REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA

COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

2025

SEPTEMBER, 2025

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Nyandarua County Treasury,
P. O. Box 701 – 20303,
Ol Kalou,
KENYA.
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FOREWORD

It is my pleasure to present the County Budget Review and Outlook Paper (CBROP) 2025 for the County Government of Nyandarua. This paper has been prepared in accordance with the provisions of the Public Finance Management (PFM) Act, 2012 and the PFM Regulations, 2015, which require the County Treasury to prepare and submit the CBROP by 30th September of each financial year.

The CBROP provides a comprehensive review of the County's fiscal performance for the Financial Year 2024/2025, comparing actual results with budgeted allocations and highlighting both achievements and challenges. During the year under review, the County received a total revenue of Kes. 7.957 billion against an anticipated Kes. 8.779 billion. Notably, the County recorded the highest ever Own Source Revenue of Kes. 653.235 million, reflecting continued progress in revenue mobilization. Expenditure absorption rates stood at 62.9% for development and 93.6% for recurrent expenditure, translating to an overall absorption rate of 88.81%.

The preparation of this CBROP takes place amid pronounced economic and political headwinds at both global and national levels. Rising instances of political unrest that cause destruction of private and public property and hostile economic environment seen through the Gen Z protests have affected private businesses. Sluggish revenue growth, coupled with uncertainty over tax policy reduces confidence for private sector growth. Collectively, these factors have slowed economic growth, strained living standards, and increased the cost of delivering essential services. This document therefore serves not only as a fiscal review but also as a strategic tool to guide departments in mitigating these economic shocks while safeguarding service delivery.

Looking ahead, the CBROP provides an updated outlook for the medium-term expenditure framework, guided by the priorities in the County Integrated Development Plan (CIDP III) and the Annual Development Plan (ADP) 2026/2027. It sets the foundation for the upcoming County Fiscal Strategy Paper and the 2026 budget formulation process. Our focus remains on prudent financial management, enhanced local revenue mobilization, efficient resource allocation, and prioritization of high-impact programs and projects that directly improve the welfare of our people.

This year's CBROP reaffirms the County Government's commitment, under the visionary leadership of H.E. Dr. Moses Kiarie Badilisha, to fostering inclusive growth, transparency, accountability, and public participation in the management of public resources. Through fiscal discipline and targeted investments, we seek to drive socio-economic transformation and deliver on the aspirations of our citizens as articulated in the Governor's *Change* manifesto.
I wish to commend the County Treasury team and all stakeholders who contributed to the preparation of this document. Their dedication ensures that the CBROP continues to serve as a credible and reliable tool for guiding our planning and budgeting processes.

HON. MARY W. KAMANDE
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, ECONOMIC PLANNING, ICT AND REVENUE

ACKNOWLEDGEMENT

The County Budget Review and Outlook Paper (CBROP) 2025 for Nyandarua County is the result of collective effort and collaboration. Prepared in accordance with Section 118 of the Public Finance Management Act, 2012, the paper presents the fiscal performance for the Financial Year 2024/2025. Beyond fulfilling a statutory obligation, it demonstrates the County's unwavering commitment to transparency, accountability, and prudent management of public resources in the service of our people.

I wish to sincerely thank the County leadership, under the stewardship of His Excellency Dr. Moses N. Badilisha Kiarie, Governor of Nyandarua, and the Deputy Governor, H.E. Mathaara Mwangi, for their vision and policy guidance that continue to anchor our planning and budgeting processes. Special gratitude also goes to Hon. Mary W. Kamande, the County Executive Committee Member for Finance, Economic Planning, ICT, and Revenue, together with the entire Executive Committee, for their unwavering support in ensuring this document meets its purpose.

The successful compilation of the CBROP 2025 would also not have been possible without the valuable contributions from Chief Officers and Directors who provided credible and timely information. I particularly commend the Budget and Economic planning Directorate for their professional diligence and coordination throughout the process.

To the technical staff, departmental teams across all sectors and stakeholders who devoted their time and expertise, we extend our heartfelt appreciation. Your input continues to strengthen our planning framework and ensures that our fiscal strategies remain responsive to the needs of our citizens.

Finally, while it is not possible to mention each individual by name, we recognize and appreciate all who played a direct or indirect role in making this CBROP a reality. The collective efforts have ensured that this document remains a credible and reliable tool in guiding the preparation of the 2026 County Fiscal Strategy Paper (CFSP) and subsequently the 2026/2027 budget. Your dedication affirms the spirit of collaboration that is essential in shaping a prosperous Nyandarua.

FREDRICK IRUNGU
CHIEF OFFICER-FINANCE AND ECONOMIC PLANNING

ABBREVIATIONS AND ACRONYMS

ADP:	Annual Development Plan
BETA:	Bottom-up Transformation Agenda
CARA:	County Allocation Revenue Act
CBR:	Central Bank Rate
CBROP:	County Budget Review and Outlook Paper
CFSP:	County Fiscal Strategy Paper
CEC:	County Executive Committee
CECM:	County Executive Committee Member
CG:	County Government
CIDP:	County Integrated Development Plan
CIMES:	County Integrated Monitoring and Evaluation System
COB:	Controller of Budget
CPSB:	County Public Service Board
CRF:	County Revenue Fund
ECDE:	Early Childhood Development Education
FY:	Financial Year
ICT:	Information Communication Technology
IFMIS:	Integrated Financial Management Information System
NAVCDP:	National Agricultural Value Chain Development Project
KDSP:	Kenya Devolution Support Program
KES:	Kenya Shillings
KUSP:	Kenya Urban Support Project
M&E:	Monitoring and Evaluation
MTEF:	Medium Term Expenditure Framework
MTP:	Medium Term Plan
NG:	National Government
OSR:	Own Source Revenue
PFMA:	Public Finance Management Act
PPP:	Public Private Partnership

CONCEPTS AND TERMINOLOGIES

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

Programme: This 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: This 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.

