REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KERICHO
FINANCE AND ECONOMIC PLANNING

MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER 2026

FEBRUARY 2026

Vision

"A prosperous county where residents enjoy a high quality of life in a sustainable environment"

Mission

"To foster equitable and sustained socio-economic development through effective and efficient mobilization and utilization of available resources.

CORE VALUES

Accountability and Professionalism

Accountability to its citizens by paying attention to details and running the affairs of the county in a fair manner.

Yield and Sustainability

Yielding lasting fruits to be enjoyed by the citizens, putting in place measures to ensure sustainability of programs and services rendered.

Commitment and Hard work

Commitment to work by ensuring that there is always competitive and efficient service delivery, responsive to the needs of the people.

Innovation and Creativity

Innovation services driven by creative strategies.

TAGLINE
All You Can Imagine

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Contents

ABBREVIATIONS AND ACRONYMS

ADP	-	Annual Development Plan
CFSP	-	County Fiscal Strategy Paper
CIDP	-	County Integrated Development Plan
CRA	-	Commission on Revenue Allocation
CSP	-	County Strategic Plan
ECDE	-	Early Childhood Development Education
ERP	-	Enterprise Resource Planning
FIF	-	Facility Improvement Fund
FY	-	Financial Year
HDU	-	High Dependency Unit
ICU	-	Intensive Care Unit
ICT	-	Information Communication Technology
IFMIS	-	Integrated Financial Management Information System
MTEF	-	Medium Term Expenditure Framework
MTP	-	Medium Term Plan
MSMEs	-	Medium, Small and Micro Enterprises
NHIF	-	National Hospital Insurance Fund
NSSF	-	National Social Security Fund
O&M	-	Operation and Maintenance
PFM A	-	Public Finance Management Act, 2012
PBB	-	Program Based Budgets
SHA	-	Social Health Authority
WEO	-	World Economic Outlook

Foreword

The 2026 County Fiscal Strategy Paper (CFSP) has been prepared in accordance with the provisions of Section 117 (1) and (6) of the Public Finance Management Act, 2012, and the Public Finance Management Regulations, 2015. The CFSP provides the overarching fiscal and budgetary framework that will guide the preparation of the County's 2026/2027 Medium-Term Budget. It sets out the County Government's strategic priorities, fiscal objectives, and policy directions on revenue mobilisation, expenditure management, and debt sustainability over the medium term.

Consistent with the policy direction outlined in the National Treasury's Draft Budget Policy Statement 2026, this CFSP emphasizes fiscal consolidation, efficient public spending, and the strengthening of own-source revenue to support sustainable and inclusive economic growth. The paper establishes sector ceilings and indicative resource allocations that will form the basis for the preparation of detailed budget estimates for the 2026/2027 financial year and the Medium-Term Expenditure Framework.

The County has continued to record positive economic performance, supported by targeted public investments and improved service delivery. In the 2026/2027 financial year, priority will be placed on the completion of ongoing development projects, safeguarding fiscal stability, and enhancing the quality and impact of public expenditure. The County Government remains committed to strengthening its fiscal position through prudent expenditure controls, improved revenue performance, and responsible management of public debt.

The fiscal framework outlined in this CFSP seeks to balance the need for continued investment in priority programmes with the imperative of maintaining fiscal sustainability. Achieving these objectives will require sustained efforts to enhance transparency, accountability, efficiency, and effectiveness in public financial management. Through this CFSP and the budgets derived from it, the County Government reaffirms its commitment to fiscal discipline, value for money, and improved service delivery for the benefit of all residents.

Hon. Jackson Rop
CECM Finance and Economic Planning and Head of County Treasury.

Acknowledgement

The County Fiscal Strategy Paper (CFSP) provides a critical framework for steering the County's economic growth and development over the medium term. It outlines the County Government's strategic priorities, policy interventions, and responses to key fiscal and development challenges, and forms the basis for the preparation of the 2026/2027 budget and the Medium-Term Expenditure Framework.

I wish to express my sincere appreciation to the County Secretary and all Chief Officers for their invaluable input, cooperation, and commitment throughout the preparation of this document. I also acknowledge the members of the County Executive Committee, and in particular His Excellency the Governor, for his visionary leadership and strategic direction, which have been central to the formulation of a clear and coherent development agenda for the County. His unwavering support, guidance, and mentorship have greatly enabled the County Treasury to develop and implement sound fiscal policies, credible plans, and effective budget instruments that continue to strengthen the County's public financial management.

Finally, I extend special gratitude to CPA Ian Rotich, Deputy Director of Budget, his team, and all officers of the County Treasury for their dedication, professionalism, and tireless efforts in the preparation of this policy paper.

Ms. Jackline Langat
Chief Officer-Economic Planning

CHAPTER ONE

1.0 COUNTY FISCAL STRATEGY PAPER PROCESS OVERVIEW

1.1 Introduction

1. The Kericho County Fiscal Strategy Paper (CFSP) for the year 2026 has been prepared in accordance with the Constitution of Kenya and the Public Finance Management Act, 2012, and is aligned to the policy direction and macro-fiscal framework set out in the National Government's Budget Policy Statement. The CFSP provides the fiscal policy and expenditure framework that will guide the preparation of the County Government's 2026/2027 budget and the Medium-Term Expenditure Framework, with emphasis on fiscal consolidation, efficient public spending, and sustainable service delivery.

1.2 County Fiscal Strategy Paper Process

2. In accordance with Section 117(5) of the Public Finance Management Act, 2012, the County Government has taken into account the views of the public and other stakeholders in the preparation of the 2026 County Fiscal Strategy Paper, consistent with the principles of public participation, transparency, and accountability as emphasized in the National Government's Budget Policy Statement.

1.3 Legal basis for the publication of County Fiscal Strategy Paper

The County Fiscal Strategy Paper is published in accordance with section 117 of the Public Finance and Management Act, 2012. The law states that

(1)The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

(2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

(3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—

(a) the Commission on Revenue Allocation;

(b) the public;

(c) any interested persons or groups; and

(d) any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalising the budget proposal for the financial year concerned.

(8) The County Treasury shall publish and publicise the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

1.4 Rationale for the Fiscal Strategy Paper

The County Fiscal Strategy Paper (CFSP) provides the policy, fiscal, and budgetary framework that guides the preparation of the Kericho County Government's budget over the medium term. In accordance with Section 117 of the Public Finance Management Act, 2012, the County Treasury is required to prepare and submit the Fiscal Strategy Paper to the County Executive Committee for approval and thereafter submit the approved CFSP to the County Assembly not later than 28th February of each financial year.

The CFSP aligns county fiscal planning with the national macroeconomic and fiscal policy direction as articulated in the National Government's Budget Policy Statement, while operationalising the constitutional principles of public finance. It serves as a key instrument for promoting fiscal discipline, prioritisation of programmes, and efficient allocation of limited resources to support sustainable economic growth and improved service delivery in Kericho County.

