



REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF  
NYANDARUA  
COUNTY TREASURY



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## COUNTY FISCAL STRATEGY PAPER FOR 2026/27 FY AND THE MEDIUM TERM

*THE CHANGE AGENDA FOR SOCIAL- ECONOMIC DEVELOPMENT  
AND WEALTH CREATION*

**FEBRUARY, 2026**

DRAFT

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## FOREWORD

The 2026 County Fiscal Strategy Paper (CFSP) has been prepared with an intention to catalyze the already initiated development transformative agenda for the County. The current County administration initiated various interventions aimed at uplifting the livelihoods of the residents across all the sectors. Being in its fourth year of stewardship, the foundations are solid in various flagship and high impact programmes. The transformation has been implemented with recognition of need to ensure regional balance across all the wards and sustainability.

This CFSP is people centric in priority identification having consulted all reachable stakeholders ranging from the members of the public, technical departments, the elected leaders, national government commissions such as the CRA among others. It encapsulates the aspirations of various claim holders.

Nyandarua county being a subset of the larger “global village” has identified priority areas which are in sync with the central region bloc, the national development blueprint majorly the Medium Term Plan 4 and Bottom-Up Economic Transformation Agenda (BETA), and other recognized development aspirations and commitments. Resources to implement the identified interventions have been clearly mapped out and forecasted to avoid incidences of under or non funded programmes. The total resource requirements to fund the FY 2026/27 Budget are estimated at Ksh. 9,142.74 Million. Majority of the funding will be from the National transfers. However, the County is putting in place all the possible measures to ensure that own source revenue targeted at Ksh. 1,050 million also contributes significantly in the medium term.

The earmarked programmes and their attendant allocations are to be implemented on the assumptions of a stable macro economic environment as the economy has been de-risked from the earlier feared risks of inflation, debt default and other external shocks.

I call upon all the implementing agencies for the FY 2026/27 budget to bring energies and ensure it is implemented effectively.

**HON MARY. W KAMANDE**  
**CECM- FINANCE, ECONOMIC PLANNING, ICT AND REVENUE**

## **ACKNOWLEDGEMENT**

Preparation of the CFSP, 2026 has been through a tireless and committed effort from the various players from within and outside the county government.

HE the Governor and the County Executive Committee have been key in providing the strategic leadership and policy direction in the preparation process.

The County implementing departments were instrumental in identification of priority programmes and costing them to fit within the resource envelope for the county.

The County Assembly were vital insuring that the programmes were in congruence with the wishes of the Wanjiku and further approved the CFSP paving way for the preparation of the Budget Estimates for 2026/27.

The public participation process was conducted in ten (10) venues across the county. This exercise resulted in getting valuable inputs which were included in the 2026 CFSP which has greatly enriched the document. I therefore thank members of the public for the valuable feedback.

Last but not least is to thank the County Treasury team who facilitated and coordinated this process to finally deliver this critical document.

I commend you all and look forward to future cooperation in similar endeavours.

**FREDRICK IRUNGU**  
**CHIEF OFFICER-FINANCE AND ECONOMIC PLANNING**

## ABBREVIATIONS AND ACRONYMS

<b>ATCs</b>	Agricultural Training Centers
<b>ADP</b>	Annual Development Plan
<b>BETA</b>	Bottom-up Transformation Agenda
<b>CADP</b>	County Annual Development Plan
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CIDP</b>	County Integrated Development Plan
<b>CIMES</b>	County Integrated Monitoring and Evaluation System
<b>ECDE</b>	Early Childhood Development Education
<b>FY</b>	Financial Year
<b>GESIP</b>	Green Economy Strategy and Implementation Plan
<b>KARI</b>	Kenya Agricultural Research Institute
<b>KEPH</b>	Kenya Essential Package of Health ()
<b>KPHC</b>	Kenya National Population and Housing Census report ()
<b>KPI</b>	Key Performance Indicator
<b>MSMEs</b>	Micro Small and Medium Enterprises ()
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium-Term Plan
<b>OSR</b>	Own-source Revenue
<b>PFM</b>	Public Finance Management
<b>PFMA</b>	Public Finance Management Act
<b>SDGs</b>	Sustainable Development Goals

## GLOSSARY

**Baseline:** Baseline is an analysis describing the initial state of an indicator before the start of a project/programme, against which progress can be assessed or comparisons made.

**Bottom-up Economic Transformation Agenda:** It is an economic model that aims at economic turnaround and uplifting the lives and livelihoods of those at the bottom of the pyramid.

**Green Economy:** The green economy is defined as an economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. The policy framework for the green economy and green growth in Kenya is designed to support a globally competitive low carbon development path through promoting economic resilience and resource efficiency, sustainable management of natural resources, development of sustainable infrastructure and providing support for social inclusion. The Green Economy Strategy and Implementation Plan (GESIP) 2016 aims at guiding the National and County Governments as well as other actors to adopt development pathways with higher and more efficient growth, cleaner environment and higher productivity.

**Indicator:** An indicator is a sign of progress /change that result from your project. It measures a change in a situation or condition and confirms progress towards achievement of a specific result. It is used to measure a project impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress.

**Outcome Indicator:** This is a specific, observable, and measurable characteristic or change that will represent achievement of the outcome. Outcome indicators include quantitative and qualitative measures. Examples: Enrolment rates, transition rates, mortality rates etc.

**Outcome:** Measures the intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention output(s) such as changed practices as a result of a programme or project.

**Output:** Immediate result from conducting an activity i.e. goods and services produced. Performance indicator: A measurement that evaluates the success of an organization or of a particular activity (such as projects, programmes, products and other initiatives) in which it engages.

**Programme:** It is a grouping of similar projects and/or services performed by a National/County Department to achieve a specific objective. The Programmes must be mapped to strategic objectives.

**Project:** A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. Projects aimed at achieving a common goal form a programme.

**Sectors:** Is a composition of departments, agencies and organizations that are grouped together according to the services and products they provide. They produce or offer similar or related products and services, and share common operating characteristics.

**Target:** A target refers to planned level of an indicator achievement

## EXECUTIVE SUMMARY

This 2026 CFSP has been prepared in strict conformity with Public Finance Management Act, 2012.

The paper has started by providing the economic outlook at the global and regional level, further introspected into the national, domestic and county outlook in chapter one. In all these considerations, various economic variables have been analyzed and to see how they will affect the county programmes implementation.

Chapter interrogates the medium fiscal framework by conducting a half year review performance on revenue and expenditures. The same has been projected for the FY 2026/27 and the medium term.

Chapter three has provided the indicative medium allocations and priorities. This includes tentative allocation programme ceilings in all the spending entities. The priorities to be implemented in all the sectors have been highlighted giving a justification for the allocations. Furthermore, compliance to the PFM fiscal responsibility principles has been analyzed.

Finally, Chapter four has looked into assumptions and risks that the county economy is likely to experience as it implements the planned budget.

## CHAPTER ONE

### ECONOMIC OUTLOOK

#### 1.0 Overview

This section highlights the global, regional, national, and local economic outlook, and their impact on the county's economic development.

#### 1.1 Global and Regional Economic Development.

According to Budget Policy Statement (BPS)2026, Global growth has remained resilient in 2025, supported by front-loading of exports to the United States ahead of higher tariff implementation, improved financial conditions, and strong consumer spending. Global real GDP is estimated to grow by 3.2 percent in 2025, before moderating slightly to 3.1 percent in 2026. Growth is projected to slow in 2026 as the temporary boost from front-loading fades and as higher effective tariff rates and elevated trade-policy uncertainty weigh on activity. In addition, weak global demand and heightened geopolitical tensions continue to pose significant risks to the global outlook.

In advanced economies, growth is expected to remain modest at about 1.6 percent in both 2025 and 2026. In the United States, growth is projected at 2.0 percent in 2025, rising slightly to 2.1 percent in 2026, supported by resilient household spending, strong business investment, particularly in AI-related technologies, and easing financial conditions. Meanwhile, growth in the Euro Area is projected at 1.2 percent in 2025 and 1.1 percent in 2026. This moderate expansion is underpinned by rising real wages, which bolster household consumption, as well as investment in technology and equipment, although progress is constrained by trade-policy uncertainty, weaker export demand and subdued business confidence.

Emerging market and developing economies are projected to grow at 4.1 percent in 2025, then slightly slow to 4.0 percent in 2026. This moderate growth is underpinned by relatively resilient domestic demand in regions such as South Asia and Middle East / Central Asia, coupled with recoveries in investment in several countries. At the same time, China's growth softens, weighing on the aggregate; and growth in Latin America is projected to remain sluggish amid external pressures. The outlook for Sub-Saharan Africa is more favorable: growth is expected to be around 4.1 percent in 2025, with a modest pickup to 4.4 percent in 2026. This resilience is underpinned by macroeconomic stabilization, recovering private consumption, improving investment conditions, and ongoing economic reforms. Nonetheless, the region still faces risks from fiscal pressures and external vulnerabilities.

## **1.2 National Macroeconomic Outlook**

According to the World Bank's Kenya Economic Update, Kenya's macroeconomic outlook is characterized by moderate growth alongside ongoing vulnerabilities. The Bank projects Kenya's real GDP to expand by an average of about 4.9 % between 2025 and 2027, an upward revision from earlier forecasts thanks to a rebound in sectors like construction, accommodative monetary conditions, and improvements in credit growth; inflation remains broadly within the Central Bank of Kenya's target range, the exchange rate has been relatively stable, and foreign exchange reserves are at historic highs all of which support macroeconomic stability. At the same time, fiscal pressures are intensifying, with a wider fiscal deficit and public debt reaching around 68-69 % of GDP, placing the country at elevated risk of debt distress and increasing rollover and servicing challenges. Structural constraints such as weak formal job creation and productivity persist, and the World Bank emphasizes that accelerating pro-competitive and structural reforms will be critical to sustain growth, generate better quality jobs, and improve overall economic resilience.

## **1.3 Domestic Economic Development**

According to Budget Policy Statement (BPS)2026, Kenya's economy has demonstrated remarkable resilience over the past three years, consistently growing at a pace that outperforms both the global and regional averages. This strength is rooted in deliberate policies and the benefits of a diversified economy. The economy has thus been able to withstand adverse impacts of domestic and external shocks. In 2024, the economy grew by 4.7 percent supported by positive growths in all sub-sectors except construction, and mining and quarrying. Further, in the first and second quarters of 2025, the economy remained strong with a growth of 4.9 percent and 5.0 percent, respectively. This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of services sector. All economic sectors recorded positive growth rates in the first half of 2025, with varied magnitudes across activities.

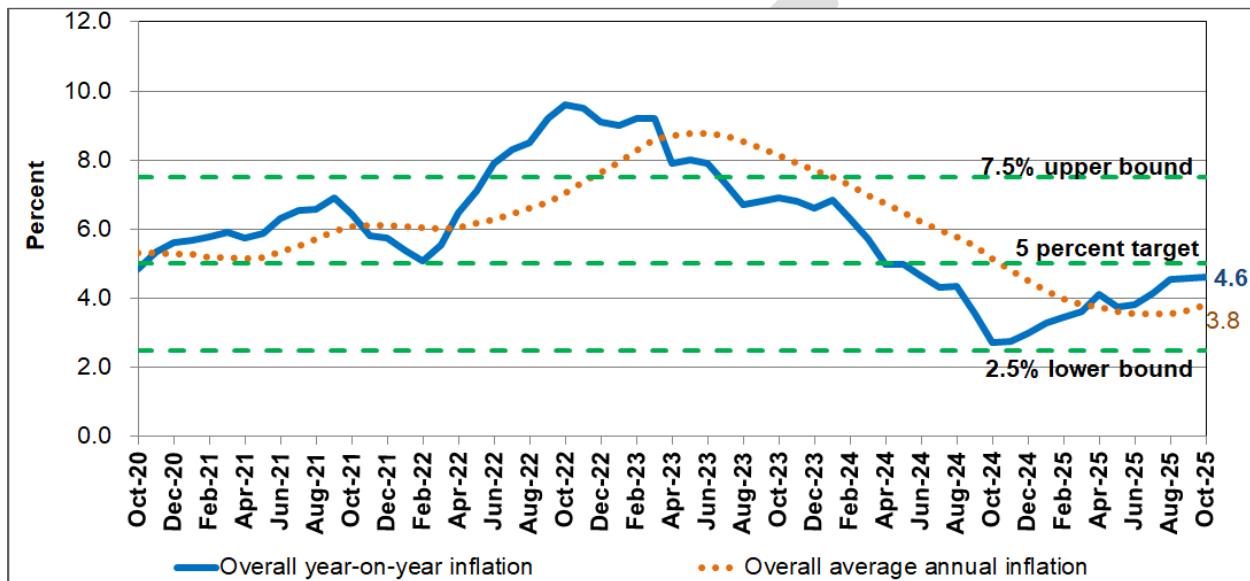
### **Inflation Rates**

Overall year-on-year inflation has declined and remained below the mid-point of the policy target range of  $5.0 \pm 2.5$  percent since June 2024. The stable inflation has been supported by: abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation attributed to the stability of the exchange rate; lower international oil prices; and the decline in non-core inflation due to the impact of previous

monetary policy tightening. Inflation stood at 4.6 percent in October 2025 compared to 2.7 percent in October 2024.