Own Source Revenue: This is the County Government’s local collections.

Equitable Share: This is the National Government’s revenue share to the County Government.

Exchequer releases: This refers to the funds that are released by the National Government for expenditure by the County Governments.

Balance of payments: This is a systematic record of all economic transactions that occur between residents of one country and residents of other countries during a specific period.

Foreign Exchange Reserves: This is a country’s holdings of foreign currencies that are primarily used to facilitate international trade and manage its exchange rate.

Macro-economic outlook: This is the forecast of overall state and future direction of the overall state and future direction of an economy which involves analysing various economic indicators, trends and other factors that provide insights into the expected performance of an economy.

CHAPTER ONE:

INTRODUCTION

1.0 OVERVIEW

The County Government's mandate as stipulated by the Fourth Schedule of the Constitution of Kenya is discharged by Departments through the implementation of projects and programmes. These projects and programmes are allocated funds through the County Budgeting process that is cyclical in nature.

Section 104. (1) of the PFM, 2012 stipulates that; Subject to the Constitution, a County Treasury shall monitor, evaluate and oversee the management of public finances and economic affairs of the County Government including coordinating the implementation of the Budget of the County Government.

The 2025 CBROP provides a review of the fiscal performance for the 2024/25 FY including adherence to the objectives and principles outlined in the PFMA 2012. As required by PFMA 2012, the annual budget process aims to improve the process, efficiency and effectiveness of revenue mobilization and government spending to ensure stimulation of economic activity within the county.

1.1 LEGAL BACKGROUND

The Nyandarua County Budget Review and Outlook Paper is prepared in accordance with **Section 118** of the Public Financial Management Act (PFMA), 2012 which states that the County Treasury shall:

i. Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year, and
ii. Submit the paper to the County Executive Committee by the 30th of September of that year.

Section 118 (2) of the same Act further provides that the CBROP should contain:

i. The details of the actual financial performance in the previous year compared to the Budget appropriation for that year;
ii. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
iii. Information on:
  a) Any changes in the forecasts compared with the County Fiscal Strategy Paper; or
  b) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
iv. Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

The preparation of this paper is further supported by the County Governments Act, 2012 and the Constitution of Kenya, 2010 which compels County Governments to plan for their Counties and requires the appropriation of the funds to be within the approved planning framework.

The **main objectives** of a CBROP are to specify:

i. The broad strategic priorities and policy goals that will guide the County Government in preparing its Budget for the coming financial year and over the medium term;
ii. The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term;
iii. An assessment of the current financial year and the projected state of the economy for the succeeding three years;
iv. Targets for overall revenues, total aggregate expenditure and domestic and external borrowing for the succeeding financial year and the medium term;
v. The total resources to be allocated to individual programmes within a sector indicating the outputs expected from each programme during that period;
vi. The criteria used to allocate or apportion the available public resources among the various programmes; and
vii. Forecast financial position for the financial year to which the Budget relates and the next two financial years.

After preparation of the Paper by the County Treasury, the County Executive Committee (CEC) will consider the County Budget Review and Outlook Paper to approve it, with or without amendments, publish and publicize the Paper and transmit the same to the County Assembly. The CBROP sector ceilings, as per the PFM Regulations 2015 are to form the basis for the sector working groups' consultations.

CHAPTER TWO:

REVIEW OF FISCAL PERFORMANCE FOR THE FY 2024/25

2.0 Overview

This chapter presents a review of the fiscal performance of the county government in the FY 2024/25.This includes the revenue performance, expenditure performance, compliance with the financial objectives and fiscal responsibility principles and the challenges and emerging issues in the implementation of the FY 2024/25 Budget.

2.1 Approved FY 2024/25 Budget Estimates

2.1.1 Approved Revenue Estimates

The County Government had final approved budget estimates of Kes. 8,779,773,471 in the FY 2024/25. This budget was to be financed by revenues from the various sources as follows: Kes. 5,936,521,652 equitable share for Fy 2024/25, Kes. 472,478,085 unremitted equitable share for FY 2023/24, Kes. 600,000,000 ordinary own source revenue, Kes. 250,000,000 health Facility Improvement Financing (FIF), Kes. 1,004,769,930 conditional grants from National Government and other development partners for FY 2024/25, Kes. 505,979,873 unremitted conditional grants from National Government and other development partners for FY 2023/24 and Kes. 10,023,930 unspent balances for FY 2023/24.

The analysis of the approved revenue estimates is as tabulated table 1.

Table 1: Analysis of the FY 2024/25 Approved Revenue Estimates

Revenue Source	FY 2024/25 Final Approved Estimates (1st Supplementary)	Percentage of Total Budget Estimates
Equitable Share Transfers (FY 2024/25)	5,936,521,652	67.6
Unremitted Equitable Share (FY 2023/24)	472,478,085	5.4
Ordinary Own Source Revenue	600,000,000	6.8
AIA (Facility Improvement Financing)	250,000,000	2.8
Conditional Loans and Grants (FY 2024/25)	1,004,769,930	11.4
Conditional Loans and Grants (FY 2023/24)	505,979,873	5.8
Unspent Balances (FY 2023/24)	10,023,930	0.1
Grand Total	**8,779,773,471**	**100.00**