Pursuant to the provisions of the Public Finance Management Act, 2012, this County Fiscal Strategy Paper addresses the following:

i. The medium-term macroeconomic framework and outlook as outlined in the Budget Policy Statement, and its implications for Kericho County's economic performance, revenue prospects, and expenditure priorities;

ii. A statement of fiscal responsibility principles, as provided for in the Public Finance Management Act, 2012 and accompanying regulations, and an explanation of how the County's fiscal strategy complies with these principles;

iii. The key economic and fiscal assumptions underpinning the County Government's budgetary framework and policy choices over the medium term;

iv. The indicative allocation of available resources across County Government sectors and entities, including Agriculture, Health Services, Roads and Infrastructure, Education and Vocational Training (ECDE), Water and Sanitation, Urban Development, and County Administration, in line with the County's development priorities; and

v. A medium-term fiscal framework that defines the aggregate resource envelope and establishes broad expenditure ceilings to guide sector planning and budget preparation.

Through this framework, the CFSP ensures coherence between policy objectives, available resources, and expenditure decisions, while strengthening transparency, accountability, and value for money in the management of public finances within Kericho County.

1.5 Outline of the 2026 County Fiscal Strategy Paper

3. The report is structured into four sections as follows;

   a) Chapter One provides an overview of the report

   b) Chapter Two outlines the recent economic development and fiscal outlook at the Global, National and County Levels.

   c) Chapter Three outlines the County strategic objectives and the various programmes that the County is implementing to achieve her objectives.

   d) Chapter Four covers the fiscal and budget framework with projected resource envelope and departmental ceilings.

CHAPTER TWO

2.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

2.1 Introduction

4. This section gives an overview of the recent economic developments at the global, national, and county levels.

1.2 Global Economic and Fiscal Overview

5. In 2026, the global economy is expected to continue a gradual but uneven recovery following the inflationary shocks, tight financial conditions, and geopolitical disruptions experienced in the first half of the decade. Global growth is projected to stabilize at moderate levels, driven largely by emerging and developing economies, while advanced economies record slower but steady expansion. Persistent uncertainty arising from geopolitical tensions, climate-related shocks, and structural shifts in trade continues to shape the global outlook.

6. Inflationary pressures are anticipated to ease further in 2026 as the effects of earlier monetary tightening fully materialize. Many countries are expected to approach their central banks' target inflation ranges, although risks remain from energy price volatility and supply-side disruptions. As inflation moderates, real household incomes are likely to improve gradually, supporting consumption and domestic demand in several regions.

7. Global monetary policy in 2026 is expected to shift cautiously from restrictive stances toward measured easing. Major central banks are likely to begin or continue lowering policy rates, depending on inflation dynamics and labor market conditions. However, interest rates are expected to remain higher than pre-2020 levels, reflecting a new normal shaped by debt sustainability concerns, demographic pressures, and long-term investment needs.

8. On the fiscal front, governments worldwide will face growing pressure to rebuild fiscal buffers weakened by pandemic-era spending and subsequent economic shocks. Fiscal consolidation efforts are expected to intensify, particularly in advanced economies, through a combination of expenditure

rationalization and improved domestic revenue mobilization. At the same time, governments must balance consolidation with the need to protect vulnerable populations and sustain economic recovery.

9. Public debt levels are projected to remain elevated in 2026, especially in low- and middle-income countries. Rising debt servicing costs, compounded by exchange rate pressures and higher global interest rates, will constrain fiscal space. Institutions such as the International Monetary Fund (IMF) and the World Bank are expected to continue supporting debt restructuring, fiscal reforms, and policy coordination to enhance debt sustainability.

10. Global trade growth in 2026 is likely to remain moderate, reflecting subdued demand in advanced economies and ongoing reconfiguration of supply chains. Strategic reshoring, near-shoring, and diversification of trade partners will continue, driven by economic security considerations. While these shifts may enhance resilience, they could also raise production costs and reduce efficiency in the short to medium term.

11. Climate change and the green transition will increasingly influence fiscal and economic policy in 2026. Governments are expected to scale up investments in renewable energy, climate adaptation, and sustainable infrastructure. Fiscal policies, including carbon pricing and green subsidies, will play a central role in mobilizing private investment, though they may also generate distributional challenges that require targeted social protection measures.

12. Overall, the global economic and fiscal outlook for 2026 points to cautious optimism tempered by significant downside risks. Sustained growth will depend on prudent macroeconomic management, effective fiscal reforms, and strengthened international cooperation. Countries that successfully align fiscal discipline with inclusive growth, climate resilience, and structural transformation are likely to be better positioned to navigate the evolving global economic landscape.

1.3 National Economic and Fiscal Overview.

13. Kenya's economy has shown resilience despite global and domestic challenges. In 2024, real GDP grew by about 4.7 %, slightly lower than 5.7 % in 2023, with strong contributions from services, finance, transportation, and real estate sectors. However, construction and mining recorded contractions in output. This reflects a mixed recovery where some sectors rebound while others face slowdowns. Projections for 2025–2026 suggest growth strengthening toward around 4.9–5 %, supported by easing inflation, improving credit conditions, and steady private-sector demand, though risks remain from climate variability and financing constraints.

14. Inflation in Kenya has remained broadly within the Central Bank of Kenya's target range of 2.5 %–7.5 % for an extended period, reflecting stability in food and energy prices and a relatively stable exchange rate. In response to this inflation stability, the Central Bank has progressively lowered its policy interest rate to more supportive levels, with expectations that these rate cuts will facilitate more affordable credit for households and businesses over time. However, transmission to commercial lending rates has been uneven, with average lending rates remaining relatively high, which continues to challenge credit growth for the private sector.

15. Kenya's fiscal deficit has been a central policy concern. Efforts to narrow the deficit have seen modest success, with the fiscal deficit projected to fall to around 4.8 % of GDP in the FY 2025/26 budget, down from about 5.1 % previously. This reflects government strategies that aim to balance revenue growth with controlled expenditure. However, recent projections indicate the fiscal deficit may widen again in the FY 2026/27 budget to about 5.3 % of GDP, driven largely by ongoing expenditure pressures and the need to finance infrastructure and public services.

16. Public debt remains elevated, reflecting years of borrowing to fund infrastructure investments. As of late 2025, Kenya's public debt hovered near or above 65–68 % of GDP, placing it at high risk of debt distress according to international assessments. Debt service costs consume a significant share of

government revenues, limiting fiscal space for development spending and increasing the share of recurrent expenditure on interest payments. Policymakers and international partners emphasize the importance of fiscal consolidation and structural reforms to steadily reduce debt ratios in the medium to long term.

17. The government's fiscal strategy places priority on strengthening domestic revenue mobilization. In the 2025/26 budget framework, ordinary revenues — including income tax, VAT, excise, and import duties — were projected to grow, supported by administrative reforms and improved tax compliance measures implemented by the Kenya Revenue Authority. This revenue expansion aims to reduce reliance on borrowing, support essential services, and create more fiscal space for priority growth-oriented spending.