Core inflation increased to 2.7 percent in October 2025 from 1.8 percent in October 2024, largely driven by higher prices of processed food items. Non-core inflation rose to 9.9 percent in September 2025 from 5.1 percent in October 2024, driven primarily by sharper increases in transport costs, as well as higher prices of vegetables, particularly tomatoes, carrots, onions, and cabbages, alongside pressures from utilities and energy (Figure 1.2).

**Figure 1.2: Inflation Rate, Percent**



Source of Data: Kenya National Bureau of Statistics

### Kenya shilling exchange rate

The Kenya Shilling remained relatively stable against the US Dollar, exchanging at an average of KSh 129.2 in October 2025, the same as in the corresponding period of the previous year. However, the Shilling depreciated against the Sterling Pound and the Euro by 2.3 percent and 6.8 percent, respectively. The Sterling Pound averaged KSh 172.7 in October 2025, up from KSh 168.8 in October 2024, while the Euro averaged KSh 150.5 compared to KSh 140.9 over the same period. Overall, the foreign exchange market remained well-supported by steady inflows from agricultural exports and diaspora remittances, which helped cushion the Shilling against excessive volatility.

### Interest rates

The Central Bank of Kenya through the Monetary Policy Committee (MPC) has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.25 percent in October 2025. This is meant to augment the previous policy actions

aimed at stimulating lending by banks to the private sector and supporting economic activities. It also seeks to ensure that inflationary expectations remain firmly anchored and the exchange rate also remain stable.

The short-term interest rates have declined in line with the easing of the monetary policy. KESONIA (overnight interbank rate) declined to 9.3 percent in October 2025 compared to 12.1 percent in October 2024 while the 91-day Treasury Bills rate declined to 7.9 percent from 15.0 percent, over the same period. The 182-day Treasury Bills rate declined to 7.9 percent in October 2025 from 15.8 percent in October 2024 while the 364-day Treasury Bills also declined to 9.4 percent from 16.1 percent over the same period. The decrease in government domestic borrowing rates has led to lower debt servicing costs.

Commercial banks average lending and deposit rates decreased in the year to September 2025 in tandem with the easing of the monetary policy. The average lending rate decreased to 15.1 percent in September 2025 from 16.9 percent in September 2024 while the average deposit rate also decreased to 7.6 percent from 11.2 percent over the same period. Consequently, the average interest rate spread increased to 7.4 percent in September 2025 from 5.7 percent in September 2024.

### **The stock market**

The stability of the Kenya Shilling against major international currencies, together with improved macroeconomic conditions, has boosted investor confidence. This has driven higher foreign direct investment inflows and increased participation in the Nairobi Securities Exchange (NSE). As a result, the NSE 20 Share Index improved by 63.6 percent to 3,117 points in October 2025, up from 1,906 points in October 2024. Similarly, market capitalization expanded by 61.1 percent to KSh 2,966 billion from KSh 1,841 billion over the same period. These levels represent the strongest performance of the NSE since the pre-COVID period, reflecting renewed confidence in Kenya's economic recovery and long-term prospects.

### **Balance of payment**

The current account deficit was US\$. 3,459.8 million (2.5 percent of GDP) in September 2025 compared to US\$ 1,819.3 million (1.4 percent of GDP) in September 2024. The current account balance was supported by resilient goods exports, an improvement in net receipts on the services account, net primary income and net secondary income balance. The current account

deficit in the 12 months to September 2025 was more than fully financed by financial account inflows.

The balance in the merchandise account deteriorated by US\$ 1,890.6 million to a deficit of US\$. 11,428.4 million in September 2025 mainly due to an increase in import bill that more than offset the increase in exports. Goods exports increased by 4.0 percent, due to higher domestic exports particularly horticulture, coffee, manufactured goods, and apparel. Goods imports rose by 10.9 percent, reflecting increases in intermediate and capital goods imports. Net services receipts increased by 6.7 percent, mainly, supported by increased receipts from transport and travel services. The deficit on the primary account narrowed by US\$. 41.9 million to a deficit of US\$. 1,841.9 million in the year to September 2025, compared to the same period last year.

Net Secondary income remained resilient and increased by US\$. 61.9 million during the review period owing to an increase in remittances. Diaspora remittances increased by 7.6 percent to US\$ 5,080 million in the 12 months to September 2025 compared to US\$ 4,723 million in a similar period in 2024. Remittances increased forex inflows into the country, with some going to investment while others support household consumption of our people.

The capital account balance increased by US\$. 120.6 million to register a surplus of US\$ 262.6 million in September 2025 compared to a surplus of US\$. 142.1 million in the same period in 2024. Net financial inflows improved to US\$. 4,738.3 million in September 2025 compared to US\$. 1,130.9 million in September 2024. The net financial inflows were mainly in the form of direct investments, financial derivatives and other investments. However, portfolio investments registered a net outflow during the period partly due to global risk aversion, unattractive demand for high yields from investors amid fiscal strain, low investor appetite for sovereign credit, and political-financial instability.

### **Foreign Exchange Reserves**

The banking system's foreign exchange holdings remained strong at US\$. 16,892.3 million in September 2025 from US\$. 16,391.4 million in September 2024. The official foreign exchange reserves held by the Central Bank stood at US\$. 11,383.6 million compared to US\$ 8,602.6 million over the same period in 2024. Commercial banks foreign exchange holdings decreased to US\$. 5,508.7 million in September 2025 from US\$. 7,788.8 million in September 2024.

The official reserves held by the Central Bank in September 2025 represented 4.9 months of import cover as compared to the 3.8 months of import cover in September 2024. These reserves continue to provide adequate cover and buffer against any short-term shocks in the foreign exchange market. It surpasses the requirement of a minimum requirement of a 4 Months of import cover.

#### **1.4 County Outlook**

Nyandarua County's economic and fiscal outlook remains stable and forward-looking, supported by sustained investment in key sectors and prudent fiscal management. The county continues to focus on enhancing productivity, encouraging economic diversification, and improving service delivery to foster inclusive growth.

### **Economic Indicators**

#### **i. Gross County Product (GCP)**

The Gross County Product (GCP) measures the County's contribution to the National GDP. It serves as a comprehensive indicator of the county's economic output and growth.

Nyandarua County's GCP has surged from Kshs 110,108 million in 2022 to Kshs 116,826 million in 2024 compared to Meru whose GCP was Kshs 260,796 million in 2022 and increased to Kshs 291,883 million in 2024. This reflects a significant economic growth and potential for development in the County.

#### **ii. GCP Growth Rate:**

This is the average GCP growth rates by county compared to the national GDP growth rate. Nyandarua grew by 1.3% below the national GDP growth rate of 4.5%. Several agriculturally based counties, such as Elgeyo / Marakwet (0.4%), Nyeri (3.1%) and Meru (3.8%), recorded below-average growth, suggesting the influence of weather variability and market factors on primary production.

#### **iii. GCP Per Capita:**

GCP Per Capita is calculated by dividing the total GCP of Nyandarua County by its population. It also provides an insight into the economic performance and relative wealth of the County per person.

Nyandarua County's GCP per capita has been on an upward trajectory from Kshs 265,957 in 2022 to ksh 308,006 in 2024 compared to Laikipia County's which grew to Kshs 235,801 from

209,891 over the same period. This suggests decent economic activity and the potential for improving living standards among residents.

#### **iv. Contribution of Agriculture in the County's economy**

Whereas Nyandarua has maintained contribution of 1.5% towards the overall Gross Domestic Product, its main strength continues to be in Agriculture where it contributed a five-year (2020-2024) average of 4.3% in the Average County share of Agriculture, Forestry and Fishing Gross Value Added.

Agriculture remains central to the county's economy, with ongoing efforts to promote crop diversification and modernize livestock production.

#### **v. ICT**

The 2025 Gross County Product which targeted a population of persons aged 3 years and above who used internet showed an increase to 41.6% in 2024 from 20.6% in 2019. In the Neighboring County of Kiambu 54% used the internet in 2024 an increase from 42.8% in 2019.

The ability to participate in digital economies is increasingly central to economic opportunity. Enhanced digital access correlates closely with innovation potential, market integration, and remote work

#### **vi. Access to Financial Credit**

The total proportion of the adult population with access to credit increased from 41.2 per cent in 2021 to 73.6 per cent in 2024 a substantial jump in loan uptake signalling both rising demand and improved access to digital financial services and mobile money solutions.

#### **vii. Infrastructure development**

Infrastructure development is a high priority, with continued investments in roads, bridges, and water systems designed to enhance connectivity, market access, and household well-being. These projects are critical enablers of trade, agriculture, and public health.

#### **viii. Social sector development**

In the social sector, the county maintains a strong commitment to expanding and upgrading healthcare and education services. Investments in health facilities, workforce expansion, and diagnostic capabilities are improving health outcomes, while developments in higher education and vocational training are building long-term human capital.

## ix. Revenue Performance

Revenue performance continues to strengthen, supported by modernized collection systems and broader compliance efforts. Fiscal discipline remains a guiding principle, with spending prioritized toward completing ongoing projects, supporting local enterprise, and strengthening social protection. The County has been and will continue to employ various strategies to enhance own source revenue.

### Revenue Mobilization Strategies

- i. **Digitization and Cashless Revenue System:** Migrating to a new integrated, cashless revenue management system in the 2025/26 FY to automate collections, reduce leakages, and improve accountability. This includes modules for revenue collection, lands/property, liquor licensing, and health information.
- ii. **Updated Valuation Roll:** Finalizing the ongoing update of the outdated property valuation roll (last updated in 1982) to accurately assess and increase revenue from land rates.
- iii. **Unified County Business Permit:** Consolidating multiple permits and fees (e.g., Single Business Permit, food hygiene, fire certificate, conservancy fees) into a single, streamlined payment to simplify administration and compliance.
- iv. **Debt Enforcement and Compliance:** Actively pursuing debts owed to the county, including Ksh 60.2 million from the National Government for Contribution in Lieu of Rates (CILOR) and historical uncollected property rates. Implementing a "County Revenue Compliance" requirement for businesses.
- v. **GIS-Based Revenue Mapping:** Continuously mapping all revenue streams and potential sources using Geographic Information Systems (GIS) for accurate, real-time data to guide collection.
- vi. **Performance Contracting for Departments:** Setting specific revenue collection targets for each County Department and embedding them as key performance indicators (KPIs) for County Executive Committee Members (CECMs) and Chief Officers.
- vii. **Implementation of Diagnostic Recommendations:** Acting on the findings and recommendations from a conducted Own Source Revenue (OSR) diagnostic analysis to grow local revenue.
- viii. **Resource Allocation for Revenue Directorate:** Acquiring new vehicles and motorbikes to replace those lost or unserviceable and improve physical access to revenue collection points across the county.
- ix. **Enhanced Enforcement Measures:** Strengthening compliance through a dedicated Revenue Enhancement unit and continued support from enforcement officers.

- x. **Scientific Revenue Forecasting:** Adopting a new revenue forecasting model to set more realistic revenue targets and avoid budget shortfalls that lead to pending bills.

The County aims to raise **Ksh. 1050 million** in Own Source Revenue for the 2026/2027 Financial Year, with **Ksh. 400 million** expected from the Facility Improvement Fund and **Ksh. 650 million** from other local sources.

#### **Expenditure Projections and Fiscal Prudence:**

- i. Fiscal principles will be strictly followed to guide expenditure projections, ensuring fiscal prudence and long-term sustainability.
- ii. To address new government policies on levies and employee benefits, the County Treasury, in partnership with departments and agencies in charge of Human Resources, will implement efficient staffing structures and performance-based remuneration systems to manage the wage bill.
- iii. Resource allocation will be optimized by prioritizing essential services and projects that offer lasting benefits and support sustainable economic growth and social development.

Nyandarua County's financial outlook presents both opportunities and challenges. By leveraging its strengths, expanding economic activity, and implementing strategic policies, the county can unlock its full potential and foster inclusive growth and prosperity for its residents. Sustained oversight and flexibility in response to changing economic conditions will be essential to achieving long-term development goals.

## CHAPTER TWO

### MEDIUM-TERM FISCAL FRAMEWORK

#### 2.0 Overview

The chapter provides an in-depth analysis of the County's financial performance in the first half of the 2025/26 financial year, highlighting key revenue and expenditure trends. To address revenue shortfalls, the County Government has adopted a digital revenue system and is investing in infrastructure development to support economic growth through multiplier effects. The medium-term framework emphasizes the government's commitment to public-private partnerships, sound fiscal management, and efficient use of resources for the benefit of Nyandarua residents.

#### 2.1 Half-Year Review of Fiscal Performance for the FY 2025/26

The County Assembly approved the FY 2025/26 budget and appropriated Kes. 9,426,475,236. Of the approved budget, Kes. 5,833,863,295 (61.89%) was allocated for recurrent expenditure, while Kes. 3,592,611,941 (38.11%) was allocated for development expenditure.

The approved budget was to be financed through multiple sources, including Kes. 6,662,675,631 (70.68%) from the equitable share, Kes. 675,000,000 (7.16%) from Local collections, Kes. 300,000,000 (3.18%) from the Facility Improvement Fund (FIF), and Kes. 1,788,799,605 (18.98%) from conditional grants from the National Government and other development partners.