Source: Nyandarua County Treasury

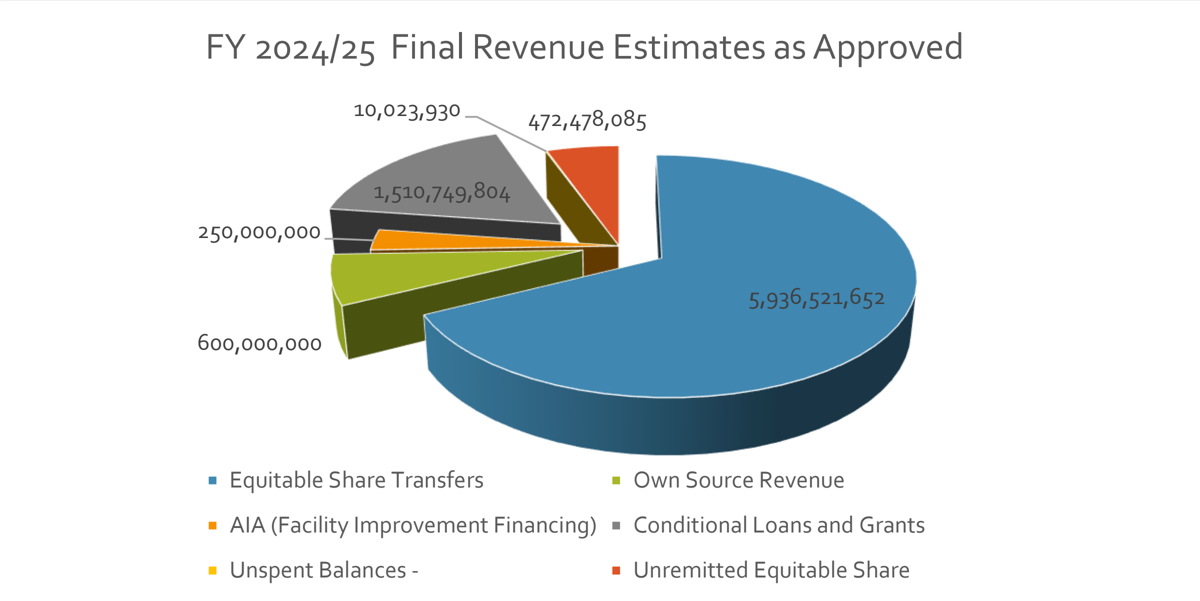

Fig 1: Analysis of the approved budget

Table 1 and figure 1 indicate that the County Government relied heavily on the equitable share transfers and the conditional grants from development partners and the national government to finance the FY 2024/25 budget underscoring the need to boost own-source revenue generation and ensure long-term sustainability in funding of County Government programmes.

Table 2 presents the details of the various revenue category as approved in the FY 2024/25 budget

Table 2: 2024/25 FY Detailed Revenue Streams

Category	Description	FY 2024/2025 Approved Estimates (1st Supplementary Budget)
Equitable Share	Equitable Share (FY 2024/25)	5,936,521,652
	Unremitted Equitable Share (FY 2023/24)	472,478,085
Own Source Revenue (OSR)	Ordinary OSR	600,000,000
	AIA (Health Facility Improvement Financing)	250,000,000
Conditional Grants from National Government FY 2024/25	Fertilizer Subsidy Programme	121,624,039
	Livestock Value Chains Support Project	135,210,000
	Transfer of Library Services	2,865,209
	Community Health Promoters Project	41,610,000
Conditional Grants from Development Partners FY 2024/25	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	151,515,152
	Sweden- Kenya Agricultural Business Development Project (KABDP)	10,918,919
	DANIDA - Primary Health Care in Devolved Context	7,507,500
	World Bank -Kenya Informal Settlement Improvement Project- KISIP II	288,462,533

Category	Description	FY 2024/2025 Approved Estimates (1^{st} Supplementary Budget)
	World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant	136,000,000
	Kenya Development Support Program Level 2	37,500,000
	IDA (World Bank Credit) Kenya Urban Support Project (KUSP)-Urban Institutional Grant (IUG)	35,000,000
	IDA (World Bank Credit) Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	36,556,578
Conditional Grants from national government and Development Partners FY 2023/24 (balances brought forward)	Road Maintenance Levy Fund	368,641
	Kenya Devolution Support Programme	92,194,904
	DANIDA - Primary Health Care in Devolved Context	174,752
	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	16,492,713
	Nyandarua County Climate Change Fund	148,773,385
	Nyandarua County Aggregation & Industrial Park	14,473,900
Conditional Grants from national government and Development Partners FY 2023/24 (unremitted)	Livestock Value Chains Support Project	135,204,000
	Transfer of Library Services	5,730,418
	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	67,543
	World Bank Grant for Climate Smart Agriculture Project (KCSAP)	90,000,000
	Sweden- Agricultural Sector Development Support Programme (ASDSP) Level II	2,499,617
Unspent Balances	Balance b/f from FY 2023/24	10,023,930
Total Revenue		**8,779,773,471**

Source: Nyandarua County Treasury

2.1.2 Approved Expenditure Estimates

The County Government had a final approved expenditure estimates of Kes. 8,779,773,471**.** This was composed of Kes. 2,266,800,000 for compensation to employees, Kes. 1,634,434,235 for use of goods and services, Kes. 350,952,252 for current transfers, Kes. 37,500,000 for Kenya devolution support programmes level I, Kes. 5,730,418 for Transfer of Library Services, Kes. 92,194,904 for Kenya Devolution Support Programme Level II, Kes. 258,900,000 for recurrent County Funds, Kes. 99,128,872 for acquisition of non-financial assets, Kes. 2,550,111,238 for development expenditure, Kes. 131,437,633 for recurrent pending bills, Kes. 479,665,671 development pending bills and Kes. 872,918,248 allocation for the County Assembly. The approved expenditure was as summarized in table 3.

Table 3: Summary of Approved Expenditure Estimates for the FY 2024/25

Expenditure Category	Approved Estimates
Compensation to employees	2,266,800,000
Transfer of Library Services	5,730,418
Use of Goods and Services	1,634,434,235
Current Transfers	350,952,252
Kenya Devolution Support Programme Level II	92,194,904
Kenya Devolution Support Programme Level I	37,500,000
County Funds (Rec.)	258,900,000
Acquisition of Non -Financial Assets	99,128,872
Development expenditure	2,550,111,238
Pending bills- Recurrent	131,437,633
Pending bills- development	479,665,671
County Assembly	872,918,248
Total	**8,779,773,471**

Out of the appropriated total expenditure of Kes. 8,779,773,471, Kes. 5,700,096,562 (65%) was for appropriated for recurrent expenditure and Kes. 3,079,676,910 (35%) for development expenditure.