18. Government expenditure is increasing, with a notable emphasis on both recurrent and development outlays. In the FY 2025/26 budget, total spending rose by over 7 % compared to the previous year, with infrastructure projects — including transport, energy, and urban development — receiving significant allocation increases. Social sectors like health, education, and social protection also remain priority areas as the government seeks to address inequality, improve human capital, and support inclusive growth.

19. Monetary policy easing has been aimed at fostering credit growth and investment, yet broader financial conditions and structural issues — like high commercial lending rates and uneven credit access — continue to temper the transmission of monetary easing to broad economic activity. The banking sector remains sound overall, though segments of the financial system, particularly smaller lenders, have faced profitability and credit-quality challenges. Coordinated monetary and fiscal policy efforts are central to balancing inflation control, debt sustainability, and growth objectives.

20. Looking ahead to 2026 and beyond, Kenya's economy is expected to maintain moderate growth around 5 %, contingent on continued macroeconomic stability, improved credit conditions, and successful revenue mobilization. However, significant risks persist, including external shocks (commodity price

fluctuations and global demand shifts), climate-related disruptions affecting agriculture, and the need to manage public debt without stifling development investment. Continuous structural reforms, prudent fiscal consolidation, and enhanced institutional capacity will be key to ensuring a more prosperous and resilient economic trajectory.

1.4 County Economic and Fiscal Overview, FY 2024/2025

21. The Kericho County Approved Supplementary I Budget for FY 2024/25 amounted to Kshs. 9.756 billion, comprising Kshs. 3.561 billion (36.5 per cent) allocated to development programmes and Kshs. 6.195 billion (63.5 per cent) allocated to recurrent programmes. This represented an increase of Kshs. 1.272 billion (15 per cent) compared to the FY 2023/24 budget, which had approved allocations of Kshs. 2.73 billion for development and Kshs. 5.753 billion for recurrent expenditure. The increase in the overall budget was mainly attributed to improved Own Source Revenue performance and an increase in the equitable share of revenue raised nationally.

22. The budget was financed through a combination of revenue sources, including an equitable share of Kshs. 6.932 billion (71 per cent), additional allocations amounting to Kshs. 1.035 billion (11 per cent), a cash balance of Kshs. 536.3 million (5 per cent) carried forward from FY 2023/24, and Kshs. 1.22 billion (13 per cent) generated from Own Source Revenue. Own Source Revenue comprised Kshs. 576.24 million (6 per cent) deposited into the County Revenue Fund (CRF) and Kshs. 646.35 million (7 per cent) received as Appropriations-in-Aid (A-I-A) and expended at source. A detailed breakdown of the additional allocations and conditional grants can be found in the accompanying tables.

	Line Ministries/Departments	RECURRENT SUPPL	DEVELOPMENT SUPPL	TOTAL SUPPL 1	%
1	County Assembly Services	880,334,303	106,733,214	987,067,517	10%
2	Public Service & Administration	424,359,708	20,950,340	445,310,048	5%
3	Office of the Governor & Deputy governor	161,256,392	0	161,256,392	2%
4	County Public Service Board	82,743,700	0	82,743,700	1%
5	Finance & Economic Planning	350,133,239	36,984,012	387,117,251	4%

6	Health Services	2,904,160,750	242,043,875	3,146,204,625	32%
7	Agriculture, Livestock Development & Fisheries	189,870,333	503,264,709	693,135,042	7%
8	Education, Youth Affairs, Culture & Social Services	616,031,470	241,482,326	857,513,796	9%
9	Public Works, Roads & Transport	105,308,742	969,265,412	1,074,574,154	11%
10	Trade, Industrialization, Tourism, Wildlife & Cooperative Development	66,767,379	355,064,267	421,831,646	4%
11	Water, Energy, Natural Resources & Environment	174,994,615	593,482,722	768,477,337	8%
12	Land, Housing & Physical Planning	165,962,467	217,013,999	382,976,466	4%
13	Information, Communication & E-Government	73,731,262	41,000,000	114,731,262	1%
14	STRATEGIC INTERVENTION	0	134,000,000	134,000,000	1%
	TOTAL EXPENDITURE	**6,195,654,360**	**3,561,284,876**	**9,756,939,236**	**100%**

Table 1: Summary of Final Supplementary Budget FY 2024/25

Table 2: Shows the expected sources of budget financing in the FY 2024/25

FINANCIAL YEAR 2023/24	**Supplementary II**
Revenue Description	
1.CRA Equitable share	6,962,657,506
2.Local Collections	576,244,311
3.Facility Improvement Fund & NHIF Rebates	646,355,000
4.CONDITIONAL GRANTS	-
4A. Routine Maintenance Fuel Levy Fund	169,758,085
4B. County Aggregated Industrial Parks	250,000,000
4C. County health promoters	45,690,000
5. DONOR FUNDS	-
5A. DANIDA FUND	8,287,500
5D. Kenya Devolution Support Project (world bank)	37,500,000
5F. Kenya Urban Support Program UDG (SIDA)	43,550,249
5F. Kenya Urban Support Program UIG (SIDA)	35,000,000
5L. FLOCCA Grants to support climate change CCIs	11,000,000
5M. FLOCCA Grants to support climate change CCIR	203,392,898
5N. FLLOCA Grants to Support Climate Change CCIR (UNSPENT DONOR)	68,750,000
IDA National Agricultural Value Chain Devt Project(NAVCDP)	151,515,152
SWEDEN Kenya Agricultural Business Dev't Project(KABDP)	10,918,919
Returned to CRF Issues	69,223
June Allocations	536,250,393
Gross Total	**9,756,939,236**

23. During the review period, the County received total revenues amounting to Kshs. 8.547 billion to finance both development and recurrent activities. This represented a 13 per cent increase compared to the Kshs. 7.524 billion received in FY 2023/24.

24. The total revenue comprised Kshs. 6.738 billion from the equitable share of revenue raised nationally. Additional revenue streams included allocations from the national government and development partners amounting to Kshs. 193.2 million, as well as Own Source Revenue (OSR) collections of Kshs. 1.07

billion. The County also carried forward a cash balance of Kshs. 536.0 million from FY 2023/24.

25. During the year, the county generated Kshs.1.079 billion from its revenue sources, including FIF. This amount was an increase of 28 per cent compared to Kshs.841 million realised in a similar period in FY 2023/24 and was 88.3 per cent of the annual target and 16 per cent of the equitable revenue share disbursed.

County Expenditure Review

26. The county spent Kshs.7.97 billion on development and recurrent programmes in the reporting period. The expenditure represented102.5 per cent of the total funds released by the CoB. It comprised Kshs.2.578 billion for development programmes and Kshs. 5.397 billion for recurrent programmes. Expenditure on development programmes represented an absorption rate of 72.4 per cent, while recurrent expenditure represented 87.1 per cent of the annual recurrent expenditure budget.

Expenditure by Economic Classification

27. The County Executive incurred Kshs.3.317 billion for compensation of employees, Kshs.1.199 billion for operations and maintenance, and Kshs.2.5 billion for development activities. Similarly, the County Assembly spent Kshs.453 million on compensation of employees, Kshs.426 million on operations and maintenance, and Kshs. 52.9 million on development activities.