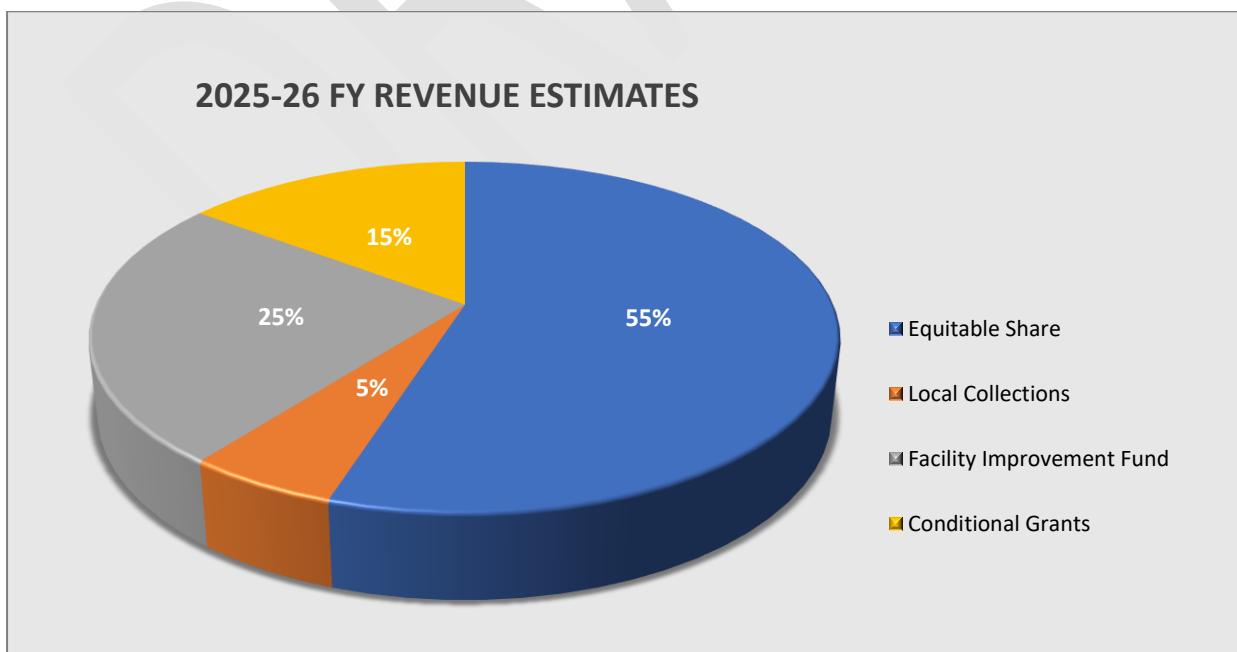


Figure 1: FY 2025/26 FY Revenue Estimates

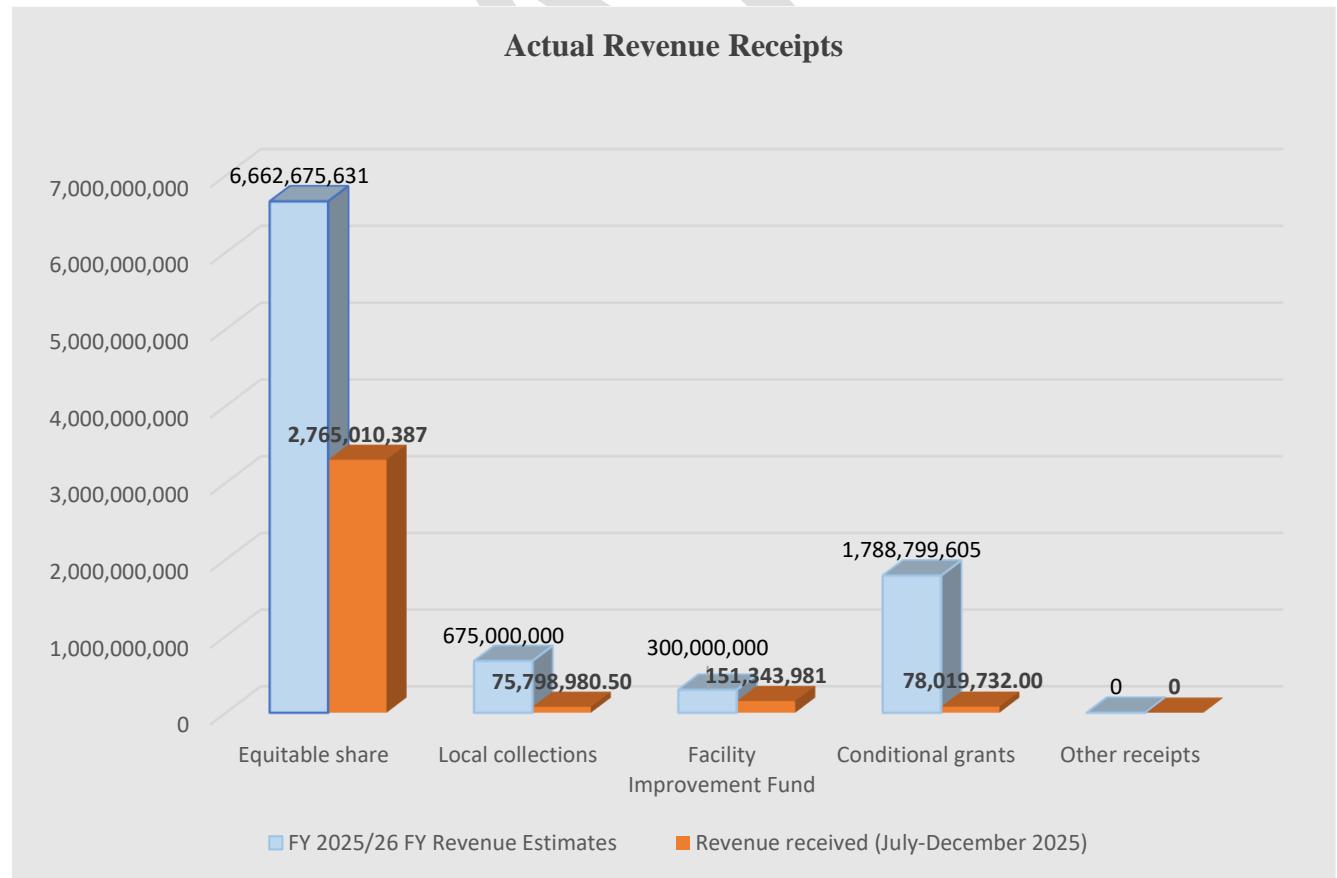
## 2.1.1 Revenue Performance

During the period under review (July to December 2025), the County received Kes. 3,070,173,080.50 as the total revenues. The revenues comprised of Kes. 2,765,010,387 as equitable share, Kes. 75,798,980.50 as local collections, Kes. 151,343,981 as the county's Facility Improvement Fund and Kes. 78,019,732 as Conditional grants.

*Table 1: County Revenue Receipts for the period from July to December 2025*

Revenue source	FY 2025/26 Revenue Estimates	Revenue received (July-December 2025)	Revenue received by source as a proportion of the estimate	Revenue received by source as a proportion of total receipts
Equitable share	6,662,675,631	2,765,010,387	41.5	90.06
Local collections	675,000,000	75,798,980.50	11.23	2.47
Facility Improvement Fund	300,000,000	151,343,981	50.45	4.93
Conditional grants	1,788,799,605	78,019,732.00	4.36	2.54
Other receipts	0	0	-	-
<b>Total</b>	<b>9,426,475,236</b>	<b>3,070,173,080.50</b>	<b>38.22</b>	<b>100.00</b>

*Source: County Treasury*



*Figure 1: Actual Revenue Receipts*

### ***2.1.1.1 Analysis of Own Source Revenue Performance***

The County projected to collect Kes. 650,000,000 in Local Collections from identified revenue streams and Kes. 300,000,000 in Appropriations-in-Aid (AIA) under the Facility Improvement Fund (FIF) in the FY 2025/26. During the first half of the financial year, actual revenue collections amounted to Kes. 227,142,961.50, representing 23.3% of the annual revenue target. Of this amount, AIA (FIF) collections totaled Kes. 151,343,981, while local collections amounted to Kes. 75,798,981.50.

Revenue performance during the period was predominantly driven by Appropriations-in-Aid from the health sector. J.M. Kariuki Memorial Hospital, Engineer Hospital, and other public health facilities accounted for the largest share of AIA collections, underscoring the significant contribution of health facility revenues to the County's overall revenue framework. Local Collections were primarily supported by produce cess royalties, building plan charges & approvals, and single business permits, which emerged as the leading contributors.

Conversely, several revenue streams did not record any collections during the period under review. These included exhauster and exhauster mileage services, water fees, hire of water tankers, dumping fees, park entrance fees, sale of trees, sports activities, hire of halls and chairs, survey fees, lease extensions, disposal of assets, library charges, Kinangop AMS, fisheries, and registration of transporters (Agriculture).

Additionally, insurance compensation, which had no projected target in the approved revenue estimates, recorded some collections during the period under review. A detailed analysis of actual revenue collections against the approved targets for the County's own-source revenues is presented in Table 2.

## Revenue Performance

Table 2: Analysis of Revenue by Stream, Target, and Actual Collection

Revenue Stream	Annual targeted revenue (kshs.)	actual receipts as at 31st December (kshs.)	Variance (kshs.)	% receipts
<b>Health Services</b>				
J.M. Hospital	150,000,000	65,826,930	- 84,173,070	44%
Engineer Hospital	50,000,000	19,824,802	- 30,175,198	40%
Other Health Facilities	95,000,000	65,642,149	- 29,357,851	69%
Public Health Fees	5,000,000	50,100	- 4,949,900	1%
<b>Total</b>	<b>300,000,000</b>	<b>151,343,981</b>	<b>- 148,656,019</b>	<b>50%</b>
<b>Water, Environment, Climate Change And Natural Resources</b>		-		
Conservancy	1,200,000	600	- 1,199,400	0%
Exhauster And Exh. Milage	750,000	-	- 750,000	0%
Water Fee	500,000	-	- 500,000	0%
Hire Of Water Tanker	100,000	-	- 100,000	0%
Dumping Fee	110,000	-	- 110,000	0%
Park Entrance Fee	2,500,000	-	- 2,500,000	0%
Logging Fees	3,500,000	170,180	- 3,329,820	5%
Sale Of Trees	100,000	-	- 100,000	0%
Noise Control	440,000	111,540	- 328,460	25%
Borehole Drilling	466,000	24,200	- 441,800	5%
<b>Total</b>	<b>9,666,000</b>	<b>306,520</b>	<b>- 9,359,480</b>	<b>3%</b>
<b>Youth Empowerment, Sports And Arts</b>		-		
Hire Of Stadium	500,000	25,380	- 474,620	5%
Sport Activities	10,000,000	-	- 10,000,000	0%
<b>Total</b>	<b>10,500,000</b>	<b>25,380</b>	<b>- 10,474,620</b>	<b>0%</b>
<b>Public Service Administration And Devolution</b>		-		
Impounded Fees	5,250,000	58,253	- 5,191,747	1%
Grave Fees	45,000	10,700	- 34,300	24%
Storage Fees	55,000	3,160	- 51,840	6%
Other Non-Compliance Penalties	3,000,000	288,673	- 2,711,327	10%
<b>Total</b>	<b>8,350,000</b>	<b>360,786</b>	<b>- 7,989,214</b>	<b>4%</b>
<b>Lands, Physical Planning And Urban Development;</b>		-		

Revenue Stream	Annual targeted revenue (kshs.)	actual receipts as at 31st December (kshs.)	Variance (kshs.)	% receipts
Plot Rates	30,000,000	713,218	- 29,286,782	2%
Land Rates	25,000,000	765,094	- 24,234,906	3%
Ground Rent	4,200,000	136,580	- 4,063,420	3%
Sub-Division Of Land	20,800,000	1,167,340	- 19,632,660	6%
Building Plan Charges/Approval	31,000,000	9,986,358	- 21,013,642	32%
Site Indication	60,000	12,500	- 47,500	21%
Change Of User	4,800,000	261,500	- 4,538,500	5%
Land/Plot Reg. Fees	1,200,000	125,900	- 1,074,100	10%
Dev.(Ppa Forms)	3,600,000	170,200	- 3,429,800	5%
Application Of Building Plans	750,000			0%
Transfer Fees	4,800,000	425,500	- 4,374,500	9%
Clearance Certificate	5,400,000	598,660	- 4,801,340	11%
Hire Of Hall/Chairs	12,000	-	- 12,000	0%
Survey Fees	3,600,000	-	- 3,600,000	0%
Lease Extension	3,600,000	-	- 3,600,000	0%
Search Fee	2,400	37,900	35,500	1579%
Certificate Of Compliance	1,800,000	419,339	- 1,380,661	23%
Advertisement	16,200,000	442,460	- 15,757,540	3%
Wayleave	15,000	180,300	165,300	1202%
<b>Total</b>	<b>156,839,400</b>	<b>15,442,849</b>	<b>- 140,646,551</b>	<b>10%</b>
<b>Energy, Road Transport and Housing</b>		-		
Bus And Matatu Fees	17,571,600	5,825,000	- 11,746,600	33%
House/Office Rent	1,800,000	319,320	- 1,480,680	18%
Motor Cycle Fees (Parking)	10,400,000	2,866,700	- 7,533,300	28%
Town Parking Fee	1,800,000	229,250	- 1,570,750	13%
Project Management Fee	56,000,000	632,425	- 55,367,575	1%
Disposal Of Assets	20,000,000	-	- 20,000,000	0%
Fire Certificate	7,800,000	25,000	- 7,775,000	0%
<b>Total</b>	<b>115,371,600</b>	<b>9,897,695</b>	<b>- 105,473,905</b>	<b>9%</b>
<b>Tourism, Cooperatives Development Trade &amp; Industrialization And Development</b>		-		