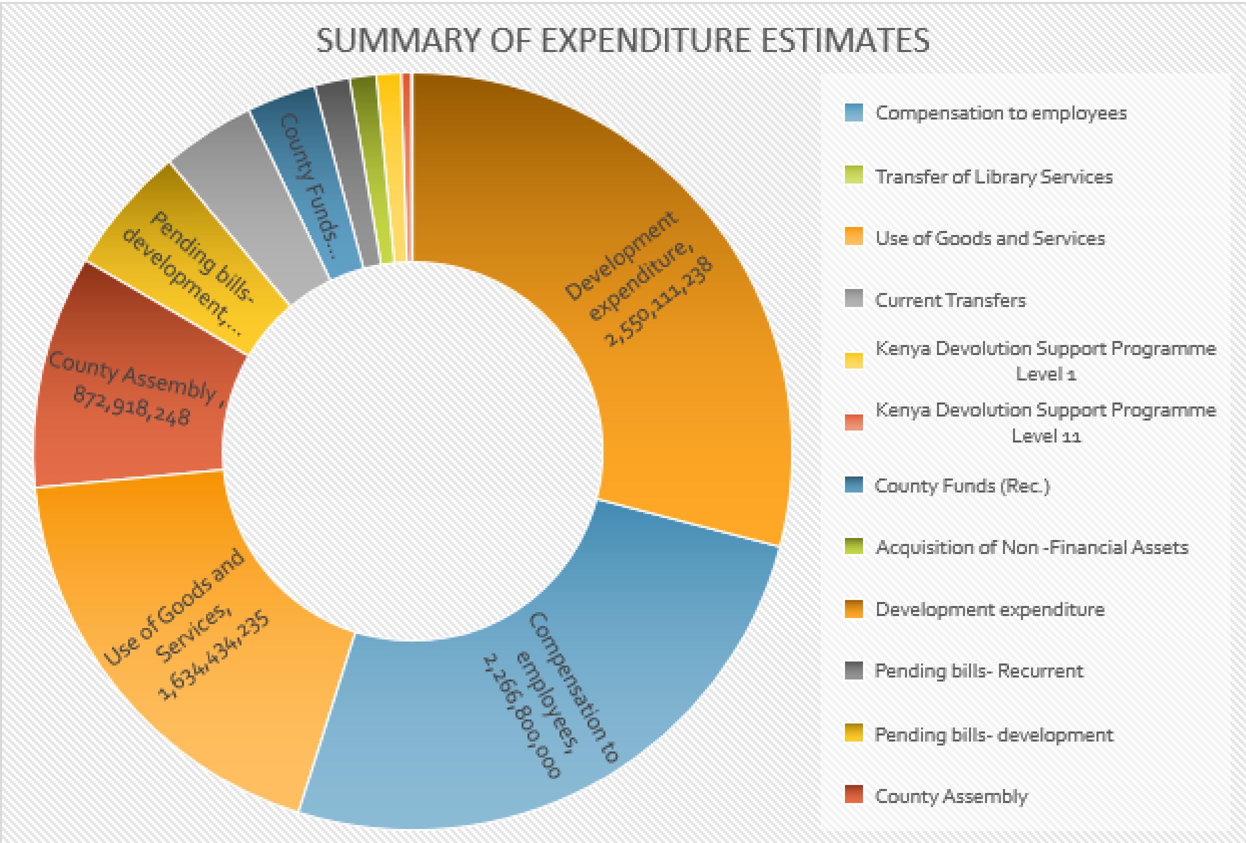

Fig 3: Summary of Expenditure Estimates

2.1.3 Approved Departmental Expenditures

The approved expenditures per department were as indicated in table 4.

Table 4: Summary of Approved Departmental allocations for FY 2024/25

Department	Recurrent expenditure as approved	Development Expenditure as approved	Total Expenditure as approved	Share (%) of the total approved expenditure
Office of the Governor	124,500,000		124,500,000	1.42
Office of the County Secretary	61,270,669		61,270,669	0.70
Office of the County Attorney	21,850,000		21,850,000	0.25
County Public Service Board	25,925,600		25,925,600	0.30
Public Service, Administration and Devolution (inclusive of Compensation to employees including gratuity, pension and medical insurance)	2,693,415,953	1,877,408	2,695,293,361	30.70
Finance, Economic Planning & ICT (inclusive of county funds)	702,242,210	382,834,178	1,085,076,388	12.36
Health Services	534,249,252	161,530,266	695,779,518	7.92
Education, Children, Gender Affairs, Culture & Social Services	174,941,484	63,394,966	238,336,450	2.71
Youth Empowerment, Sports and the Arts	60,726,824	15,603,933	76,330,757	0.87
Tourism, Cooperative Development, Trade & Industrialization	55,844,800	47,397,851	103,242,651	1.18
Water, Environment, Climate Change and Natural Resources	52,374,145	483,731,481	536,105,626	6.11
Agriculture, Livestock & Fisheries	134,111,343	655,544,118	789,655,461	8.99
Lands, Physical Planning & Urban Development	44,730,834	374,257,975	418,988,809	4.77
Ol 'Kalou Municipality	45,134,200	24,550,000	69,684,200	0.79
Engineer Municipality	30,748,000	27,224,867	57,972,867	0.66
Mairo Inya Municipality	20,738,000	6,797,350	27,535,350	0.31
Public Works, Roads, Transport, Housing & Energy	94,275,000	785,032,517	879,307,517	10.02
County Assembly	823,018,248	49,900,000	872,918,248	9.94
Total	**5,700,096,562**	**3,079,676,910**	**8,779,773,471**	**100.00**

Source: County Treasury

The Department of Public Service, Administration and Devolution had the highest allocation of Kes. 2,695,293,361(30.70%). This was due to the allocation for employee compensation and benefits being domiciled here. This was followed by Finance, Economic Planning & ICT with an allocation of Kes. 1,085,076,388 (12.36%) of which a sizeable proportion was meant for settlement of pending bills and established County Funds. The department of Public Works, Roads, Transport, Housing & Energy the with Kes. 879,307,517 (10.02%) was third owing to its critical role in putting up the necessary infrastructures that support economic and social activities.