28. During the period under review, the expenditure on employee compensation totalled Kshs.3.77 billion. Therefore, the percentage of compensation of employees to revenue in line with Regulation 25(1)(c) of the PRM (County Governments) Regulations 2015, was 39 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.3.54 billion reported in FY 2023/24. Of this total, Kshs.1.944 billion related to the Health Sector employees, which accounted for 52 per cent of the overall employees' compensation.

Revenue performance-July-December 2025

29. During the first half of FY 2025/26, the County reported total revenues amounting to Kshs.3.21 billion. This amount represented a decrease of 26 per cent compared to the amount received in a similar period in FY 2024/25 of Kshs. 4.05 billion. The total revenue consisted of Kshs.2.98 billion from the equitable share of revenue raised nationally, no additional allocations from the national government and development partners, as well as own-source revenue (OSR) collection of Kshs. 231.10 million. Additionally, the County had a cash balance of Kshs.1.33 million from FY 2024/25. The total OSR collection of Kshs.231.10 million included Facilities Improvement Financing (FIF) of Kshs. 161.08 million, and Kshs.70.02 million from other OSR sources.

Own Source Revenue Collection July-December 2025

30. During the first half of FY 2025/26, the County received Kshs. 231.11 million from OSR, including FIF. This amount was a decrease of 63 per cent compared to Kshs. 377.52 million realised in a similar period in FY 2024/25, and was 14 per cent of the annual target and 16 per cent of the equitable revenue share disbursed.

31. The decrease in OSR was attributed to increase in OSR from Ksh. 61.68 million to Ksh. 70.02 million similar period but a decline of FIF from Kshs 315.84 million to 161.08 million due to occasioned by the closure of the referral hospital for renovation during the period.

County 2025/26 First Half-year expenditure performance

32. The County spent Kshs.2.95 billion on development and recurrent programmes in the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB. It comprised Kshs. 462.67 million for development programmes and Kshs. 2.48 billion for recurrent programmes. Expenditure on development programmes represented 13 per cent of the annual

development expenditure budget, while recurrent expenditure represented 38 per cent of the annual recurrent expenditure budget.

33. During the reporting period, the County Executive settled pending bills amounting to Kshs. 414.67 million (13 per cent) for development programmes. On the other hand, the County Assembly not settle any pending bills during the period, The outstanding trade payables as of 31st December 2025 were Kshs.1.64 billion for County Executive and Kshs.13.21 million for County Assembly.

34. The County Executive incurred Kshs.1.77 billion on compensation of employees, Kshs. 357.34 million on operations and maintenance, and Kshs. 414.67 million on development activities. Similarly, the County Assembly spent Kshs. 206.85 billion on compensation of employees, Kshs. 152.29 million on operations and maintenance, and Kshs. 48.00 million on development activities.

35. The expenditure on employee compensation totalled Kshs. 2.01 billion. The percentage of compensation of employees to revenue was 48 per cent. This expenditure on employee compensation shows an increase compared to the Kshs. 1.27 billion reported in a similar period in FY 2024/25. Of this total, Kshs.1.11 billion related to Health Sector employees, accounting for 56 per cent of the overall employees' compensation.

36. During the reporting period, the County spent Kshs. 509.62 million on operations and maintenance, representing a decrease of less than 1 per cent compared to a similar period in FY 2024/25, when the County spent Kshs.510.45 million.

37. The table below shows the expenditures per department and by programme and sub programme.

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub-Programme	Revised Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		(Kshs.)		(Kshs.)			
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT COUNTY ASSEMBLY							
County Assembly Services	Speaker's office	358,573,022	-	227,450,900	-	63%	0%
	Clerk's Office	441,307,810	105,170,894	127,678,116	48,000,000	29%	46%
	County Assembly Service Board	11,558,476	-	4,010,039	-	35%	0%
	Sub-Total	**811,439,308**	**105,170,894**	**359,139,055**	**48,000,000**	**44%**	**46%**
DEPARTMENT: EXECUTIVE OFFICE OF THE GOVERNOR							
County Coordination Services	County Coordination Services	147,329,508	-	57,651,987	-	39%	0%
		147,329,508	**-**	**57,651,987**	**-**	**39%**	
DEPARTMENT: FINANCE AND ECONOMIC PLANNING							
Administration, Planning and Support Services.	Administration Services.	287,350,022	-	91,933,735	-	32%	0%
Administration, Planning and Support Services.	Monitoring Budget Implementation and Reporting	56,200,000	118,070,125	24,544,320	24,544,320	44%	21%
Public Finance Management	Budget Formulation co-odination and management	15,450,000		-	-	0%	0%
Audit Services	County Audit	5,650,000	-	-	-	0%	0%
		364,650,022	**118,070,125**	**116,478,056**	**24,544,320**	**32%**	**21%**
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES							
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	43,708,220	-	11,216,420	-	26%	0%
Crop Development and Management	Agriculture Extension Services	79,289,893	498,448,816	54,570,292	22,755,273	69%	5%
Livestock Resource Management and Development	Livestock Disease Management and Control.	-	18,157,643	3,474,386	14,958,046	0%	82%
Livestock Resource Management and Development	Livestock Production and Extension Services	37,826,490	-	-	-	0%	0%
Fisheries development	Management and Development of Capture Fisheries	7,300,131	-	-	-	0%	0%
Cooperative development and management	Cooperative Advisory & Extension Services.	-	38,542,476	-	4,375,244	0%	11%
		168,124,734	**555,148,935**	**69,261,098**	**42,088,562**	**41%**	**8%**
DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT							
Environment policy development and coordination	Planning Coordination Policy and Administrative Services	154,653,093	8,000,000	68,506,211	-	44%	0%
Water supply services	Rural Water Supply	23,980,000	464,953,143	-	109,378,445	0%	24%
		178,633,093	**472,953,143**	**68,506,211**	**109,378,445**	**38%**	**23%**

DEPARTMENT:EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES

General Administration & planning services.	Policy Development and Administration	663,573,198	50,550,575	316,704,095	4,582,065	48%	9%
Basic Education	Early Childhood Development Education	4,600,000	95,294,702	-	8,969,002	0%	9%
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	3,800,000	17,217,000	-		0%	0%
Youth development and empowerment services	Youth development (YP) Training	-	119,000,000	-		0%	0%
		671,973,198	**282,062,277**	**316,704,095**	**13,551,067**	**47%**	**5%**

DEPARTMENT: HEALTH SERVICES

Curative Health	Administration and Planning	1,772,102,353	300,241,823	601,463,110	47,496,492	34%	16%
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,430,063,153	122,118,331	569,050,946	-	40%	0%
		3,202,165,506	**422,360,154**	**1,170,514,056**	**47,496,492**	**37%**	**11%**

DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING

Administration and support services	General Administration and Planning	106,028,429	39,550,249	66,491,491	6,812,750	63%	17%
Housing Development and Human Resource	Housing Development	9,929,868	17,593,339	-		0%	0%
Land policy and planning	Development Planning and Land Reforms	27,145,730	17,700,000	-		0%	0%
Land policy and planning	Land Use Planning	5,352,443	14,963,750	-	4,000,000	0%	27%
		148,456,470	**89,807,338**	**66,491,491**	**10,812,750**	**45%**	**12%**

DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT

Transport Management and safety	General Administration Planning and Support Services	79,343,384	-	31,218,189	-	39%	0%
Infrastructure, Roads and Transport	Rehabilitation of Road	2,400,000	585,219,893	-	146,574,286	0%	25%
Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintanence	13,947,725	72,375,325	-	3,073,658	0%	4%
		95,691,109	**657,595,218**	**31,218,188.90**	**149,647,944**	**33%**	**23%**

DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT

Trade development and investment	Fair trade Practices and Consumer Protection (weight & measures)	23,480,351	75,075,084	16,589,608	8,466,405	71%	11%
Trade development and investment	Administrative and Support Services.	35,837,620	250,000,000	2,837,729	-	8%	0%
Tourism development and marketing	Local Tourism Development.	5,341,117	9,500,000	-	-	0%	0%
		64,659,088	**334,575,084**	**19,427,336**	**8,466,405**	**30%**	**3%**

DEPARTMENT: ICT AND E-GOVERNMENT

Information & Communication Service	News and Information Services	80,140,719	-	28,796,101	-	36%	0%

Information & Communication Service	ICT and BPO development services	-	102,500,000	-	7,969,200	0%	8%
		80,140,719	**102,500,000**	**28,796,101**	**7,969,200**	**36%**	**8%**

DEPARTMENT: COUNTY PUBLIC SERVICE BOARD

Administration of Human Resources and Public Service	Establishment,Appointment,Discipline and Board Management.	61,343,700	-	9,792,959	-	16%	0%
		61,343,700	**-**	**9,792,959**	**-**	**16%**	**0%**

DEPARTMENT: PUBLIC SERVICE MANAGEMENT

Administration of Human Resources and Public Service	General Administration, Planning and Support Services	424,813,033	388,450,340	170,431,837	716,015	40%	0%
Administration of Human Resources and Public Service	Human Resource Development	86,846,675	-	-	-	0%	0%
		511,659,708	**388,450,340**	**170,431,837**	**716,015**	**33%**	**0%**
County Grand Total		**6,506,266,163**	**3,528,693,508**	**2,484,412,471**	**462,671,200**	**38%**	**13%**

CHAPTER THREE

3.0 BUDGET THEME: PROMOTING FISCAL SUSTAINABILITY WHILE ADVANCING BOTTOM-UP ECONOMIC TRANSFORMATION.

3.1 Overview

38. This chapter sets out the overall expenditure priorities of the County Government. It further outlines the sectoral priority programmes and projects to be implemented during the remaining period of the Medium-Term Expenditure Framework (MTEF).

39. The Annual Development Plan (ADP) for FY 2026/2027 specifies the key activities, programmes, and projects to be undertaken by various departments within the planning period. The Plan serves as a critical instrument for guiding the allocation and prioritization of resources across sectors, programmes, and projects.

40. The Medium-Term Budget Framework for the period FY 2026/27 to FY 2028/29 has been formulated with a focus on fiscal consolidation, while strategically allocating resources to support economic recovery and sustainable development.

3.2 County Strategic Objectives

3.2.1 Agriculture and Livestock

41. The County Government will prioritize agriculture and livestock development as the cornerstone of bottom-up economic transformation and inclusive growth. Consistent with the BETA approach, interventions will focus on increasing productivity, enhancing food security, and raising household incomes for smallholder farmers and pastoral communities. Strategic investments will be aligned to priority value chains to maximize returns while ensuring fiscal sustainability.

42. To enhance productivity, the County will scale up access to quality farm inputs, climate-smart farming technologies, mechanization services, and

extension support. Emphasis will be placed on soil testing, irrigation development, and promotion of drought-resilient crops to mitigate climate risks. Livestock productivity will be improved through breed upgrading, animal health services, and disease surveillance.

43. The County will strengthen aggregation, storage, and post-harvest management infrastructure to reduce losses and improve market competitiveness. Investments in cooperatives, farmer organizations, and aggregation centers will enable smallholders to benefit from economies of scale and better price negotiation. These interventions will support structured market participation and private sector linkages.

44. Value addition and agro-processing will be promoted to enhance local industrialization and job creation. The County will support cottage industries, agro-processing facilities, and public-private partnerships to expand processing capacity along priority value chains. This will contribute to increased farm-gate prices and diversification of rural incomes.

45. Access to markets will be enhanced through improved market infrastructure, digital platforms, and linkages with regional and national markets. The County will promote contract farming, warehouse receipt systems, and structured trading models to stabilize incomes and reduce market volatility. Export-oriented value chains will be supported in collaboration with national agencies.

46. To ensure sustainability, the County will strengthen governance, data systems, and monitoring frameworks within the agriculture and livestock sector. Emphasis will be placed on efficient resource utilization, performance-based budgeting, and climate-resilient practices. These measures will ensure long-term sector growth while maintaining fiscal discipline.

3.2.2 Health and Sanitation

47. The County Government will prioritize accessible, affordable, and quality healthcare as a key enabler of human capital development and economic productivity. In line with the BETA framework, investments will focus on strengthening primary healthcare systems to reduce preventable illnesses and household health expenditures.

48. Health infrastructure development will be prioritized through the upgrading and equipping of health facilities, particularly at the primary and referral levels. The County will invest in modern medical equipment, digital health systems, and facility rehabilitation to enhance service delivery efficiency and outcomes.

49. Human resources for health will be strengthened through targeted recruitment, training, and capacity building. The County will prioritize optimal staff deployment, continuous professional development, and productivity management to ensure value for money and improved patient care.

50. Preventive and promotive healthcare will be scaled up through community health strategies, disease surveillance, and health education programs. Emphasis will be placed on maternal and child health, nutrition, non-communicable diseases, and communicable disease control to reduce long-term healthcare costs.

51. Sanitation and public health interventions will be enhanced to improve environmental health outcomes. The County will invest in waste management systems, sanitation infrastructure, food safety enforcement, and water quality monitoring to prevent disease outbreaks and enhance community wellbeing.

52. To promote fiscal sustainability, the County will strengthen health sector governance, financial management, and partnerships. Integration with national health programs, adoption of digital systems, and performance-based financing will ensure efficient resource utilization and improved service delivery.

3.2.3 Education, Social Protection, Culture and Recreation

53. The County Government will invest in education and social development to build human capital and promote inclusive growth. In line with the BETA agenda, emphasis will be placed on early childhood development, skills acquisition, and social protection for vulnerable populations.

54. Early Childhood Development Education (ECDE) will be strengthened through construction and rehabilitation of classrooms, provision of learning materials, and capacity building for ECDE teachers. These investments will lay a strong foundation for lifelong learning and productivity.