Revenue Stream	Annual targeted revenue (kshs.)	actual receipts as at 31st December (kshs.)	Variance (kshs.)	% receipts
Single Business Permits	142,000,000	6,007,284	- 135,992,716	4%
Sbp Penalties	2,250,000	122,136	- 2,127,864	5%
Sale Of Application/Renewal	2,000,000	307,190	- 1,692,810	15%
Open Air Market Fees	11,400,000	3,311,615	- 8,088,385	29%
Market Stall Rent	3,000,000	732,240	- 2,267,760	24%
Change Of Business	225,000	24,550	- 200,450	11%
Weights And Measures	1,125,000	269,410	- 855,590	24%
Tourism Activities/Aboretum	10,000,000	64,400	- 9,935,600	1%
Cooperative Audit Fees	800,000	126,347	- 673,653	16%
<b>Total</b>	<b>172,800,000</b>	<b>10,965,172</b>	<b>- 161,834,828</b>	<b>6%</b>
<b>Education, Children, Gender Affairs, Culture And Social Services</b>				
Reg.And Renewal Of Groups	50,000	2,800	- 47,200	6%
Liqour Licence/Inspection/App	60,000,000	3,701,435	- 56,298,565	6%
Library Charges	500,000	-	- 500,000	0%
<b>Total</b>	<b>60,550,000</b>	<b>3,704,235</b>	<b>- 56,845,765</b>	<b>6%</b>
<b>Agriculture, Livestock And Fisheries</b>		-		
Cattle Dips	300,000	3,790	- 296,210	1%
Produce Cess Royalties	96,527,500	27,349,797	- 69,177,703	28%
Slaughter Fees	2,400,000	193,600	- 2,206,400	8%
Meat Inspection	5,700,000	1,044,320	- 4,655,680	18%
Vet Department(Ai Services)	4,510,000	2,680,317	- 1,829,683	59%
Vaccination	5,345,500	71,600	- 5,273,900	1%
C.O.T &Movement Permit	720,000	120,600	- 599,400	17%
Atc Njabini	3,500,000	502,885	- 2,997,116	14%
Nyandarua Seed	6,000,000	356,590	- 5,643,410	6%
Atc Oljoro Orok	6,500,000	1,757,825	- 4,742,175	27%
Nyahururu-Ams	5,000,000	996,450	- 4,003,550	20%
Kinangop Ams	3,500,000	-	- 3,500,000	0%
Fisheries	420,000	-	- 420,000	0%
Motorcycle Mortgage Fees	200,000	12,770	- 187,230	6%

Revenue Stream	Annual targeted revenue (kshs.)	actual receipts as at 31st December (kshs.)	Variance (kshs.)	% receipts
Reg. Of Transporters ( Agri)	200,000	-	- 200,000	0%
Shamba Rent	100,000	500	- 99,500	1%
<b>Total</b>	<b>140,923,000</b>	<b>35,091,044</b>	<b>- 105,831,957</b>	<b>25%</b>
<b>Others</b>		-		
Imprest/Salary Recovery	-	-	-	
Insurance Compensation	-	<b>5,300</b>	5,300	
Direct Bankings	-	-		
Total	-	<b>5,300</b>	<b>5,300</b>	
Sub-Total	<b>975,000,000</b>	<b>227,142,962</b>	<b>(747,857,039)</b>	<b>23%</b>

### 2.1.1.2. Analysis of Equitable Share Receipts

The County received Kes 2,765,010,387 against the projected Kes 3,331,337,816 half year equitable share. The revenue received represents 41.50 % of the total equitable share and is as tabulated in Table 3.

*Table 3: Equitable Share Exchequer Releases*

Annual Estimates	Half year estimates	Amount Received	% Received against Annual Estimate
FY2025/26	FY2025/26	July-December 2025	
6,662,675,631	3,331,337,816	2,765,010,387	41.50

### 2.1.1.3. Analysis of Conditional Grants Receipts

The County projected to receive Kes. 1,788,799,605 in conditional grants from the National Government and other development partners. During the period under review, the County Government received Kes 78,019,732 from the Road Maintenance Levy Fund for FY 2024/25. This amount represents 4% of the total conditional grants expected, as tabulated in Table 4.

*Table 4: Conditional Grant Releases*

Grant	Approved Annual Estimates FY 2025/26	Amount received. (July-December 2025)	% Received against the Approved Annual Estimate
Supplement for Construction of County Headquarters	121,000,000		
Fertilizer Subsidy Programme	121,620,000		
Livestock Value Chains Support Project	135,210,000		
Road Maintenance Levy Fund	222,822,888		
Road Maintenance Levy Fund FY 2024-25	222,822,888	78,019,732	35.01
Community Health Promoters Project	41,200,000		
IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	151,520,000		
Sweden- Kenya Agricultural Business Development Project (KABDP)	10,920,000		
DANIDA - Primary Health Care in Devolved Context	10,972,500		
World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant Bal b/f FY 2024-25	136,000,000		
World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant	104,000,000		

Grant	Approved Annual Estimates FY 2025/26	Amount received. (July-December 2025)	% Received against the Approved Annual Estimate
Kenya Devolution Support Programme Level 1- FY 2021-22	83,211,329		
Kenya Development Support Program Phase 2- Level 2- Institution grant	37,500,000		
Kenya Development Support Program Phase 2- Level 2- Institution grant B/f FY 2024-25	37,500,000		
Kenya Devolution Support Programme Phase 2- Level 2- Development	352,500,000		
<b>Total</b>	<b>1,788,799,605</b>	<b>78,019,732</b>	<b>4</b>

## 2.1.2. Expenditure Performance

The cumulative expenditure for the period under review was Kes. 1,861,927,212 representing 19.75% absorption rate. Of this amount, recurrent expenditure accounted for Kes. 1,477,980,058 (25.33%), while development expenditure stood at Kes. 383,947,154 (10.69%). The relatively high absorption under recurrent expenditure was primarily driven by payments for personal emoluments and other County obligations, as detailed in table 5 below:

*Table 5: FY 2025/26 First Half-Year Expenditure Performance*

Expenditure category	Approved Estimates	Actual expenditure	Absorption rate %
		July-December 2025	
Recurrent	5,833,863,295	1,477,980,058	25.33
Development	3,592,611,941	383,947,154	10.69
<b>Total</b>	<b>9,426,475,236</b>	<b>1,861,927,212</b>	<b>19.75</b>

Source; County Treasury

### 2.1.2.1 Departmental Expenditure Performance

Table 6 provides an overview of budget absorption across the departments for the first half of FY 2025/26. The overall absorption stood at 19.75% as at December 2025. The highest absorption was recorded by the County Public Service Board at 43 %, followed by Finance, Economic Planning and ICT (36%) and Public Service, Administration and Devolution (34%), reflecting relatively steady implementation of planned activities and recurrent expenditures.

In contrast, very low absorption was observed in departments such as Water, Environment, Climate Change and Natural Resources (2%), Agriculture, Livestock and Fisheries (4%), and the Office of the County Attorney and Education sector (7% each). The low absorption is largely attributable to delayed procurement processes, late release of funds, ongoing project designs, and the capital-intensive nature of projects that are yet to commence or reach the payment stage.

Table 6: First Half-Year Departmental Expenditure (2025/26 FY)

Department	Approved Budget Estimates FY 2025/26 (Kes.)	Total Expenditure July-December 2025 (Kes.)	Absorption Rate (%)
Office of The Governor	125,000,000	39,520,420	32
Office of The County Secretary & Head of Public Service	113,746,713	25,083,832	22
Office of County Attorney	39,600,000	2,660,000	7
Public Service, Administration & Devolution	3,111,504,473	1,063,522,221	34
County Public Service Board	28,000,000	11,906,008	43
Finance, Economic Planning and ICT	756,125,275	272,001,288	36
Health Services	765,227,115	185,112,022	24
Education, Children, Gender Affairs, Culture and Social Services	410,062,500	27,578,456	7
Tourism, Industrialization, Co-Operative Development, Trade & Industrialization	98,990,960	13,257,662	13
Youth, Sports and Arts	119,315,402	24,358,997	20
Water, Environment, Climate Change and Natural Resources	558,374,504	12,893,383	2
Transport, Energy and Public Works	1,495,569,776	140,250,462	9
Lands, Physical Planning and Urban Development	160,635,000	9,803,636	6
Municipalities	110,750,000	11,081,118	10
Agriculture, Livestock and Fisheries	612,227,825	22,897,707	4
County Assembly	921,345,693	-	-
<b>Total</b>	<b>9,426,475,236</b>	<b>1,861,927,212</b>	<b>20</b>

Source: County Treasury

## 2.1.2.2 Analysis of First Half-Year Departmental Expenditure

Table 7: FY 2025/26 First Half-Year Departmental Expenditure Analysis

Programme	Approved Estimates	Actual Expenditure	% Absorption	Approved Estimates	Actual Expenditure	% Absorption
	Recurrent Expenditure	Recurrent Expenditure		Development Expenditure	Development Expenditure	
Office of The Governor	125,000,000	39,520,420	31.62	0	-	0
Office of The County Secretary & Head of Public Service	113,746,713	25,083,832	22.052	0	-	0
Office of County Attorney	39,600,000	2,660,000	6.72	0	-	0
Public Service, Administration & Devolution	2,759,004,473	1,063,522,221	38.55	352,500,000	-	-
County Public Service Board	28,000,000	11,906,008	42.52	0	-	0
Finance, Economic Planning and ICT	483,200,982	119,609,267	24.75	272,924,293	152,392,021	55.84
Health Services	582,952,500	74,362,421	12.76	182,274,615	110,749,601	60.76
Education, Children, Gender Affairs, Culture and Social Services	298,293,747	27,578,456	9.25	111,768,753	-	-
Tourism, Industrialization, Co-Operative Development, Trade & Industrialization	55,490,960	13,257,662	23.89	43,500,000	-	-
Youth, Sports and Innovation	106,215,402	24,358,997	22.93	13,100,000	-	-
Water, Environment, Climate Change and Natural Resources	56,250,000	8,893,383	15.81	502,124,504	4,000,000	0.80
Transport, Energy and Public Works	103,520,000	28,444,930	27.48	1,392,049,776	111,805,532	8.03
Lands, Physical Planning and Urban Development	72,085,000	9,803,636	13.6	88,550,000	-	-
Municipalities	106,550,000	11,081,118	10.4	4,200,000	-	-
Agriculture, Livestock and Fisheries	105,607,825	17,897,707	16.95	506,620,000	5,000,000	0.99
County Assembly	798,345,693	0	0	123,000,000	-	-
<b>Grand Total</b>	<b>5,833,863,295</b>	<b>1,477,980,058</b>	<b>25.33</b>	<b>3,592,611,941</b>	<b>383,947,154</b>	<b>10.69</b>

Source: County Treasury

The table above highlights variations in budget execution by sub-sector, distinguishing between recurrent and development expenditures. While recurrent spending recorded some level of activity in most programmes, development expenditure remained low across several departments, with some programmes recording no spending despite approved allocations. The low uptake of development funds is largely attributable to delayed procurement processes and implementation bottlenecks that slowed project commencement and payments during the period under review.

## 2.2 Fiscal Framework for FY 2025/26 and the Medium Term

The CFSP 2026 has been guided by programmes and projects as encapsulated in the third CIDP and the approved ADP 2026/27 FY.

### 2.2.1. Revenue Projections

The total resource envelope for the CFSP 2026 is **Kes 9,143 million**. The resource envelope comprises of Kes 6,863 million equitable share, Kes 650 million from Own-Source Revenue, Kes 400 million from the Facility Improvement Financing (FIF), and Kes 1,230 million from conditional loans and grants provided by the National Government and development partners.

*Table 8: FY 2026/27 and the Medium-Term Revenue Projections*

Revenue	FY2024/25 Actual Revenues (Kes. Millions)	Revenue Projections (Kes. Millions)			
		FY2025/26	FY2026/27	FY2027/28	FY2028/29
Equitable Share	6,409.00	6,663	6,863	7,138	7,423
Local Receipts Collections	370.71	675	650	676	703
AIA (Facility Improvement Financing)	282.53	300	400	416	433
Other revenues (unspent balances b/f)	189.94	0	0	0	0
Conditional loans and Grants from National Government and Development Partners	704.99	1,788	1,230	1,279	1,330
<b>Total</b>	<b>7,957.17</b>	<b>9,426.00</b>	<b>9,143.00</b>	<b>9,508.72</b>	<b>9,889.07</b>

*Source: County Treasury*

## **CHAPTER THREE**

### **INDICATIVE MEDIUM-TERM RESOURCE ALLOCATION**

#### **3.0 Overview**

This chapter presents the Fiscal Framework for the FY 2026/27 and the medium term. It provides an overview of the resource envelope, proposed ceilings and expenditures. The strategic priorities for FY 2026/27 are derived from the development priorities outlined in the approved CIDP 3 and the FY 2026/27 Annual Development Plan.