The office of the County Attorney had the lowest allocation of Kes. 21,850,000 (0.25%).

2.2 Actual Fiscal Performance for FY 2024/25

2.2.1 Actual Revenue Performance

The County government revenue performance in the FY 2024/25 was as captured in table 5:

Table 5: FY2024/25 County Revenue Performance by Category

Category	Description	Approved budget	Actual receipts	Surplus/deficit	% performance
Equitable Share	Equitable Share (FY 2024/25)	5,936,521,652	5,936,522,424	772	100.00
	Unremitted Equitable Share (FY 2023/24)	472,478,085	472,478,085	0	100.00
Own Source Revenue (OSR)	Ordinary OSR	600,000,000	370,706,404	(229,293,596)	61.78
	AIA (Health Facility Improvement Financing)	250,000,000	282,528,973	32,528,973	113.01
Conditional Grants from National Government (FY 2024/25)	Fertilizer Subsidy Programme	121,624,039	121,624,039		100
	Livestock Value Chains Support Project	135,210,000	**0**	(135,210,000)	0
	Transfer of Library Services	2,865,209		(2,865,209)	0
	Community Health Promoters Project	41,610,000	41,610,000	0	100
	Road Maintenance Levy	0	78,019,732	78,019,732	-
Conditional Grants from Development Partners (FY 2024/25)	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	151,515,152	41,960,821	(109,554,331)	27.69
	Sweden- Kenya Agricultural Business Development Project (KABDP)	10,918,919	0	(10,918,919)	0
	DANIDA - Primary Health Care in Devolved Context	7,507,500	5,630,625	(1,876,875)	75.00
	World Bank -Kenya Informal Settlement Improvement Project- KISIP II	288,462,533	282,000,000	(6,462,533)	97.76

Category	Description	Approved budget	Actual receipts	Surplus/deficit	% performance
	World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant	136,000,000	9,275,840	(126,724,160)	6.82
	Kenya Development Support Program Level 2	37,500,000	0	(37,500,000)	0
	IDA (World Bank Credit) Kenya Urban Support Project (KUSP)- Urban Institutional Grant (IUG)	35,000,000	32,309,300	(2,690,700)	92.31
	IDA (World Bank Credit) Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	36,556,578	0	(36,556,578)	0
Conditional Grants from national Government & Development Partners (FY 2023/24) Balances brought forward	Road Maintenance Levy Fund	368,641	368,641	0	100.00
	Kenya Devolution Support Programme	92,194,904	92,194,904	0	100.00
	DANIDA - Primary Health Care in Devolved Context	174,752	174,752	0	100.00
	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	16,492,713	16,492,713	0	100.00
	Nyandarua County Climate Change Fund	148,773,385	148,773,385	0	100.00
	Nyandarua County Aggregation & Industrial Park	14,473,900	14,473,900	0	100.00
Conditional Grants from national Government & Development Partners (FY 2023/24) Unremitted	Livestock Value Chains Support Project	135,204,000	0	(135,204,000)	0
	Transfer of Library Services	5,730,418	0	(5,730,418)	0
	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	67,543	0	(67,543)	0
	World Bank Grant for Climate Smart	90,000,000	0	(90,000,000)	0

Category	Description	Approved budget	Actual receipts	Surplus/deficit	% performance
	Agriculture Project (KCSAP)				
	Sweden-Agricultural Sector Development Support Programme (ASDSP) Level II	2,499,617	0	(2,499,617)	0
Unspent Balances	Balances b/f	10,023,930	10,023,930	0	100
Total Revenue		**8,779,773,470**	**7,957,168,468**	**(822,605,002)**	**90.6**

2.2.1.1 Performance on the Equitable Share

In the year under review, the County received 100% of its budgeted equitable share including Kes. 5,936,521,652 of the equitable share for the FY 2024/25 and Kes 472,478,857 equitable share arrears for the FY2023/24.

The two equitable shares were disbursed to the county revenue fund as per the schedule indicated in table 6

Table 6: Exchequer Releases per quarter

Release	Quarter 1 Kes	Quarter 2 Kes	Quarter 3 Kes	Quarter 4 Kes	Total Kes
Amount	**1,948,972,099**	**1,462,084,586**	**1,484,130,606**	**1,513,813,218**	**6,409,000,509**
% Release	**30.41**	**22.81**	**23.16**	**23.62**	**100.00**

Source: County Treasury

2.2.1.2 Performance on Conditional Grants from National Government and Donors

The County received Kshs.241,253,771 as conditional grants from the national government and Kshs. 371,176,586 as conditional grants from development partners for the FY 2024/25.

However, the conditional grant from the national government allocation of Kshs. 121,624,039 for fertilizer subsidy and Kshs, 41,610,000 for community health promoters was administered from the national government. In addition, Kshs. 78,019,732 for RMLF was received but had not been budgeted for and was therefore not utilized.

The County had also expected to receive Kshs. 233,501,578 arrears on conditional grants for 2023/24 FY but this was still not disbursed during the FY 2024/25.

