABILITY-INCLUSIVE BUDGETS

Table 1.1: Gender Equity Mainstreaming (Amount KSh. Million)

Sub-Sector...

Expected Outcome..

Issue	Policy Commitment	Programme	Sub-Programme	Key Intervention	Expected Output	Key Performance Indicators	Performance Target and Costing							
							FY 2026/27		FY 2027/28		FY 2028/29		FY 2029/30	
							Target	Budget	Target	Budget	Target	Budget	Target	Budget

*Repeat the same format for **each Sub-Sector.***

Table 1.2: Child-Sensitive Programming (Amount KSh. Million)

Sub-Sector...

Expected Outcome..

Issue	Policy Commitment	Programme	Sub-Programme	Key Intervention	Expected Output	Key Performance Indicators	Performance Target and Costing							
							FY 2026/27		FY 2027/28		FY 2028/29		FY 2029/30	
							Target	Budget	Target	Budget	Target	Budget	Target	Budget

*Adolescents (10-19 years). Repeat the same format for **each Sub-Sector.***

Table 1.3: Disability Inclusion (Amount KSh. Million)

Sub-Sector...

Expected Outcome..

Issue	Policy Commitment	Programme	Sub-Programme	Key Intervention	Expected Output	Key Performance Indicators	Performance Target and Costing							
							FY 2026/27		FY 2027/28		FY 2028/29		FY 2029/30	
							Target	Budget	Target	Budget	Target	Budget	Target	Budget

*Repeat the same format for **each Sub-Sector***

ANNEX 7: COUNTY BUDGET TRANSPARENCY IMPROVEMENT PLAN FOR THE PERIOD 2027/28-2028/29

Budget transparency provides a strong foundation for inclusive and equitable development. Complete and quality budget information enhances visibility, and by extension, accountability of development initiatives and service delivery to the citizenry and especially for women, persons with disability and children. Accessible and quality budget information also empowers communities to meaningfully engage in decision-making processes.

In line with the legal requirements for development of various budget documents, as well as the guidelines/templates provided by National Treasury, **Annex 7.** County Commits to full disclosure of budget information under each of the key thematic areas.

Table 1.0: Current Performance, the Targets and our Actions in the Medium-Term Period for each Thematic Area Assessed under the County Budget Transparency Survey. (Amount KSh. Million)

Thematic Area	Description	Baseline (CBTS 2025 Score)	Target 2027/28	Target 2028/29	Action Needed	Estimated Resources	Responsibility
Information on Revenue	Information on revenue projections by source, actual performance against targets as well as revenue collection challenges as well as solutions to curb them.				*"Each department should...*		
Information on Priorities	Information on strategic priorities, the justifications and how the priorities are linked to development plans.						
Information on Expenditure	Information on expenditure across four major classifications: who spends public funds (administrative), the purpose of spending (functional), the types of spending (economic), and the intended goal of the spending (programmatic) for each county department.						
Non-financial Information	Information on service delivery outputs, baselines, measurable indicators, realistic targets, and performance data that connect spending to service delivery outcomes.						

Information on Fiscal Responsibilities	Information on expenditure allocations and actual spending on personnel emoluments, operations and maintenance and development and the level of adherence to the fiscal responsibility ceilings provided in PFM Act 2012 and its regulations.						
Information on Pending Bills	Information on outstanding pending bills and mechanisms put in place to manage and settle them.						
Information on Capital Projects	Details of capital projects including project name, location, proposed allocation, implementation timeframe and current status.						
Information on Narrative Justifications	Narrative explanations to justify budget deviations and priorities.						
Information on Public Participation	Feedback on public participation including the level at which public participation, who was involved, the issues raised by the public and how the input informed the final county decisions.						

ANNEX 8: SECTOR BUDGET REPORT FORMAT TABLE OF CONTENTS

(Please ensure that Headings and Sub-headings are identical to those in the report)

Chapters 1 – 6 should form the main body of the report and should be divided into logical sections and subsections, using consistent headings and numbering. Its purpose is to explain the conclusions and to justify the recommendations

EXECUTIVE SUMMARY

Restate conclusions for each section and provides a concise summary findings and recommendations.

CHAPTER ONE: INTRODUCTION

1.1. Background

1.2. Sector Vision and Mission

1.3. Strategic Goals and Objectives of the Sector

1.4. Sub–Sectors and their Mandates

1.5. Role of Sector Stakeholders

The introduction should briefly describe context.

- Set the context and identify general subject
- Define the specific objective for the report
- Outline the scope of the analysis
- Highlight any limitations and data gaps

CHAPTER TWO: PROGRAMME AND PERFORMANCE REVIEW 2023/24–2025/26

2.1. Review of Sector Programmes Performance –in terms of delivery of outcomes, outputs, KPI and targets attainment (Summarize as per Table 1)

2.2. Expenditure trend analysis-Approved budget versus Actual expenditure for FY 2023/24– 2025/26 (Summarize as indicated in Table 2 to 5)

2.3. Capital projects performance analysis- Status and outcomes of capital projects for the FY 2023/24– 2025/26 (Summarize as indicated in Table 7)

2.4. Pending bills analysis- Outstanding liabilities for the FY 2023/24– 2025/26 (Summarize as indicated in Table 6)

2.5. Court Awards analysis- Financial impact of court awards

CHAPTER THREE: MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2027/28– 2029/30

Chapters 1 and 2 have laid out past performance and context and now chapter 3 sets out the sector's forward-looking agenda defining which programmes receive priority funding, what they aim to achieve and how success may be measured over the next three fiscal years.