The allocation of County resources over the medium term will focus on social development and wealth creation. The FY 2026/27 MTEF budget will prioritize measures aimed at transforming the County, guided by the Constitution, relevant legal frameworks, Acts & Regulations. The County planning framework will ensure equitable allocation of resources across all sectors. To strengthen the link between planning, budgeting and implementation, the Medium-Term Budget framework for Fy 2026/27 will continue allocating resources to core programs and sub-programs identified in the approved CIDP III (2023-2027).

Through the approved Annual Development Plan (ADP) for FY 2026/27, all County Departments have identified priority areas along with their estimated resource requirements. These departmental priorities align with the Constitution of Kenya under devolved functions, Vision 2030, the Fourth National Medium-Term Plan (MTP IV) 2023-2027, Nyandarua CIDP III (2023-2027), the Sustainable Development Goals (SDGs) and the Bottom-up Economic Transformation Agenda (BETA).

Additionally, through various investment forums and the Regional Economic Bloc (CEREB), the County aims to attract both local and foreign investors as well as development partners. This will be achieved by creating a conducive business environment through policy legislation that enhances the ease of doing business in the County.

#### **3.1 Criteria for Resource Allocation**

Over the Medium Term, the County Government will prioritize resource allocation to drive the realization of change agenda for Social economic development and Wealth Creation while aligning with the Bottom-up Economic Transformation Agenda (BETA).

The resource envelope available for allocation among the County's spending entities consists of:

- i. Equitable Share of National Revenue.
- ii. County Own Source Revenue, including business permits, property rates, entertainment taxes, levies, fees and charges.
- iii. Donor funding through Conditional Loans and Grants.

The key considerations for resource allocation include:

- i. **The “Bottom-up Economic Transformation Agenda”** which prioritizes:
  - a) Agricultural Transformation
  - b) Micro, Small and Medium Enterprises (MSME)
  - c) Housing and Settlement
  - d) Healthcare
  - e) Digital superhighway and Creative Industry
- ii. **High impact projects as identified in CIDP 3**
- iii. **Ward equity**
- iv. **Flagship Projects**
- v. **Ongoing and multi-year projects:** the emphasis is given to completion of on-going and unfinished projects and in particular infrastructure projects and other projects with a high impact on poverty reduction, equity, and job and wealth creation.
- vi. **Job creation:** Specific consideration to job creation for the youth based on sound initiatives identified in the Governor's manifesto and during the county stakeholders' consultation for the CIDP will be considered as well as disability and gender mainstreaming.
- vii. **Settlement of verified pending bills:** Pending bills should be treated as first charge in budgeting process.

Table 9: FY 2026-27 Programme and Departmental Ceilings

Department/Programme	Approved FY 2025/26 Original Budget	ADP as approved FY 2026/27	Proposed CFSP Departmental Allocations/ Ceilings FY 2026/27					
			Conditional Grants	Flagship Projects	Non- Capital	Capital	Total (Excluding Conditional Grants and Flagships)	Total
<b>OFFICE OF THE GOVERNOR</b>								
Service Delivery Coordination	74.86	71.24			71.24		71.24	71.24
Liaison & Intergovernmental services	28.98	17.70			17.70		17.70	17.70
Governor's press services and administrative support	8.66	19.50			19.50		19.50	19.50
Special programs and Diaspora Affairs	6.50	7.50			7.50		7.50	7.50
Public Participation and Civic Education	6.00	7.50			7.50		7.50	7.50
<b>Total</b>	<b>125.00</b>	<b>123.44</b>	<b>-</b>	<b>0.00</b>	<b>123.44</b>	<b>-</b>	<b>123.44</b>	<b>123.44</b>
<b>OFFICE OF THE COUNTY SECRETARY</b>								
Administration and Support services	39.87	47.00			47.00		47.00	47.00
County Executive Committee Affairs	2.50	2.50			2.50		2.50	2.50
Communication and public relations	5.85	15.00			15.00		15.00	15.00
Records Management	3.95	3.50			3.50		3.50	3.50
Fleet management	61.58	64.00			64.00		64.00	64.00
<b>Total</b>	<b>113.75</b>	<b>132.00</b>	<b>-</b>	<b>0.00</b>	<b>132.00</b>	<b>-</b>	<b>132.00</b>	<b>132.00</b>
<b>COUNTY ATTORNEY</b>	39.60	<b>30.50</b>			30.50		30.50	<b>30.50</b>
<b>COUNTY PUBLIC SERVICE BOARD</b>	28.00	<b>30.00</b>			30.00		30.00	<b>30.00</b>
<b>PUBLIC SERVICE, ADMINISTRATION AND DEVOLUTION</b>								
Human Resource	12.26	8.73			8.73		8.73	8.73
Payroll Management	2,624.21	2,892.00	1.99		2,890.01		2,890.01	2,892.00
Administration and Devolution	26.52	27.00			27.00		27.00	27.00
Kenya Development Support Program Level 2	432.50	352.50	352.50				-	352.50
Kenya Devolution Support Programme Level 1 (Including counter funding of Kes. 5M)		42.50	37.50			5.00	5.00	42.50
Enforcement and Compliance	16.02	13.02			13.02		13.02	13.02
<b>Total</b>	<b>3,111.51</b>	<b>3,335.75</b>	<b>391.99</b>	<b>0.00</b>	<b>2,938.76</b>	<b>5.00</b>	<b>2,943.76</b>	<b>3,335.75</b>
<b>FINANCE, ECONOMIC PLANNING AND ICT</b>								
Public Finance Management (Including Financial Reporting)	27.00	26.00			26.00		26.00	26.00

Department/Programme	Approved FY 2025/26 Original Budget	ADP as approved FY 2026/27	Proposed CFSP Departmental Allocations/ Ceilings FY 2026/27					
			Conditional Grants	Flagship Projects	Non- Capital	Capital	Total (Excluding Conditional Grants and Flagships)	Total
Mortgage fund	85.00	85.00			85.00		85.00	85.00
Emergency Fund	40.00	40.00			40.00		40.00	40.00
Nyandarua County Trade Development and Investment Authority Fund	25.00	25.00		25.00			-	25.00
County Bursary Fund	144.81	170.50		110.00	60.50		60.50	170.50
Pending Bills	184.94	200.00			50.00	150.00	200.00	200.00
ICT & E-government services	29.65	24.00			8.50	15.50	24.00	24.00
Economic Planning and Development	63.55	58.00			58.00		58.00	58.00
KDSP Level I	83.21						-	-
Revenue and business development	45.42	45.00			45.00		45.00	45.00
Supply Chain Management	14.85	12.00			12.00		12.00	12.00
Internal Audit and Risk Management	12.70	13.00			13.00		13.00	13.00
<b>Total</b>	<b>756.13</b>	<b>698.50</b>	<b>-</b>	<b>135.00</b>	<b>398.00</b>	<b>165.50</b>	<b>563.50</b>	<b>698.50</b>
<b>EDUCATION, TECHNICAL TRAINING, CULTURE, GENDER &amp; SOCIAL PROTECTION</b>								
Early Childhood Development Education (ECDE)	110.67	149.50		97.50	41.40	10.60	52.00	149.50
Vocational Training Development	80.57	69.50		36.21	23.29	10.00	33.29	69.50
Cultural Heritage	20.72	10.00			10.00		10.00	10.00
Library Services	7.45	16.90		15.50	1.40		1.40	16.90
Gender and Social Protection	185.09	205.00			205.00		205.00	205.00
Alcoholic Drinks Control	5.55	7.00			7.00		7.00	7.00
<b>Total</b>	<b>410.06</b>	<b>457.90</b>	<b>-</b>	<b>149.21</b>	<b>288.09</b>	<b>20.60</b>	<b>308.69</b>	<b>457.90</b>
<b>HEALTH SERVICES</b>								
Health infrastructure and equipment	180.27	167.80		133.00		34.80	34.80	167.80
Preventive and promotive health care	116.26	105.52	41.61		63.91		63.91	105.52
Curative health care (Inclusive of Universal Health Coverage and FIF)	468.69	165.86	7.85		158.01		158.01	165.86
A.I.A (Facility Improvement Financing)		400.00			400.00		400.00	400.00
<b>Total</b>	<b>765.23</b>	<b>839.18</b>	<b>49.46</b>	<b>133.00</b>	<b>621.92</b>	<b>34.80</b>	<b>656.72</b>	<b>839.18</b>
<b>WATER, SANITATION, ENVIRONMENT, TOURISM, NATURAL RESOURCES AND CLIMATE CHANGE</b>								
Water Resource development	187.97	119.80		50.00	14.00	55.80	69.80	119.80

Department/Programme	Approved FY 2025/26 Original Budget	ADP as approved FY 2026/27	Proposed CFSP Departmental Allocations/ Ceilings FY 2026/27					
			Conditional Grants	Flagship Projects	Non- Capital	Capital	Total (Excluding Conditional Grants and Flagships)	Total
Climate Change Resilience	321.15	36.00	30.00		6.00		6.00	36.00
Environment Conservation and Management	13.77	8.50			7.00	1.50	8.50	8.50
Solid waste and Cemeteries Management	6.10	19.00			19.00		19.00	19.00
Natural Resource management	7.69	8.00			7.00	1.00	8.00	8.00
Tourism Development and Marketing	21.70	22.50		11.50	8.50	2.50	11.00	22.50
<b>Total</b>	<b>558.37</b>	<b>213.80</b>	<b>30.00</b>	<b>61.50</b>	<b>61.50</b>	<b>60.80</b>	<b>122.30</b>	<b>213.80</b>
<b>TRADE, INDUSTRIALIZATION, COOPERATIVE DEVELOPMENT &amp; PARTNERSHIP</b>								
Trade Development	34.60	32.00			7.50	24.50	32.00	32.00
Nyandarua County Trade Development and Investment Authority (NCTDIA)	15.80	3.50			3.50		3.50	3.50
Industrialization	13.85	109.00		100.00	5.50	3.50	9.00	109.00
Cooperative development	28.25	16.45			10.45	6.00	16.45	16.45
Weights & Measures	4.30	4.30			4.30		4.30	4.30
Partnership, Diaspora & Resource Mobilization	2.20	4.00			4.00		4.00	4.00
<b>Total</b>	<b>98.99</b>	<b>169.25</b>	<b>-</b>	<b>100.00</b>	<b>35.25</b>	<b>34.00</b>	<b>69.25</b>	<b>169.25</b>
<b>YOUTH AFFAIRS, SPORTS AND INNOVATIONS</b>								
Youth Affairs	46.17	77.40		50.00	27.40		27.40	77.40
Sports development	66.84	80.80			72.50	8.30	80.80	80.80
Innovation	6.30	14.50			14.50		14.50	14.50
<b>Total</b>	<b>119.32</b>	<b>172.70</b>	<b>-</b>	<b>50.00</b>	<b>114.40</b>	<b>8.30</b>	<b>122.70</b>	<b>172.70</b>
<b>LANDS, PHYSICAL PLANNING, HOUSING &amp; URBAN DEVELOPMENT</b>								
Urban Development	12.60	16.60			3.10	13.50	16.60	16.60
Physical Planning Services	9.55	14.50			5.50	9.00	14.50	14.50
Land Survey and mapping (including GIS)	27.20	20.50			20.50		20.50	20.50
Land administration and management	104.67	38.50			21.00	17.50	38.50	38.50
Housing Development and Management	6.62	5.00			3.00	2.00	5.00	5.00
<b>Total</b>	<b>160.64</b>	<b>95.10</b>	<b>-</b>	<b>-</b>	<b>53.10</b>	<b>42.00</b>	<b>95.10</b>	<b>95.10</b>
<b>MUNICIPALITIES</b>								
Ol'Kalou Municipality	40.20	64.00	20.00		21.00	23.00	44.00	64.00
Mairo-Inya Municipality	36.35	33.70			21.70	12.00	33.70	33.70

Department/Programme	Approved FY 2025/26 Original Budget	ADP as approved FY 2026/27	Proposed CFSP Departmental Allocations/ Ceilings FY 2026/27					
			Conditional Grants	Flagship Projects	Non- Capital	Capital	Total (Excluding Conditional Grants and Flagships)	Total
Engineer Municipality	34.20	49.70	15.00		16.20	18.50	34.70	49.70
<b>Total</b>	<b>110.75</b>	<b>147.40</b>	<b>35.00</b>	<b>-</b>	<b>58.90</b>	<b>53.50</b>	<b>112.40</b>	<b>147.40</b>
<b>ROADS, TRANSPORT, ENERGY &amp; PUBLIC WORKS</b>								
Roads and Transport Development	1,196.85	889.15	277.74	50.00	21.00	540.41	561.41	889.15
Energy development	70.17	63.00			46.50	16.50	63.00	63.00
Fire Emergency and Disaster Management Unit	5.50	5.00			5.00		5.00	5.00
Public works	223.05	216.40	121.00	74.40	6.00	15.00	21.00	216.40
<b>Total</b>	<b>1,495.57</b>	<b>1,173.55</b>	<b>398.74</b>	<b>124.40</b>	<b>78.50</b>	<b>571.91</b>	<b>650.41</b>	<b>1,173.55</b>
<b>AGRICULTURE, AGRIBUSINESS, LIVESTOCK AND FISHERIES</b>								
Crop development	358.91	427.57	354.87	12.50	18.00	42.20	60.20	427.57
Irrigation	0.85						-	-
Agricultural Institutions support to ATCs & AMS (including SPPU & Revolving fund)	5.00	7.00			7.00		7.00	7.00
Livestock development	179.66	65.60			14.30	51.30	65.60	65.60
Veterinary services (including subsidized AI)	63.51	59.10		37.50	19.60	2.00	21.60	59.10
Fisheries Development	4.30	4.40			3.40	1.00	4.40	4.40
<b>Total</b>	<b>612.23</b>	<b>563.67</b>	<b>354.87</b>	<b>50.00</b>	<b>62.30</b>	<b>96.50</b>	<b>158.80</b>	<b>563.67</b>
<b>COUNTY ASSEMBLY</b>								
County Assembly	921.35	<b>960.00</b>			810.00	<b>150.00</b>	<b>960.00</b>	<b>960.00</b>
<b>Grand Total</b>	<b>9,426.48</b>	<b>9,142.74</b>	<b>1,260.06</b>	<b>803.11</b>	<b>5,836.66</b>	<b>1,242.91</b>	<b>7,079.57</b>	<b>9,142.74</b>