55. Youth empowerment and skills development will be prioritized through vocational training centers, apprenticeship programs, and partnerships with industry. The County will align training programs to labor market needs to enhance employability and entrepreneurship.

56. Social protection programs will be enhanced to support vulnerable groups, including orphans, persons with disabilities, the elderly, and marginalized communities. Targeted interventions will aim to reduce poverty, enhance resilience, and promote social inclusion.

57. Culture, sports, and recreation will be promoted as drivers of social cohesion, youth engagement, and economic opportunity. The County will invest in sports infrastructure, cultural heritage preservation, and talent development to unlock creative economy potential.

58. Governance and accountability frameworks will be strengthened to ensure efficient utilization of resources in the education and social sectors. Monitoring and evaluation systems will be enhanced to track outcomes and ensure alignment with fiscal sustainability objectives.

3.2.4 Transport, Public Works, Infrastructure, Energy and ICT

59. The County Government will prioritize infrastructure development as a key enabler of economic growth and service delivery. Investments will be guided by the BETA approach to unlock productivity while ensuring efficient use of public resources.

60. Road infrastructure development and maintenance will be prioritized to improve connectivity between production areas, markets, and service centers. The County will adopt labor-based and cost-effective construction methods to maximize employment creation and value for money.

61. Public works and urban infrastructure will be enhanced through drainage systems, street lighting, and public facilities development. These interventions will support urban resilience, safety, and improved quality of life.

62. Energy access will be expanded through promotion of renewable energy solutions, including solar and biogas, particularly for public institutions and rural communities. This will reduce energy costs and support climate-resilient development.

63. ICT infrastructure will be strengthened to support digital service delivery, revenue management, and citizen engagement. The County will expand connectivity, automation, and e-government systems to enhance efficiency and transparency.

64. To ensure sustainability, infrastructure investments will be prioritized based on economic returns, maintenance requirements, and fiscal capacity. Public-private partnerships and asset management frameworks will be strengthened to reduce long-term fiscal pressures.

3.2.5 Trade, Innovation, Industrialization and Tourism

65. The County Government will promote trade and enterprise development as key drivers of bottom-up economic empowerment. Interventions will focus on strengthening MSMEs, enhancing market access, and promoting local industrialization.

66. Market infrastructure development will be prioritized through construction and modernization of markets, storage facilities, and logistics hubs. These investments will support traders, reduce post-harvest losses, and improve business competitiveness.

67. Innovation and industrialization will be promoted through support for incubation centers, value addition facilities, and adoption of appropriate technologies. The County will encourage local manufacturing and processing to create jobs and diversify the economy.

68. Tourism development will be enhanced through promotion of cultural, eco-tourism, and heritage assets. Investments in tourism infrastructure, destination marketing, and skills development will aim to increase visitor numbers and local revenues.

69. Access to finance and business development services will be strengthened through partnerships with financial institutions and national programs. The

County will support entrepreneurship training, digital trade platforms, and cooperative development.

70. To promote fiscal sustainability, the County will streamline licensing, improve revenue administration, and enhance regulatory efficiency. These measures will create a conducive business environment while strengthening own-source revenue.

3.2.6 Lands, Housing and Physical Planning

71. The County Government will prioritize sustainable land management and orderly development to support economic growth and social wellbeing. In line with the BETA framework, emphasis will be placed on efficient land use and planned urbanization.

72. Land administration systems will be strengthened through digitization, mapping, and records management to enhance transparency and reduce disputes. These reforms will support investment confidence and effective land governance.

73. Affordable housing development will be promoted through partnerships with the private sector and national programs. The County will support serviced land provision and housing infrastructure to meet growing urban demand.

74. Physical planning will be enhanced to guide development and prevent unplanned settlements. Integrated spatial plans will be implemented to align infrastructure, housing, and economic activities.

75. Urban renewal and informal settlement upgrading will be prioritized to improve living conditions and access to services. Community participation will be emphasized to ensure inclusive and sustainable development.

76. Governance frameworks will be strengthened to ensure compliance with planning standards and efficient resource utilization. These measures will promote sustainable urban growth while minimizing fiscal risks.

3.2.7 Environment, Water and Natural Resources

77. The County Government will prioritize environmental conservation and sustainable natural resource management as enablers of long-term economic resilience. Interventions will align with climate change mitigation and adaptation objectives.

78. Water resource development will be enhanced through investments in water supply systems, catchment protection, and storage infrastructure. These initiatives will support domestic use, agriculture, and industrial activities.

79. Environmental conservation programs will focus on afforestation, waste management, and pollution control. Community-based conservation initiatives will be promoted to enhance sustainability.

80. Climate change adaptation measures will be integrated into sectoral planning to reduce vulnerability. Early warning systems and disaster preparedness will be strengthened.

81. Natural resource utilization will be guided by sustainability principles to ensure intergenerational equity. Monitoring and enforcement mechanisms will be enhanced.

82. To ensure fiscal sustainability, partnerships and cost-sharing arrangements will be pursued. Data-driven planning and performance monitoring will guide resource allocation.

3.2.8 Finance, Administration, and Intergovernmental Relations

83. The County Government will strengthen public financial management to promote fiscal sustainability and efficient service delivery. The BETA approach will guide resource allocation towards high-impact interventions.

84. Revenue mobilization will be enhanced through automation, base expansion, and compliance improvement. These measures will reduce reliance on transfers and strengthen fiscal autonomy.

85. Expenditure management will focus on prioritization, cost control, and value for money. Development spending will be protected while containing recurrent expenditures.

86. Public service administration will be strengthened through capacity building, performance management, and digital systems. These reforms will enhance productivity and accountability.

87. Intergovernmental relations will be strengthened to enhance coordination with national government and other counties. Alignment with national policies will ensure coherence and resource optimization.

88. Monitoring, evaluation, and reporting frameworks will be enhanced to track outcomes and ensure transparency. These measures will reinforce public trust and sustainable fiscal management. .

CHAPTER FOUR

4.0 FISCAL POLICY AND BUDGET FRAMEWORK FOR 2026/27 - 2028/29

4.1 Overview

89. The priorities established in the Medium-Term Plan of Kenya Vision 2030, the BETA agenda, and the Third County Integrated Development Plan will inform the formulation of sector priorities, policies, plans, and the monitoring and evaluation processes for the County MTEF budget for the fiscal years 2026/27 to 2028/29.

4.2 Strategic Priorities and Interventions

90. The primary objective of the county government is to elevate the quality of life for the residents of Kericho County. Consequently, the strategic priorities and policy goals outlined in the CFSP have been organized as follows:

Strategic Priority 1: Transforming Agriculture and Local Economies for Food Security and Jobs.

Strategic Priority 2: Strengthening Human Capital through Quality Health, Education, and Social Protection.

Strategic Priority 3: Investing in Enabling Infrastructure for Inclusive and Sustainable Growth.

Strategic Priority 4: Promoting Sustainable Urban Development, Land Management, and Environmental Resilience.