2.2.1.3 Performance on Own Source Revenue (OSR)

The County government had anticipated to collect Kshs. 850,000,000 as own source revenue in the FY 2024/25. The Own Source Revenue was to be generated from Health Facility improvement financing (FIF) Kshs.250,000,000 and Kshs. 600,000,000 as ordinary own source revenue. The County collected Kshs.282,528,973 (113%) as health FIF and Kshs. 370,706,404 (62) as ordinary own source revenue. The total collections amounted to Kshs. 653,235,377 resulting to a deficit of Kshs. 196,764,623. An overall performance of 77%

Table 7: Own Source Revenue performance

Description	FY 2024/2025 Approved Estimate	Actual Revenue Receipt	Deficit/Surplus	% performance
Ordinary OSR	600,000,000	370,706,404	(229,293,596)	62
AIA (Health Facility Improvement Financing)	250,000,000	282,528,973	32,528,973	113
Total	**850,000,000**	**653,235,377**	**(196,764,623)**	**77**

Source; County Treasury

The OSR performance by department and individual stream is tabulated in table 9

Table 8: Own Source Revenue performance by revenue stream

Department/Revenue Stream	Target FY 2024/25	Actual	Variance	% Performance
Health Services				
J.M. Hospital	160,000,000	137,366,498	-22,633,502	86%
Engineer Hospital	40,000,000	48,358,015	8,358,015	121%
Other Health Facilities	43,500,000	94,938,290	51,438,290	218%
Public Health Fees	6,500,000	1,866,170	-4,633,830	29%
Total	**250,000,000**	**282,528,973**	**32,528,973**	**113%**
Water, Environment, Climate Change and Natural Resources				
Conservancy	2,600,000	271,300	-2,328,700	10%
Exhauster and Exh. Milage	1,100,000	33,000	-1,067,000	3%
Water Fee	550,000	-	-550,000	0%
Hire of Water Tanker	385,000	28,265	-356,735	7%
Dumping Fee	110,000	-	-110,000	0%
Park Entrance Fee	11,000	-	-11,000	0%
Logging Fees	2,750,000	461,560	-2,288,440	17%
Sale of Trees	100,000	11,500	-88,500	12%
Noise Control	30,000	176,000	146,000	587%
Borehole Drilling	30,000	171,750	141,750	573%
Total	**7,666,000**	**1,153,375**	**-6,512,625**	**15%**
Youth Empowerment, Sports and Arts		-		
Hire of Stadium	500,000	113,810	-386,190	23%
Sport Activities	10,000,000	-	-10,000,000	0%
Total	**10,500,000**	**113,810**	**-10,386,190**	**1%**
Public Service Administration and Devolution		-		
Impounded Fees	5,500,000	382,406	-5,117,594	7%
Grave Fees	45,000	28,600	-16,400	64%
Storage Fees	55,000	4,700	-50,300	9%

Department/Revenue Stream	Target FY 2024/25	Actual	Variance	% Performance
Other Non-Compliance Penalties	2,750,000	951,646	-1,798,354	35%
Total	**8,350,000**	**1,367,352**	**-6,982,648**	**16%**
Lands, Physical Planning And Urban Development;				
Plot Rates	30,000,000	5,677,398	-24,322,602	19%
Land Rates	24,000,000	6,614,366	-17,385,634	28%
Ground Rent	4,200,000	399,014	-3,800,986	10%
Sub-Division Of Land	20,800,000	1,857,450	-18,942,550	9%
Building Plan Charges/Fees	21,720,000	11,300,162	-10,419,838	52%
Site Indication	60,000	53,700	-6,300	90%
Change Of User	4,800,000	1,585,550	-3,214,450	33%
Land/Plot Reg. Fees	1,200,000	634,650	-565,350	53%
Dev.(Ppa Forms)	3,600,000	930,750	-2,669,250	26%
Transfer Fees	4,800,000	1,051,500	-3,748,500	22%
Clearance Certificate	5,400,000	1,489,800	-3,910,200	28%
Hire Of Hall/Chairs	12,000	-	-12,000	0%
Survey Fees	3,600,000	-	-3,600,000	0%
Lease Extension	3,600,000	23,000	-3,577,000	1%
Search Fee	2,400	8,700	6,300	363%
Certificate Of Compliance	1,800,000	299,620	-1,500,380	17%
Advertisement	16,200,000	11,070,030	-5,129,970	68%
Wayleave	15,000	768,400	753,400	5123%
Total	**145,809,400**	**43,764,090**	**-102,045,310**	**30%**
Energy, Road Transport and Housing		**-**		
Bus And Matatu Fees	17,271,600	12,985,990	-4,285,610	75%
House/Office Rent	1,800,000	1,843,906	43,906	102%
Motor Cycle Fees (Parking)	10,200,000	8,526,982	-1,673,018	84%
Town Parking Fee	1,800,000	1,355,975	-444,025	75%
Project Management Fee	56,000,000	5,835,857	-50,164,143	10%
Disposal Of Assets	20,000,000	4,200,000	-15,800,000	21%
Fire Certificate	7,800,000	1,613,250	-6,186,750	21%
Total	**114,871,600**	**36,361,960**	**-78,509,640**	**32%**
Tourism, Cooperatives Development Trade & Industrialization and Development				
Single Business Permits	120,000,000	104,386,855	-15,613,145	87%
Sbp Penalties	2,250,000	922,306	-1,327,694	41%
Sale Of Application/Renewal	1,500,000	1,514,891	14,891	101%
Open Air Market Fees	11,400,000	8,992,593	-2,407,407	79%
Market Stall Rent	3,000,000	2,109,683	-890,317	70%
Change Of Business	225,000	161,270	-63,730	72%
Weights And Measures	1,125,000	55,600	-1,069,400	5%