**Table 10: FY 2026-27 and the Medium-Term Departmental Ceilings**

Department/Programme	FY 2025/26 Approved Budget Kes. Million	FY 2026/2027 Ceiling as proposed Kes. Million	FY 2026/2027 Ceiling as approved Kes. Million	FY 2027/2028 Projected ceilings Kes. Million	FY 2028/2029 Projected ceilings Kes. Million
<b>GOVERNOR'S OFFICE</b>					
Service delivery, policy direction and Leadership	74.19	80.00	71.24	74.09	77.05
Governor's press services	8.66	25.46	19.50	20.28	21.09
Liaison and intergovernmental relations	28.98	22.68	17.70	18.41	19.14
Public Participation and Civic Education	6.00	11.00	7.50	7.80	8.11
Special Program and Diaspora Affairs	6.50	6.50	7.50	7.80	8.11
<b>Total</b>	<b>124.33</b>	<b>145.64</b>	<b>123.44</b>	<b>128.38</b>	<b>133.51</b>
<b>OFFICE OF THE COUNTY SECRETARY</b>					
County Administration, coordination and support	39.87	44.87	47.00	48.88	50.84
Communication and public relations	5.85	10.85	15.00	15.60	16.22
County Executive Committee Affairs	2.50	2.50	2.50	2.60	2.70
Records Management	3.95	3.95	3.50	3.64	3.79
Fleet management and fuel control services	61.58	70.00	64.00	66.56	69.22
<b>Total</b>	<b>113.75</b>	<b>132.17</b>	<b>132.00</b>	<b>137.28</b>	<b>142.77</b>
<b>OFFICE OF COUNTY ATTORNEY</b>					
<b>COUNTY PUBLIC SERVICE BOARD</b>	<b>39.60</b>	<b>36.50</b>	<b>30.50</b>	<b>31.72</b>	<b>32.99</b>
<b>PUBLIC SERVICE MANAGEMENT, ADMINISTRATION AND DEVOLUTION</b>					
Human Resource Management	2,636.46	8.73	8.73	9.08	9.44
Payroll Management		2,675.40	2,892.00	3,007.68	3,127.99
Public Administration	26.52	2.49	27.00	28.08	29.20
Enforcement and Compliance	16.02	13.02	13.02	13.54	14.08
Kenya Devolution Support Programme Level 2	432.50	352.50	352.50	366.60	381.26
Sub-County and Ward Administration		19.52	-	0.00	0.00
Kenya Devolution Support Programme Level 1 (Including counter funding of Kes. 5M)		42.50	42.50	44.20	45.97
<b>Total</b>	<b>3,111.50</b>	<b>3,114.16</b>	<b>3,335.75</b>	<b>3,469.18</b>	<b>3,607.95</b>
<b>FINANCE, ECONOMIC PLANNING, ICT &amp; REVENUE</b>					
Public Finance Management (Including Financial Reporting)	27.00	26.00	26.00	27.04	28.12
Mortgage fund	85.00	85.00	85.00	88.40	91.94
County Emergency Fund	40.00	40.00	40.00	41.60	43.26

Department/Programme	FY 2025/26	FY 2026/2027	FY 2026/2027	FY 2027/2028	FY 2028/2029
	Approved Budget Kes. Million	Ceiling as proposed Kes. Million	Ceiling as approved Kes. Million	Projected ceilings Kes. Million	Projected ceilings Kes. Million
Nyandarua County Trade Development and Investment Authority Fund	25.00	25.00	25.00	26.00	27.04
County Bursary Fund	144.81	110.00	170.50	177.32	184.41
Pending Bills	184.94	256.56	200.00	208.00	216.32
ICT & E -government services	29.65	29.00	24.00	24.96	25.96
Economic Planning and Development	63.55	58.00	58.00	60.32	62.73
KDSP Level 1	83.21			-	-
Revenue and Business Development	45.42	45.00	45.00	46.80	48.67
Supply Chain Management	14.85	14.00	12.00	12.48	12.98
Internal Audit and Risk Management	12.70	13.00	13.00	13.52	14.06
<b>Total</b>	<b>756.13</b>	<b>701.56</b>	<b>698.50</b>	<b>726.44</b>	<b>755.50</b>
<b>EDUCATION, CHILDREN, GENDER AFFAIRS, CULTURE AND SOCIAL SERVICES</b>					
Early Childhood Development Education (ECDE)	110.67	175.15	149.50	155.48	161.70
Vocational Training Development	80.57	68.50	69.50	72.28	75.17
Cultural Heritage	20.72	11.00	10.00	10.40	10.82
Library Services	7.45	13.80	16.90	17.58	18.28
Gender and social protection	185.09	166.68	205.00	213.20	221.73
Alcoholic Drinks Control	5.55	7.00	7.00	7.28	7.57
<b>Total</b>	<b>410.05</b>	<b>442.13</b>	<b>457.90</b>	<b>476.22</b>	<b>495.26</b>
<b>HEALTH SERVICES</b>					
Health infrastructure and equipment	180.27	175.50	167.80	174.51	181.49
Preventive and promotive health care	116.26	116.00	105.52	109.74	114.13
Curative Health Care		177.50	165.86	172.49	179.39
Curative health care (Inclusive of Universal Health Coverage) A.I.A (Facility Improvement Financing)	468.69	400.00	400.00	416.00	432.64
<b>Total</b>	<b>765.22</b>	<b>869.00</b>	<b>839.18</b>	<b>872.75</b>	<b>907.66</b>
<b>WATER, SANITATION, ENVIRONMENT, TOURISM, NATURAL RESOURCES AND CLIMATE CHANGE</b>					
Water Resource Management	187.97	215.50	119.80	124.59	129.58
Environment Conservation and Management	13.77	10.50	8.50	8.84	9.19
Solid Waste Management	6.10	8.60	19.00	19.76	20.55
Climate Change	321.15	68.00	36.00	37.44	38.94
Natural Resources Management	7.69	8.00	8.00	8.32	8.65

Department/Programme	FY 2025/26	FY 2026/2027	FY 2026/2027	FY 2027/2028	FY 2028/2029
	Approved Budget	Ceiling as proposed	approved	Projected ceilings	Projected ceilings
	Kes. Million	Kes. Million	Kes. Million	Kes. Million	Kes. Million
Tourism Development and Marketing	21.70	23.00	22.50	23.40	24.34
<b>Total</b>	<b>558.38</b>	<b>333.60</b>	<b>213.80</b>	<b>222.35</b>	<b>231.25</b>
<b>TRADE, INDUSTRIALIZATION, COOPERATIVE DEVELOPMENT AND PARTNERSHIP</b>					
Trade Development	34.60	25.10	32.00	33.28	34.61
Investment promotion and Development	15.80	28.80	3.50	3.64	3.79
Industrial development	13.85	113.85	109.00	113.36	117.89
Cooperative development	28.25	28.25	16.45	17.11	17.79
Weights & Measures	4.29	4.30	4.30	4.47	4.65
Partnership, Diaspora and Resource Mobilization	2.20	5.00	4.00	4.16	4.33
<b>Total</b>	<b>98.99</b>	<b>205.30</b>	<b>169.25</b>	<b>176.02</b>	<b>183.06</b>
<b>YOUTH AFFAIRS, SPORTS AND INNOVATION</b>					
Youth Affairs	46.17	94.40	77.40	80.50	83.72
Sports	66.84	61.50	80.80	84.03	87.39
Innovation	6.30	11.10	14.50	15.08	15.68
<b>Total</b>	<b>119.31</b>	<b>167.00</b>	<b>172.70</b>	<b>179.61</b>	<b>186.79</b>
<b>LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT</b>					
Land administration and management	104.67	69.09	38.50	40.04	41.64
Survey and mapping	27.20	25.70	20.50	21.32	22.17
Physical planning	9.55	14.55	14.50	15.08	15.68
Urban Development	12.60	7.50	16.60	17.26	17.95
Housing Development	6.62	10.50	5.00	5.20	5.41
<b>Total</b>	<b>160.64</b>	<b>127.34</b>	<b>95.10</b>	<b>98.90</b>	<b>102.86</b>
<b>MUNICIPALITIES</b>					
Ol'Kalou Municipality	40.20	109.00	64.00	66.56	69.22
Mairo-Inya Municipality	36.35	47.20	33.70	35.05	36.45
Engineer Municipality	34.20	47.70	49.70	51.69	53.76
<b>Total</b>	<b>110.75</b>	<b>203.90</b>	<b>147.40</b>	<b>153.30</b>	<b>159.43</b>
<b>ROADS, TRANSPORT, PUBLIC WORKS AND ENERGY</b>					
Roads and Transport Development	1,196.85	854.84	889.15	924.72	961.70
Public Works	223.05	182.00	216.40	225.06	234.06
Energy development	70.17	68.00	63.00	65.52	68.14
Emergency Response and Preparedness	5.50	6.00	5.00	5.20	5.41

Department/Programme	FY 2025/26	FY 2026/2027	FY 2026/2027	FY 2027/2028	FY 2028/2029
	Approved Budget Kes. Million	Ceiling as proposed Kes. Million	approved Kes. Million	Projected ceilings Kes. Million	Projected ceilings Kes. Million
Total	<b>1,495.57</b>	<b>1,110.84</b>	<b>1,173.55</b>	<b>1,220.49</b>	<b>1,269.31</b>
<b>AGRICULTURE, AGRIBUSINESS, LIVESTOCK AND FISHERIES</b>					
Crop development	358.91	421.42	427.57	444.67	462.46
Irrigation	0.85			-	-
Agricultural Institutions support to ATCs & AMS (including SPPU & Revolving fund)	5.00	7.00	7.00	7.28	7.57
Livestock development	179.66	25.63	65.60	68.22	70.95
Veterinary services (including subsidized AI)	63.51	63.51	59.10	61.46	63.92
Fisheries Development	4.30	8.06	4.40	4.58	4.76
Total	<b>612.23</b>	<b>525.61</b>	<b>563.67</b>	<b>586.22</b>	<b>609.67</b>
<b>COUNTY ASSEMBLY</b>					
County Assembly	<b>921.34</b>	<b>800.00</b>	<b>960.00</b>	<b>998.40</b>	<b>1,038.34</b>
Grand Total	<b>9,425.79</b>	<b>8,942.74</b>	<b>9,142.74</b>	<b>9,508.45</b>	<b>9,888.79</b>