3.1. Prioritization of Programmes and Sub-Programmes

This section explains how the sector's portfolio of interventions has been ranked to maximize impact, ensure value for money and alignment to strategic objectives.
Prioritization draws from:

- Strategic alignment to the sector vision and County Plans.
- Evidence of past performance and cost-effectiveness.
- Financial envelope and resource constraints.

- Cross-sectional linkages and co-benefits.
- Stakeholder demands and risk considerations.

3.1.1. Programmes and their Objectives

Each Programme is listed with its primary aim and its contribution to the sector's **Strategic goals.** For instance.

Table 3.1: Programmes and their Objectives

Programme	Objective	Strategic Contribution
Programme A	To strengthen service delivery at the County level	Improves access to basic services, enhances equity
Programme B	To modernize data systems and digital tools	Raise efficiency, enable evidence-based decision-making
Programme C	To build institutional capacity and stakeholder partnerships	Fosters coordination secures long-term sustainability

3.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector

For each Programme this matrix breaks down the component sub-Programmes, links them to the high-level outcomes they drive, specifies tangible outputs and assigns SMART performance indicators for monitoring and evaluation.

Programmes by Order of Ranking
Resource Allocation Criteria

3.2. Analysis of Sector and Subsector Resource Requirement versus allocation by.

Table 3.2: Sector & Sub-Sector Recurrent Requirements/Allocations (Amount KSh. Million)

Vote Details	Economic Classification	Approved Estimates	Requirement			Allocation		
		FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030	FY 2027/2028	FY 2028/2029	FY 2029/2030
Department	**Gross**							
	AIA							
	NET							
	Compensation to Employees							
	Grants and Transfers							
	Other Recurrent							
	Of which							
	Utilities							
	Rent							
	Insurance							
	Subsidies							

	Gratuity							
	Contracted Guards & Cleaners Services							
	Others							

Table 3.3: Sector & Sub-Sector Development Requirements/Allocations (Amount KSh. Million)

Sector...

Vote...

Description	Approved Budget Allocation	Requirement			Allocation		
	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030	FY 2027/2028	FY 2028/2029	FY 2029/2030
Gross							
Equitable share							
Own source revenue							
Loans							
Grants							
Local AIA							

Table 3.4: Analysis of Programmes and Sub-Programmes (Current and Capital) Resource Requirements (KSh. Million)

Sector...

Vote...

Programmes	Approved Budget			Projection (Requirement)								
	FY 2025/26			FY 2026/27			FY 2027/28			FY 2028/29		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programmes No.1:												
Sub- Programme: 1												
Sub- Programme: 2												
Total Programme................												
Repeat as above for Programme 2, 3 etc.:												
Total Vote......................												

Table 3.5 Analysis of Programmes and Sub-Programmes (Current and Capital) Resource Allocation (KSh. Million)

Sector...

Vote..

Programmes	Approved Budget FY 2026/2027			Allocation								
				FY 2027/2026			FY 2028/2029			FY 2029/2030		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programmes No.1:												
Sub- Programme: 1												
Sub- Programme: 2												
Total Programme......												
Repeat as above for Programme 2, 3 etc.:												
Total Vote..............												

Table 3.6: Programmes and Sub-Programmes by Economic Classification (Amount KSh. Million)

Sector..

Vote..

Economic Classification	Resource Requirement			Resource Allocation		
	FY 2027/2028	FY 2028/2029	FY 2029/2030	FY 2027/2028	FY 2028/2029	FY 2029/2030
Programme 1:						
Current Expenditure						
Compensation of Employees						
Use of Goods and Services						
Grants and Other Transfers						
Other Recurrent						
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Grants to Government Agencies						
Other Development						
Total Programme...............						
Repeat as above for Programme 2, 3 etc.:						
Total Vote.....................						

CHAPTER FOUR: CROSS-SECTOR LINKAGES AND EMERGING ISSUES /CHALLENGES

This chapter examines the intersections between Sector Programmes and identifies key issues that span multiple sectors. It will;

- Map out how sector initiatives reinforce/ depend on one another.
- Highlights emerging challenges such as resource constraints, regulatory gaps or technological disruptions that affect cross-sectoral performance.
- Analysis risks and opportunities arising from these interdependencies.
- Propose mechanisms for coordinated responses and risk mitigation.

CHAPTER FIVE: CONCLUSION

This section distills the report's findings against the objectives set out in Chapter 1. Conclusions are presented in order of importance.

- Sector programmes demonstrate strong alignment with Vision 2030,MTP IV and CIDP 2023/2027 but require tighter performance monitoring.
- Expenditure variances over FY 2023/24-25/26 reveal persistent budget execution bottlenecks, notably in pending liabilities and capital projects
- Priority realignment and resource allocation have generated savings, yet some low-impact activities remain underfunded.
- Emerging challenges such as legal delays, evolving donor conditions and volatile economic conditions threaten medium term targets.

CHAPTER SIX: RECOMMENDATIONS

This section should outline future actions. The recommendations should be action-orientated, and feasible; relate logically to the conclusions; be arranged in order of importance. Example.

- Establish an integrated performance dashboard to monitor outputs, outcomes and budget variances in real-time

- Strengthen SWG mandate for Cross sector coordination by formalizing joint planning and review sessions
- Rationalize baseline funding annually to eliminate one-off expenditures and reallocate savings to high priority projects.
- Fasttrack policy and regulatory reforms identified in Chapter 2, with clear timelines and responsible entities.
- Develop a contingency framework for emerging risks-legal, financial and environmental with predefined trigger actions

REFERENCES

List all primary and secondary sources cited throughout the report, including budget circulars, sector strategy documents and performance data tables.

HON. ANDREW M. NAKITARI
COUNTY EXECUTIVE COMMITTEE MEMBER
<u>COUNTY TREASURY AND ECONOMIC PLANNING</u>