Department/Revenue Stream	Target FY 2024/25	Actual	Variance	% Performance
Tourism Activities	10,000,000	391,060	-9,608,940	4%
Cooperative Audit Fees	800,000	424,920	-375,080	53%
Total	**150,300,000**	**118,959,178**	**-31,340,822**	**79%**
Education, Children, Gender Affairs, Culture and Social Services				
Reg. and Renewal Of Groups	100,000	31,800	-68,200	32%
Liqour Licence/Inspection/App	46,007,500	73,240,633	27,233,133	159%
Library Charges	400,000	19,125	-380,875	5%
Total	**46,507,500**	**73,291,558**	**26,784,058**	**158%**
Agriculture, Livestock and Fisheries		-		
Cattle Dips	300,000	40,405	-259,595	13%
Produce Cess Royalties	72,000,000	64,128,781	-7,871,219	89%
Slaughter Fees	2,400,000	490,070	-1,909,930	20%
Meat Inspection	5,500,000	3,475,015	-2,024,985	63%
Vet Department (Ai Services)	4,510,000	5,760,876	1,250,876	128%
Vaccination	5,345,500	574,450	-4,771,050	11%
C.O.T &Movement Permit	720,000	259,640	-460,360	36%
ATC Njabini	1,800,000	1,622,898	-177,102	90%
Nyandarua Seed	3,400,000	1,930,584	-1,469,416	57%
ATC Oljoro Orok	1,500,000	1,695,080	195,080	113%
Nyahururu-AMS	1,800,000	1,860,315	60,315	103%
Kinangop AMS	1,500,000	133,650	-1,366,350	9%
Fisheries	120,000	1,000	-119,000	1%
Motorcycle Mortgage Fees	200,000	2,000	-198,000	1%
Reg. Of Transporters (Agri)	200,000	23,300	-176,700	12%
Shamba Rent	100,000	28,850	-71,150	29%
Total	**101,395,500**	**82,026,914**	**-19,368,586**	**81%**
others		-		
Imprest/Salary Recovery	1,600,000	1,094,228	-505,772	68%
Insurance Compensation	13,000,000	5,713,200	-7,286,800	44%
Direct Bankings		6,860,740		
Total	**14,600,000**	**13,668,167**	**-931,833**	**94%**
Grand Total	**850,000,000**	**653,235,377**	**-196,764,623**	**77%**

From this analysis, the county surpassed the targets in only a few revenue streams including Engineer hospital and other health facilities, noise pollution control, borehole drilling, plot search fees, way leaves, liquor licensing and AI services. However, there were shortfalls in most streams with some streams eg hire of hall/chairs, sport activities, dumping fees, park entrance fees, survey fees, water fees recording no collections at all.

To rectify this situation in the medium term, this calls the enactment of relevant legislations and policies, effective enforcement on revenue collection measures, full automation of revenue collection as well adopting objective revenue forecasting tools to avoid over targeting.

2.2.1.4 Balances Brought Forward from FY 2023/24

At the opening of the FY 2024/25, the County had Kshs. 272,478,295 in its accounts as balances brought forward from the FY2023/24 conditional grants and Kshs.10,023,930 as other unspent balances brought forward from FY 2023/24. These funds were available for use in that year.

Table 9: balance b/f from FY 2023/24

Category	Description	Amount
Conditional grants (FY 2023/24)	Road Maintenance Levy Fund	368,641
	Kenya Devolution Support Programme	92,194,904
	DANIDA - Primary Health Care in Devolved Context	174,752
	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	16,492,713
	Nyandarua County Climate Change Fund	148,773,385
	Nyandarua County Aggregation & Industrial Park	14,473,900
Other Unspent Balances Fy 2023/24	Unspent Balances	10,023,930

Source; County Treasury

2.2.2 Actual Expenditure Performance For FY 2024/25

2.2.2.1 Overall County Expenditure

In the FY 2024/25, the County Executive spent 93.67% of its recurrent budget and 62.9% of its development Budget. The Overall, absorption rate was 81.88% (exclusive of the County Assembly) as shown in table 10.

Table 10: County overall expenditure for the period ending 30th June 2025

	FY 2024/25 Approved First supplementary budget	**Expenditure in Kes.**	**% utilization of Budget**
Recurrent	4,876,978,314	4,568,340,035	93.67
Development	3,029,876,909	1,905,857,132	62.90
Total	**7,906,855,223**	**6,474,197,167**	**81.88**

Source: County Treasury

2.2.2.2 Actual Departmental Expenditure

The expenditure performance per individual department was as detailed in table 11

Table 11: Expenditure by departments for the period ending 30th June 2025

Department	FY 2024/25 Approved Estimates		Actual Expenditure as Of 30th June, 2025		Absorption Rate (%)		Overall Absorption %
	Recurrent	Development	Recurrent	Development	Rec.	Dev.	
Office of The Governor	124,500,000	0	106,085,098	0	85.21		85.21
Office of The County Secretary & Head of Public Service	61,270,669	0	57,167,348	0	93.30		93.30
Office of County Attorney	21,850,000		13,159,493		60.23		60.23
Public Service & Devolution (Admin)	2,693,415,953	1,877,408	2,646,151,971	1,877,408	98.25	100	98.25
County Public Service Board	25,925,600		25,051,031		96.63		96.63
Finance, Economic Planning and ICT	702,242,210	382,834,178	587,876,211	332,564,952	83.71	86.87	84.83
Health Services	534,249,252	161,530,266	519,245,571	137,252,621	97.19	84.97	94.35
Education, Children, Gender Affairs, Culture & Social Services	174,941,484	63,394,966	173,711,617	37,704,050	99.30	59.47	88.70
Tourism, Cooperative Development, Trade & Industrialization	55,844,800	47,397,851	53,091,616	30,981,450	95.07	65.36	81.43
Youth, Sports and Arts	60,726,824	15,603,933	60,395,025	15,296,523	99.45	98.03	99.16
Water, Environment, Climate Change and Natural Resources	52,274,145	483,831,481	36,902,976	168,023,240	70.60	34.73	38.22
Transport, Energy and Public Works	94,275,000	785,032,517	92,221,319	727,599,627	97.82	92.68	93.23
Lands, Physical Planning and Urban Development	44,730,834	374,257,975	37,012,476	339,262,216	82.74	90.65	89.81
Olkalou Municipality	45,134,200	24,550,000	11,834,777	22,677,575	26.22	92.37	49.53
Engineer Municipality	30,748,000	27,224,867	4,759,952	22,958,855	15.48	84.33	47.81
Mairo-Inya Municipality	20,738,000	6,797,350	18,855,086	6,778,875	90.92	99.73	93.09
Agriculture, Livestock and Fisheries	134,111,343	655,544,118	124,818,468	62,879,740	93.07	9.59	23.77
Grand Total Executive	**4,876,978,314**	**3,029,876,910**	**4,568,340,035**	**1,905,857,132**	**93.67**	**62.9**	**81.88**

Recurrent expenditure

The department of Youth, Sports and Arts had the highest absorption of 99.45% followed closely by the department of Education, Children, Gender Affairs, Culture & Social Services with 99.30%. Engineer and Olkalou Municipalities had the lowest absorption of 15.48% and 26.22 % respectively.