## Departmental Ceiling FY 2026/27

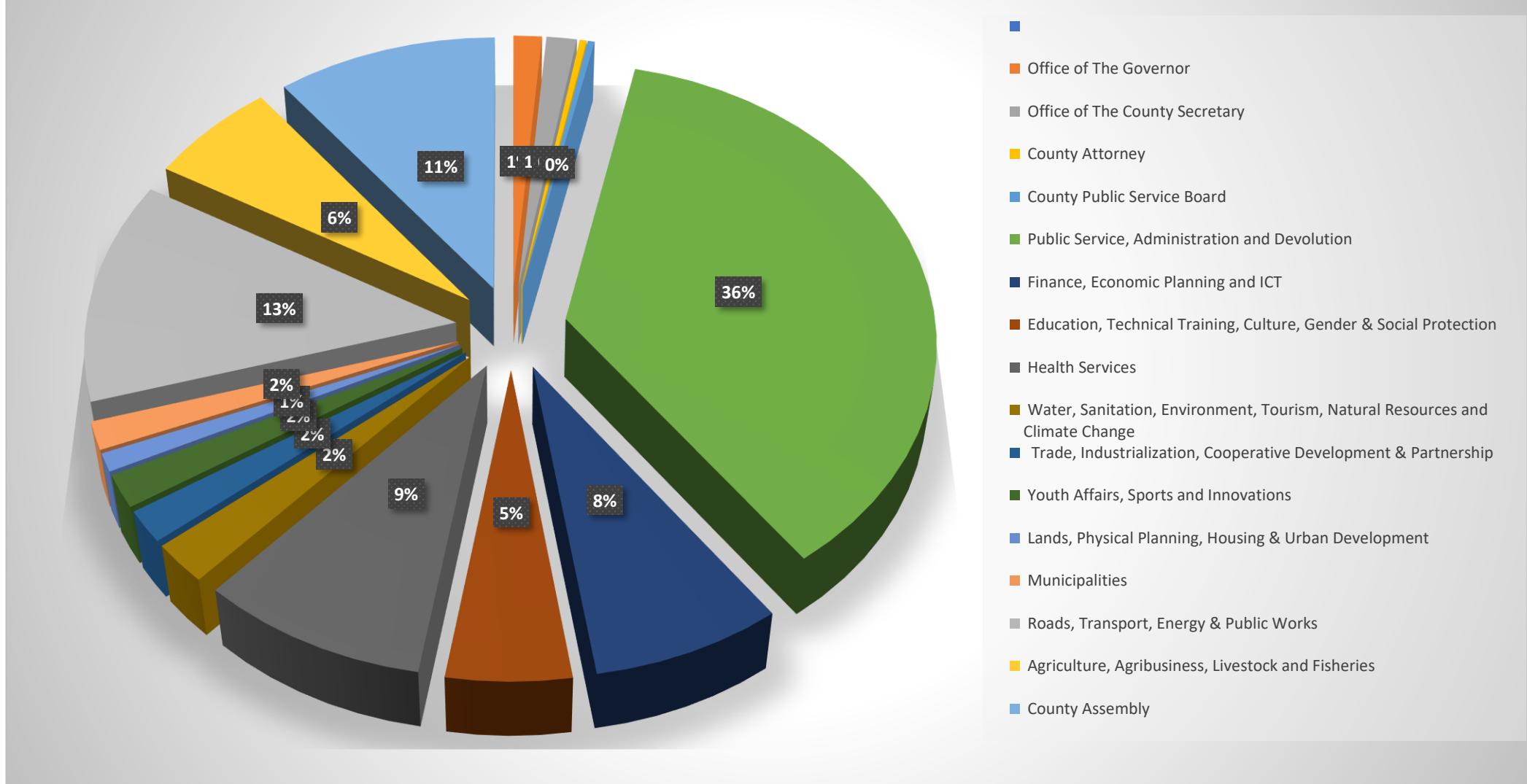


Figure 2: Departmental ceilings

### **3.2 Priority areas for the 2026/27 FY and the medium term**

#### **1. Office of the Governor**

In the Fy 20627, the Office of the Governor will offer overall leadership, policy direction and coordinating role for the smooth running of the county government. This will be done through; chairing of the County Executive Committee meetings where several resolutions are passed to guide the operations of the County Government; meeting county residents and other key stakeholders in forums and ward development tours so as to articulate the government's development agenda; reporting on the actions being taken to implement the development agenda as well as commissioning of projects. The Governor is also expected to deliver the annual state of the county address as required by the Constitution and represent the County in intergovernmental forums including the IBEC, the Summit, the CEREB, the Council of Governors as well as with National Government departments and development partners.

#### **2. Office of the County Secretary**

The Office of the County Secretary is tasked with overseeing key governance and administrative functions to ensure seamless service delivery. It plays a crucial role in interdepartmental coordination, County Executive Committee affairs, policy implementation, and intergovernmental relations to enhance collaboration with various stakeholders. The office also spearheads communication and public relations through media engagement, publications, county branding, and strategic outreach initiatives, with an allocation of Kes. 15 million. Additionally, records management is a vital function, ensuring timely access to government information through an integrated records system, with Kes. 3.5 million dedicated to its operations. The office further manages assets and utilities, including maintaining county assets, securing government premises, and handling insurance and infrastructure maintenance. The administration and support services component, which facilitates the efficient execution of these responsibilities, has been allocated Kes. 47 million, while County Executive Committee affairs receive Kes. 2.5 million for coordination and governance-related activities. An allocation of Kes. 64 million has been slated for fleet management and fuel control services. The office has been allocated a proposed **Kes. 132 million** to execute these crucial functions, reinforcing transparency, efficiency, and effective administration.

### 3. County Attorney

The Office of the County Attorney is responsible for providing legal services, ensuring policy and legal compliance, and safeguarding county interests. The office has been allocated a proposed **Kes. 30.5 million** to execute its mandate effectively. A significant portion, Kes. 15 million, is dedicated to county litigations, covering legal representation, court proceedings, and the settlement of legal liabilities. The remainder supports legal advisory services, alternative dispute resolution, legislative drafting, policy audits, publishing legal documents, and general office administration. These functions ensure effective legal service delivery, policy compliance, and the protection of the county's legal interests.

### 4. County Public Service Board

The 3rd County Public Service Board was sworn into office in the 3rd quarter of 2025/26 FY. This Board will prioritize strengthening of the County public service through recruitment of staff to fill critical gaps across departments, entrenching values and principles in the County Public Service, human resource development through job evaluations, skills audit and staff rationalization, performance management including the reward and sanctions policy, establish and abolish offices, and exercise the disciplinary control. In addition, the CPSB will offer advisory on personnel emoluments through the job evaluations as well as be accountable to the various oversight bodies such as the county Assembly, Salaries and Remuneration Commission, Public Service Commission, National Cohesion and Integration Commission, Senate among others. The resource requirement for all this will be **Ksh. 30 million**.

### 5. Public Service, Administration and Devolution

The Department of Public Service, Administration, and Devolution plays a vital role in governance, public service management, and enforcement of county laws. For the 2026/27 financial year, the department has been allocated **Kes. 3,335.75 million** to ensure efficient service delivery. A significant portion **Kes. 2,892 million**, is dedicated to public service, covering employee compensation, pensions, gratuities, and medical insurance. Additionally, Kes. 27 million is allocated to administration and devolution, ensuring smooth coordination at sub-county and ward levels, civic education, disaster response, and public participation. In preparedness for the Kenya Devolution Support Programme (KDSP) 2, Kes. 352.5 million for the investment grant have been factored. Furthermore, the Kenya Development Support Program Level 2 receives Kes. 37.5 million to enhance capacity-building initiatives.

Enforcement and compliance services, which include facilitating officers, providing operational tools, training, and securing county premises, are allocated Kes. 13.02 million. Through these allocations, the department ensures the smooth administration of public services, devolution, and law enforcement while improving governance efficiency

## **6. Health Services**

The health sector is the cornerstone of a thriving population. To ensure the county has a healthy population, **KSh 839.18 million** has been allocated to programmes within the department. During the planned period, KSh 82.4 million has been allocated to strengthening Community Health Units through a matching fund involving both the National and County Governments. A total of KSh 565.86 million has been allocated to the Curative Programme, out of which KSh 100 million will go towards the acquisition of strategic stocks and KSh 5 million towards ICT and telemedicine rollout, KSh 400 million as the Facility Improvement Fund (FIF), KSh 10 million for the acquisition of an ambulance, KSh 20 million as transfers to Sub-County Health Offices and Dispensaries/Health Centres, and KSh 7.86 million as a DANIDA grant. The Health Infrastructure Programme has an allocation of KSh 167.8 million, with identified flagship projects being Sub-County Health Facilities Infrastructure Upgrade at KSh 83 million and Equipping Sub-County Health Facilities at KSh 50 million (KSh 35 million for Sub-County Health Facilities and KSh 15 million for other facilities). Other key projects in the department include specialized clinics undertaken under a Public-Private Partnership (PPP) at KSh 1,200 million, and the clearance of Mirangine CDC pending payments amounting to KSh 20.0 million.

## **7. Education, Technical Training, Culture, Gender & Social Protection.**

The Department is implementing strategic interventions in education, skills development, culture, gender and social protection to expand access, improve learning outcomes, and strengthen infrastructure across the County. The proposed allocation for FY 2026/27 is **Kes. 457.90 million**. Flagship projects include Kes. 12.5 million for ECDE capitation, Kes. 70 million for the ECDE school feeding programme, Kes. 36.21 million for Vocational Training Centre (VTC) capitation, and Kes. 15 million for completion of incomplete and stalled ECDE construction projects. The Department has also allocated Kes. 25 million to equip ECDE Centres, enhancing the learning environment and supporting effective delivery under the Competency-Based Education (CBE) framework. The Department further promotes cultural

heritage, gender equity, social protection, and alcohol control mechanisms, complementing its education and skills initiatives.

## **8. Youth Affairs, Sports & Innovation**

The Department plays a critical role through three core programmes: Youth Empowerment, Sports Development, and Arts Development. The total proposed budget for the Department is Kes. 172.7 million, with Kes. 77.4 million allocated to Youth Empowerment, Kes. 80.8 million earmarked for Sports Development and Promotion, and Kes. 14.5 million allocated to Arts Development. Key Youth Empowerment initiatives include the Nyandarua Youth Service Programme, to be implemented across all 25 wards at a cost of Kes. 50 million, aimed at engaging youth in meaningful casual labour while building practical skills. The Department will also provide training and certification in short courses to enhance employability, at a cost of Kes. 10 million. In Sports Development, the Department will organize the Governor's Tournament at a cost of Kes. 14.5 million and facilitate participation in the KYSA Games at a cost of Kes. 5 million.

## **9. Trade, Industrialization, Cooperative Development and Partnership**

This subsector plays a pivotal role in advancing the Change and BETA Agenda while strengthening the county and national services sector, which is a major engine of economic growth. A total allocation of KSh 169.25 million has been proposed for the department. To support local trade, KSh 32.0 million has been earmarked for market infrastructure development. The County has a strong and active cooperative movement comprising approximately 497,000 members, which serves as a significant economic driver by leveraging economies of scale to boost the County's Gross County Product (GCP). In recognition of this role, KSh 16.45 million has been allocated to cooperative development, out of which KSh 6.0 million earmarked for infrastructure support.

Industrialization contributes to enhanced local value addition and diversification of the County's economic base, thereby reducing reliance on raw agricultural produce. To support this objective, Industrialization programme has been allocated KSh 109.0 million, of which KSh 100.0 million is earmarked for the County Aggregation and Industrial Park, while KSh 3.5 million is allocated for upgrading and equipping cottage industries to unlock the potential of Micro, Small and Medium Enterprises (MSMEs).

## **10. Water, Sanitation, Environment, Tourism, Natural Resources and Climate Change**

The department is Committed to promote sustainable access and conservation of water, proper sanitation, develop tourism, conserve the environment, ensure optimal use of the natural resources and manage climate change. To achieve this, the department has total allocation of **Kes. 213.8 million**. To Increase access to portable water and improve sanitation, **Kes. 119 million** has been allocated for development of community water projects. A total of **Kes 36 million** has been allocated for County climate change interventions while conservation of Lake Olbollosat has been allocated **Kes. 5 million** through the Lake Olbollosat Conservation Half Marathon. The department has also prioritized acquisition of a backhoe in its efforts to enhance solid waste management.

## **11. Lands, physical planning Housing and Urban Development**

The department operates within the infrastructure sector, supporting other sectors by providing space for utilities and county infrastructure. The Department has a total allocation of Kes.95.1 million. The key programmes under this department include Urban Development, Physical Planning, Survey and Mapping (including GIS system), Land Administration and Management and housing. The key projects earmarked under the department includes Kes. 16.5 million for acquisition of land for social amenities and Kes 13.5 for upgrade of urban areas. In addition, Kes. 5 million has been allocated for issuance of titling documents to colonial villages.

## **12. Municipalities**

Ol Kalou, Engineer and Mairo-Inya municipalities have been allocated a total of Kes. 147.4million. This is meant for infrastructure development and delivery of municipal services with the overall goal being to improve the quality of life for residents and promote economic growth and development within these municipalities. Out of this allocation, Kes. 35 million is from the Worl bank KUSP programme (urban development grant) for Engineer (15 M) and Ol Kalou (20 M) municipalities for urban infrastructure development. To enhance the municipal management and administration a total of Kes. 10.5 million has been allocated for the operations of the municipal boards, 3.5 M for each municipality.

## **13. Roads, Transport, Energy and Public Works**

In order to provide reliable transport, energy infrastructure and ensure a prompt emergency response, the department has an allocation of Kes1,173.55 million. To improve the county roads infrastructure to motorable standards, the department has an allocation of Kes. 50 million

for County machinery programme, kes. 277.75 for Road Maintenance Fuel Levy (RMFL) and contracted works having an allocation of Kes. 472.10 million. A further Kes.50.3 million has been allocated for Construction and maintenance of drainage infrastructure in the County and Kes.5 million for purchase of 2 Rippers. The County headquarter offices has an allocation of Kes.151 million whilst Completion of the Governor's residence and equipping has an allocation of Kes.10 million. Other major allocations include Kes. 34.4 million for construction of bridges/ box culverts (Gachuha bridge and 4 others), kes. 5 million for completion of County machinery workshop, kes. 3 million for completion of County headquarters public toilet and kes. 3 million for extension of roads offices. An allocation kes. 45 million has been set aside for payment of county lighting bills and maintenance of floodlights/streetlights. An Additional kes. 16.50 million has been allocated for procurement and installation of floodlights inclusive of transformer installation and maximization.

#### **14. Agriculture, Agribusiness, Livestock and Fisheries**

The programs under the department include Crop Development, Livestock Development, Veterinary Services (which offers subsidized artificial insemination), Fisheries Development, and Agricultural Institutions Support (Revolving Fund – AMS, ATCs, and SPPU). To enhance agricultural production and productivity, the department has been allocated a total of **Kes. 563.67million**. Kes. 37.50 million has been allocated for subsidized AI program, and Kes. 30 million for promotion of livestock value chains, Kes. 5.5 million for vaccination of animals, Kes. 41.7 million for provision farm inputs and Kes. 7 million as additional seed capital for agricultural institutions revolving fund. Other key programmes supported through conditional grants include Kes. 123.62 million allocated for subsidized fertilizer, Kes. 231.25 million as National Agricultural Value Chain Development Project (NAVCDP).