Strategic Priority 5: Enhancing Fiscal Sustainability, Governance, and Intergovernmental Coordination.

4.3 Fiscal Responsibility Principles for the County Government

91. In line with the Constitution, the Public Finance and Management Act, 2012 sets out the fiscal responsibility principle to ensure that prudent and transparent management of public resources. The PFM law (Section 107) states that:

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles—

(a) the county government's recurrent expenditure shall not exceed the county government's total revenue;

(b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;

(c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

(d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;

(e) the county debt shall be maintained at a sustainable level as approved by county assembly;

(f) the fiscal risks shall be managed prudently; and

(g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

4.4 Fiscal Policy Framework

92. Budget estimates for the fiscal year 2026/2027 and the Medium-Term Expenditure Framework (MTEF) will be formulated in alignment with the priorities established in the Third County Integrated Development Plan, the

Budget Policy Statement (BPS 2026), the BETA agenda, the Medium Term Plan (MTP V), Kenya Vision 2030, and the Governor’s manifesto.

4.5 Debt Management Strategy

93. The County Government recognizes the regulations outlined in the PFM Act of 2012 concerning deficit financing and borrowing, and is committed to complying with these legal requirements. According to Section 107(3)(4) of the PFM Act, it states that:

- Short-term borrowing, as referenced in subsection (2)(d), is limited to cash flow management and must not exceed five percent of the latest audited revenue of the county government.

94. The County Government will maintain its focus on settling all outstanding bills from various departments prior to initiating new projects and programs within those departments.

4.6 FY 2026/27 Budget Framework

95. The budget framework for 2026/27 is established within the context of the medium-term fiscal framework, aligning with the strategic objectives and priorities of the county government as detailed in the CIDP III, as well as the overarching development policies presented in the Governor's manifesto.

4.7 Revenues projections

96. In FY 2026/27, the County Government targets to raise a total revenue of Kshs. 10.444 billion; Total equitable share of Kshs 8.017 billion, Donor funds Kshs 1.033 billion and county own source revenue of Kshs 1.381 billion.

97. The table below provides a summary of all expected sources of revenue and the amounts: -

COUNTY GOVERNMENT OF KERICHO					
	Current revenue	Projected revenue	Projected revenue	Projected revenue	% Ratio
SOURCES OF REVENUE	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**26/27**
Revenue Description					
1.CRA Equitable share	7,178,668,356	7,273,888,571	8,017,681,800	8,017,681,800	77%
2.Local Collections	870,133,811	626,948,994	626,948,994	626,948,994	6%
3.Facility Improvement Fund	724,245,582	754,245,582	724,245,582	724,245,582	7%
4.CONDITIONAL GRANTS					
4A. Routine Maintenance Fuel Levy Fund		-	-	-	
4B. User fee Reimbursement		-	-	-	0.00%
4C. Doctor Salary Arrears	43,439,856	-	-	-	0.00%
4D. County Aggregated Industrial Parks	250,000,000	-	-	-	0.00%
4E. County health promoters	45,690,000	45,690,000	-	-	0.00%
5. DONOR FUNDS					
5A. DANIDA FUND	8,670,000	12,112,500	13,323,750	14,656,125	0%
5D. Kenya Devolution Support Project 11 (world bank)	37,500,000	37,500,000	41,250,000	45,375,000	0%
5E. Kenya Devolution Support Project 11 (world bank) UDG	352,500,000	352,500,000	387,750,000	426,525,000	3%
5F. Kenya Urban Support Program UDG (SIDA)	43,550,249	43,550,249	47,905,274	52,695,801	0%
5F. Kenya Urban Support Program UIG (SIDA)	35,000,000	25,000,000	27,500,000	30,250,000	0%
5M. FLOCCA Grants to support climate change CCIR	203,392,898	203,392,898	223,732,188	246,105,407	2%
IDA National Agricultural Value Chain Devt Project (NAVCDP)	231,250,000	105,000,000	254,375,000	279,812,500	2%
SWEDEN Kenya Agricultural Business Devt Project (KABDP)	10,918,919	10,918,919	12,010,811	13,211,892	0%
K-WASH projects		129,000,000	141,900,000	156,090,000	1%
Court Fines and 20% shares of mineral royalties.		12,075,537			
Total	10,034,959,671	9,631,823,250	10,518,623,399	10,633,598,101	100%

4.8 Resource Envelope and Allocation Criteria

98. The allocation of resources among departments is guided by principles of fiscal responsibility, with a distribution aimed at addressing recurrent and development expenditures in a ratio of 70% to 30%, respectively.

99. Criteria for Resource Allocation

i. Non-discretionary expenditures: Within the recurrent expenditure category, non-discretionary costs, which include statutory obligations such as salaries, gratuities, and pensions, are prioritized.

ii. Development expenditures are allocated based on the priorities outlined in the County Integrated Development Plan (CIDP) and strategic initiatives designed to enhance revenue generation and stimulate economic growth, as specified in National Government Policies and the Governor's Manifesto. Development expenditures are projected to account for 31 percent.

iii. Ongoing projects: There is a strong focus on completing ongoing projects that significantly impact poverty alleviation, address social injustices, and promote employment and wealth creation.

iv. Infrastructure projects: The County government is dedicated to enhancing infrastructure, maintenance of roads, the development of water and sanitation systems, and the Operalization of community hospitals and health centers, among other initiatives.

4.9 Expenditure Forecast

100. The County government's expenditure will be directed by the Annual Development Plan for 2026/2027 and CIDP III, which detail the proposed projects for implementation. The overall budget for the County is projected at Kshs. 10.444 billion, with Kshs. 7.211 billion allocated for recurrent expenses and Kshs. 3.232 billion for development projects. This allocation represents 69 percent for recurrent expenditure and 31 percent for development expenditures.

4.10 Medium- Term Expenditure Baseline Ceilings

101. The County is dedicated to enhancing the execution and absorption capacity of its projects. Given the stringent fiscal constraints associated with budget preparation, departments will be required to streamline and prioritize their expenditures and programs to align with the limits set by the CFSP.

102. The table below show the ceilings for the 2026/27 budget and projections of the medium term for global, recurrent and development respectively.