#### **15. Finance, Economic Planning, ICT & Revenue**

The department will continue to support the County Government operations as dictated by various legislations such as the Public Finance Management Act, 2012, The Public Procurement and Asset Disposal Act, 2015 among others. The County Treasury will strengthen the management of County funds to ensure there is value for money. Identification of development priorities and the attendant allocation of budget to development priorities will be undertaken through a participatory and legal framework to ensure equitable development across the County through the budget process. Procurement of goods, works and services will be undertaken in line with the approved procurement plan early enough to ensure that all

development priorities are implemented before the “electioneering fever” sets in. Disposal of identified obsolete assets will be undertaken on need basis as per the disposal plan. Payment obligations including the pending bills will be settled in a coordinated and timely manner to internal and external customers to ensure constant cashflows to support the county economy and ensure maximum absorption rates. To fund the budget priorities, the County intends to mobilize Ksh. 1,050 million from the various revenue streams which includes the Health Facility Improvement Fund. To achieve the targeted revenue; revenue streams and business mapping, revenue collection infrastructure support, policy and legislative interventions will be implemented. Through the ICT directorate, creativity and innovation will be supported through establishment of ICT hubs, internet and Wi-Fi connectivity expanded, and county government services digitized. The budget implementation will be monitored and evaluated and an inventory of the same developed. For guided development planning, various publications such as the county statistical abstract will be prepared to offer empirical data for informed policy formulation. Through the internal audit unit and the internal audit committee, budget implementation will be tracked to ensure value for money. Implementation of the above will require an allocation of **Ksh. 698.5 million.**

## **16. County Assembly**

In order to fulfil its mandates as bestowed by the constitution of Kenya, 2010, County Government Act, 2012, and the Public Finance Management Act, 2012 of oversight, legislation and representation, the County Assembly has an allocation of **Kes. 668.1 million.**

### **3.4 Adherence to Fiscal Responsibility Principles**

In line with the Constitution, Section 107 of the PFM Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the Fiscal Responsibility Principles which the County Governments have to adhere to.

The law stipulates that:

- i. The County public debt shall never exceed twenty (20) % of the County Government's total revenue at any one time.
- ii. The County Government wages shall be contained at thirty-five (35) % of the County Government's total revenue in the Medium Term.
- iii. The approved expenditures of a county assembly will be as per the senate's recommendations. This shall not exceed 7% of the total revenues of the County Government or twice the personnel emoluments of that County Assembly,

whichever is lower.

- iv. The County Government actual expenditure on development shall be at least thirty (30) % of the County Government's total expenditure.
- v. fiscal risks shall be managed prudently; and
- vi. A reasonable degree of predictability for the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

In the 2026/27 FY and the Medium Term, the County Treasury will ensure that the Budgets are prepared in a way that ensures strict adherence to this principle. Table 12 gives a summary of the indicators on Fiscal Responsibility.

**Table 11: County Fiscal Responsibility Adherence**

Indicator		Amount (Kes)	% share of total Budget
County Expenditure	Recurrent	5,441.82	60
	Development	2,740.92	30.0
	<b>Total</b>	<b>8,182.74</b>	<b>89.50</b>
Expenditure on wages & benefits		3,480.00	38.06
Expenditure by County Assembly	Recurrent and Development	960.00	10.5
Debt financing	Recurrent and Development	200.00	2.19

From the analysis presented in table 12, the extent of adherence to the Fiscal Responsibility Principles is as follows:

- i. **The County public debt shall never exceed twenty per cent of the County Government's total revenue at any one time**

In the 2026/27 FY, the County does not plan to borrow externally. The County Government will ensure that all its obligation to the suppliers is met on a timely basis to avoid piling of Pending Bills. The County has allocated resources towards payment of verified pending bills as cleared by the County Pending Bills Committee.

- ii. **County Government's expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) per cent of the County Government's total revenue**

In 2026/27 FY, the County's expenditure on wages and benefits will account for 38.06% of the total expenditure. This includes the employees' pension, mortgage, gratuity funds and medical schemes. The County is therefore not in line with the set limit of 35 % of the County revenues.

- iii. **The approved expenditures of a County Assembly shall not exceed seven per cent of the total revenues of the County Government or twice the personnel emoluments of that County assembly, whichever is lower.**

The County Assembly's ceiling accounts for 10.5% of the total revenues. The County is not compliant on this aspect.

- iv. **The County Government actual expenditure on development shall be at least thirty per cent**

It is projected that the County Government will spend 30.0% of its Budget on development in 2026/27 FY. This will be mostly on expenditure towards the completion of on-going projects, flagship projects and other service delivery initiatives. This allocation will also be continued over the Medium Term.

- v. **Fiscal risks shall be managed prudently**

Fiscal risks will be managed prudently through the implementation of e-procurement, prudent expenditure management on items and pricing that should reflect the market prices as much as possible.

Further, a provision of **Kes. 40 million** has been factored to cater to urgent and unforeseen expenditures. This will ensure that emergencies can be handled without disorienting the plans and budgets.

- vi. **A reasonable degree of predictability for the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future**

To ensure a reasonable degree of predictability for the level of tax rates, charges and tax bases, legislation on property rates, entertainment tax and produce cess will be amended through the Finance Acts depending on the fiscal strategy in a given year. The legislation will also contain clear justification for the fees and charges to be charged and the modalities for charging the same. The County Finance Acts will refer to the substantive legislation while proposing amendments to the charges, fees and taxes hence maintaining a degree of predictability.

## CHAPTER FOUR

### ASSUMPTIONS AND RISKS UNDERLYING BUDGETARY AND FISCAL POLICY

#### 4.0 Overview

This chapter analyzes the key assumptions and risks underpinning the County's budgetary and fiscal policies. The assumptions inform revenue projections, expenditure planning, and economic growth, while the associated risks identify potential obstacles that may affect the successful implementation of the County's fiscal strategy.

#### 4.1 Assumptions

##### *Political*

The County Government is committed to upholding fiscal responsibility by ensuring a balanced allocation of resources that prioritizes sustainable development. Careful financial management will ensure public service delivery, efficient use of public funds, and fostering inclusive growth.

##### *Economic*

The global and domestic economy remains stable, with Kenya's GDP projected to grow up to 5.3 percent over the medium term. Favorable weather conditions are expected to support agricultural productivity, while inflation is assumed to remain within the CBK target range, and interest rates and exchange rates are projected to stay stable. These conditions are anticipated to enhance revenue collection, support investment, and enable efficient implementation of county development projects, ensuring fiscal sustainability and continued economic growth

##### *Technological*

The technological environment is expected to remain supportive of public sector digital transformation, with continued rollout and adoption of government digital systems at both national and county levels. The County Government is committed to fully implement e-procurement systems, enabling end-to-end digitization of procurement processes to enhance efficiency, reduce delays, and strengthen compliance with public finance regulations. Ongoing Public Investment Management reforms, including the expansion of PIMIS and the development of the PIM-PPP framework, are assumed to improve project planning, monitoring, and prioritization, ensuring transparency and value for money. Furthermore, the digitization of asset and liability management, alongside reengineered pension management systems and ERP solutions, is expected to enhance financial reporting, asset tracking, and sustainability of pension obligations, thereby promoting accountability, efficiency, and improved service delivery at the county level.

## ***Environmental***

The environmental framework will continue to promote sustainable development, guided by the PIM Regulations to ensure public projects deliver value while minimizing fiscal and environmental risks. Ongoing projects will be prioritized to optimize resources, and all projects will undergo environmental, climate, and disaster risk assessments, including carbon evaluations. Nyandarua County will advance environmental sustainability through climate-smart agriculture, including soil management, drought-resilient crops, reduced post-harvest losses, and expanded irrigation, enhancing productivity, conserving resources, and supporting resilient livelihoods and sustainable economic growth.

## ***Legal***

The legal environment will remain stable, providing a strong framework for effective public financial management and service delivery. Key constitutional and statutory frameworks, including the Constitution (2010), the PFM Act, and the Public Procurement and Asset Disposal Act, will guide planning, budgeting, procurement, and expenditure management. Continued enforcement of Public Investment Management Regulations will strengthen oversight of development projects, ensuring compliance with environmental, land, and public participation requirements. The County will operate within a robust legal framework that promotes devolution, fiscal discipline, and accountability. Strict budgetary controls, including maintaining wage expenditures below 35%, will enhance efficiency, reduce fiscal risks, and support sustainable economic growth.

## **4.2 Risks**

The effective implementation of this strategic plan is contingent upon the county government's ability to proactively identify, manage, and mitigate risks that may impede progress. The execution of County Fiscal Policies and their associated interventions is subject to a range of potential challenges which, if not adequately addressed, could undermine fiscal discipline, service delivery, and the attainment of strategic objectives. Key risks include

### ***1. Revenue Shortfalls and Expenditure Pressures***

The County may experience revenue shortfalls against budget targets due to slower-than-anticipated revenue collections, delays in the operationalization of modernized revenue systems, or continued reliance on traditional revenue streams. At the same time, expenditure pressures may arise from rising operational costs, accumulation of pending bills from previous financial years, and unforeseen development or emergency needs. These factors may

collectively strain the County's fiscal capacity and affect service delivery and timely implementation of development projects.

### ***Mitigation***

The County will undertake expenditure rationalization through Supplementary Estimates. This process will involve reviewing the approved budget to identify areas where expenditure may be adjusted, reprioritized, or deferred to align spending with available resources. Supplementary Estimates will also be used to accommodate emerging revenue shortfalls by reallocating funds from lower-priority areas, thereby minimizing disruptions to essential services. These measures will help maintain fiscal discipline and safeguard development priorities.

### ***2. Overdependence on Equitable Share***

The County's heavy reliance on equitable share transfers from the National Government may expose it to fiscal shocks, particularly where national revenue performance falls below projections. This dependency may result in cash flow constraints, accumulation of pending bills, and delays in remittance of statutory obligations, including pension contributions, thereby adversely affecting service delivery.

### ***Mitigation***

The County will reduce reliance on equitable transfers by strengthening Own Source Revenue (OSR) mobilization through improved collection efficiency and expansion of the revenue base. In addition, structured and time-bound payment plans will be implemented to progressively clear pending bills and ensure timely settlement of statutory obligations, enhancing fiscal sustainability and service delivery.

### ***3. Overreliance of Agriculture***

Nyandarua County's heavy dependence on agriculture may expose it to climate-related shocks such as droughts, floods, and prolonged dry spells. These shocks may reduce agricultural productivity, disrupt food supply chains, lower household incomes, weaken Own Source Revenue (OSR) performance, and increase demand for emergency interventions, thereby slowing economic growth and poverty reduction efforts.

### ***Mitigation***

The County will promote climate-smart agriculture, expand irrigation infrastructure, and invest in climate-resilient crops and sustainable land and water management practices. Strengthening

early warning systems and disaster preparedness mechanisms will enhance resilience within the agricultural sector and stabilize livelihoods and revenue performance.

#### ***4.Natural and human related disasters***

Natural and human-induced disasters, including floods, landslides, and extreme weather events, may cause damage to roads, bridges, irrigation systems, and other critical infrastructure. Such damage may disrupt economic activities and access to essential services, while necessitating unplanned expenditure on repairs and reconstruction, thereby straining fiscal resources and disrupting planned development initiatives.

##### ***Mitigation***

The County will integrate climate-resilient design standards into infrastructure development, strengthen routine maintenance programmes, and establish budgetary contingency provisions for disaster response. In addition, the County will develop and implement policies for coordinated disaster risk reduction and response, aligned with national frameworks such as the Disaster Risk Financing Strategy, to enhance preparedness, resilience, and fiscal protection

#### ***5.Inflation***

Increases in food and fuel prices may raise the cost of service delivery, infrastructure development, and social protection programmes. This may erode the real value of the County's budget and constrain funding for development expenditure.

##### ***Mitigation***

The County will prioritize efficient expenditure management, strengthen procurement planning to minimize cost overruns, and support local food production to stabilize food supply and prices. Budget adjustments will be undertaken to protect critical services and priority development programmes.

#### ***6.Delays in disbursement of funds***

External economic shocks and volatility in global markets may reduce national revenues, leading to delays in equitable share transfers and conditional grants. This may constrain the County's cash flow, delay payments to suppliers, and slow programme implementation.

### ***Mitigation***

The County will strengthen cash flow forecasting, enhance OSR mobilization, and prioritize expenditure commitments to ensure continuity of essential services. Improved coordination with the National Government will support timely release and utilization of funds.

### ***7. Market and Trade-Related uncertainties***

Uncertainty in national and regional trade conditions may affect demand and prices for agricultural produce, reducing farmers' incomes and slowing local economic activity.

### ***Mitigation***

The County will promote value addition, improve access to markets, and support agribusiness development to reduce reliance on raw produce markets. Strengthening farmer cooperatives and market linkages will enhance income stability.

### ***8. Persistent Poverty and Economic Slowdown***

The economic impacts of the Gen Z demonstrations, compounded by ongoing geopolitical tensions, may disrupt business operations, leading to closures, job losses, and reduced household incomes. These developments may exacerbate poverty levels, weaken consumer demand, and slow overall economic growth.

### ***Mitigation***

Both the National and County Governments will strengthen the business and governance environment to restore investor confidence, stability, and growth. Targeted stimulus measures and incentives will be implemented to support business recovery and safeguard jobs. In preparing the FY 2026/27 budget, the County will prioritize aggressive revenue mobilization through enhanced policy and administrative measures to expand the revenue base and improve collection efficiency. Improved revenue performance will provide fiscal space to support income-generating initiatives, job creation, and private sector-led growth.