1. Global Consolidated Forecast.

	COUNTY GOVERNMENT OF KERICHO					
	CONSOLIDATED SUMMARY					
	Line Ministries/Departments	TOTAL EXPENDITURE				%
		25-26	26-27	27-28	28-29	26-27
1	County Assembly Services	916,610,202	934,314,633	842,657,779	851,084,357	8%
2	Public Service & Administration	900,110,048	888,056,360	995,812,220	1,005,770,342	9%
3	Office of the Governor & Deputy governor	147,329,508	148,079,773	181,201,487	183,013,502	2%
4	County Public Service Board	61,343,700	80,119,129	87,244,694	96,678,792	1%
5	Finance & Economic Planning	382,720,147	613,208,646	474,491,299	499,236,212	4%
6	Health Services	3,624,525,660	3,509,347,954	3,728,352,112	3,765,635,633	35%
7	Agriculture, Livestock Development & Co-operative Development	723,273,669	421,937,902	617,895,011	624,073,962	6%
8	Education, Libraries, Culture & Social Services	954,035,475	1,056,158,374	1,015,435,677	1,025,590,033	10%
9	Public Works, Roads & Transport	753,286,327	544,273,184	629,528,995	635,824,285	6%
10	Trade, Innovation, Industrialization, Tourism &Wildlife	399,234,172	210,174,784	258,075,407	260,656,161	2%
11	Water, Energy, Natural Resources & Environment	651,586,236	557,880,520	655,503,770	662,058,808	6%
12	Land, Housing & Physical Planning	153,059,391	209,544,619	261,838,583	264,456,969	2%
13	Information, Communication & E-Government, Youth Affairs, Gender & Sports	182,640,719	222,219,016	252,574,615	255,100,361	2%
14	Office of the County Attorney		80,727,800	69,338,786	70,032,173	1%
15	Kericho Municipal Board	51,549,598	111,482,739	130,491,561	131,796,476	1%
16	Litein municipal Board	33,654,819	44,297,818	51,850,999	52,369,509	0%
17	STRATEGIC INTERVENTION	100,000,000		314,632,400	317,778,724	3%
	TOTAL EXPENDITURE	**10,034,959,671**	**9,631,823,250**	**10,566,925,395**	**10,701,156,300**	100%

2. Recurrent Expenditure

	Line Ministries/Departments	RECURRENT EXPENDITURE				% OF ALLOCATION
		25-26	26-27	27-28	28-29	26-27
1	County Assembly Services	811,439,308	829,314,633	837,607,779	845,983,857	12%
2	Public Service & Administration	511,659,708	528,554,186	583,277,377	589,110,150	8%
3	Office of the Governor & Deputy governor	147,329,508	148,079,773	181,201,487	183,013,502	2%
4	County Public Service Board	61,343,700	80,119,129	87,244,694	96,678,792	1%
5	Finance & Economic Planning	364,650,022	401,381,096	439,786,391	464,184,255	6%
6	Health Services	3,202,165,506	3,195,699,888	3,415,155,888	3,449,307,447	47%

7	Agriculture, Livestock Development & Co-operative Development	168,124,734	152,563,652	186,201,903	188,063,922	3%
8	Education, Libraries, Culture & Social Services	671,973,198	882,570,116	820,303,677	828,506,713	11%
9	Public Works, Roads & Transport	95,691,109	46,316,623	82,659,929	83,486,528	1%
10	Trade, Innovation, Industrialization, Tourism &Wildlife	64,659,088	62,419,330	96,042,961	97,003,391	1%
11	Water, Energy, Natural Resources & Environment	178,633,093	132,588,191	190,036,295	191,936,658	3%
12	Land, Housing & Physical Planning	102,802,302	99,191,665	140,432,841	141,837,170	2%
13	Information, Communication & E-Government, Youth Affairs, Gender & Sports	80,140,719	95,255,145	110,274,401	111,377,145	2%
14	Office of the County Attorney		80,727,800	69,338,786	70,032,173	1%
15	Kericho Municipal Board	33,999,349	41,790,903	51,155,809	51,667,367	1%
16	Litein municipal Board	11,654,819	20,817,720	24,580,999	24,826,809	0%
	TOTAL EXPENDITURE	**6,506,266,163**	**6,797,389,851**	**7,315,301,217**	**7,417,015,880**	100%

3. Development Expenditure

	Line Ministries/Departments	DEVELOPMENT EXPENDITURE				
		25-26	**26-27**	**27-28**	**28-29**	**26-27**
1	County Assembly Services	105,170,894	105,000,000	5,050,000	5,100,500	0%
2	Public Service & Administration	388,450,340	359,502,173	412,534,843	416,660,192	13%
3	Office of the Governor & Deputy governor	-	-	-	-	0%
4	County Public Service Board	-	-	-	-	0%
5	Finance & Economic Planning	18,070,125	211,827,549	34,704,908	35,051,957	1%
6	Health Services	422,360,154	313,648,067	313,196,225	316,328,187	10%
7	Agriculture, Livestock Development & Co-operative Development	555,148,935	269,374,251	431,693,108	436,010,039	13%
8	Education, Libraries, Culture & Social Services	282,062,277	173,588,258	195,132,000	197,083,320	6%
9	Public Works, Roads & Transport	657,595,218	497,956,560	546,869,066	552,337,757	17%
10	Trade, Innovation, Industrialization, Tourism &Wildlife	334,575,084	147,755,453	162,032,446	163,652,770	5%
11	Water, Energy, Natural Resources & Environment	472,953,143	425,292,329	465,467,475	470,122,150	14%
12	Land, Housing & Physical Planning	50,257,089	110,352,953	121,405,742	122,619,799	4%
13	Information, Communication & E-Government, Youth Affairs, Gender & Sports	102,500,000	126,963,871	142,300,214	143,723,216	4%
14	Kericho Municipal Board	17,550,249	69,691,836	79,335,751	80,129,109	2%
15	Litein municipal Board	22,000,000	23,480,097	27,270,000	27,542,700	1%
16	STRATEGIC INTERVENTION	100,000,000		314,632,400	317,778,724	10%
	TOTAL EXPENDITURE	**3,528,693,508**	**2,834,433,399**	**3,251,624,179**	**3,284,140,421**	100%

8.0 CONCLUSION

103. Public engagement was conducted across all six sub-counties, during which communities identified specific projects of interest. These initiatives will be incorporated into the relevant line ministries for implementation. Priority, however, will be given to ongoing projects to ensure their timely completion and effective operation.

104. This County Fiscal Strategy Paper has been prepared in alignment with the National Government Budget Policy Statement 2026, ensuring consistency with national fiscal policies and strategic priorities.

APPENDIX:

List of Strategic Intervention Projects

	Project name	2026 Allocations
1	Construction and equipping of non- communicable center in KCRH	71,648,558.39
2	Proposed construction of MCH, kitchen, staff house and renovation of existing OPD and associated external works at Kunyak Health Centre.	10,854,498.00
3	Construction of casualty and emergency unit, renovation of OPD and maternity, construction of kitchen and associated external works at Sosiot Sub-County Hospital	35,095,381.75
4	Construction of outpatient unit and associated external works at Cheborgei Health Centre	9,786,901.98
5	Construction of supporting infrastructure at Kedowa Maize Mill	3,808,204.88
6	Supply, delivery, and installation, commissioning of machines and equipment at the plant-Kedowa maize plant	20,586,450.00
7	Expansion of bureti water supply	47,176,099.70
8	Supply, delivery, and installation, commissioning of machines and equipment at the Roret Pineapple plant	26,700,000.00
9	Proposed erection and completion of a modern market at Sondu	21,279,253.25
10	Proposed rehabilitation and construction of drainage and tarmacking of minor roads at Londiani town	30,423,554.84
11	Rehabilitation and construction of Kimologit water supply	34,158,324.82
		311,517,227.61