Development expenditure

Public Service & Devolution absorbed the allocated amount fully followed closely by Mairo-Inya Municipality with an absorption of 99.73%. The departments Transport, Energy and Public Works and Lands, Physical Planning and Urban Development which have significant allocations in development expenditure recorded high absorptions of 92.68% and 90.65% respectively. The department of Agriculture, Livestock and Fisheries had the lowest absorption of 9.59%. this is because the largest portion of its development expenditure is composed of conditional grants which were not released during the year.

Overall expenditure

The department of Youth, Sports and Arts had the highest absorption of 99.16% while the department of Agriculture, Livestock and Fisheries had the lowest absorption of 23.77%. The overall County absorption stood at 81.88%.

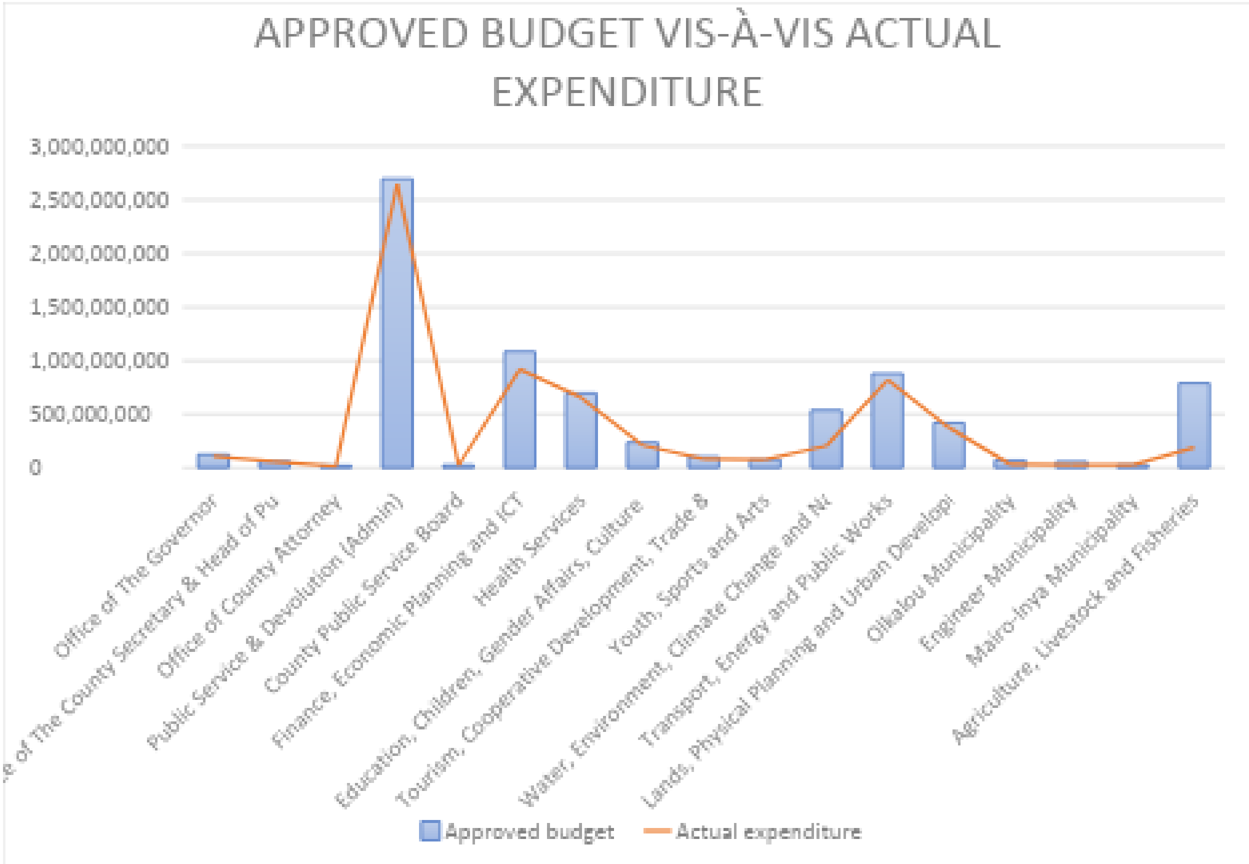

Fig 5: Approved Budget Vis-À-Vis Actual Expenditure

2.2.3 Departmental Expenditure and Achievements

Office of Governor

This Office predominantly gives policy direction and overall leadership to the County. It did not have any development expenditure in the 2024/25 FY. For its recurrent budget expenditure, it had an absorption rate of 85.21% having expended Kes 106.1 million out of the allocated Kes 124.5 million. The key achievements were:

- ❖ The Governor was able to chair12 County Executive Committee meetings where several resolutions were passed to guide the operations of the County Government.
- ❖ The governor was also able to hold 75 public engagement forums to meet county residents and other key stakeholders in forums and field visits so as to articulate his government's development agenda as well as report on the actions being taken to implement the same.
- ❖ The Governor delivered the annual state of the county address as required by the Constitution outlining key milestones and challenges on the implementation of county plans, policies and service delivery.
- ❖ The Governor also represented the County in 10 intergovernmental forums including the IBEC, the Summit, the CEREB and the Council of governors as well as with national government departments and development partners.

Office of the County Secretary

The office of the County Secretary recorded an absorption of 93% amounting to Kes. 61.27 million. The Department had no development expenditure. In the year under review, key undertakings and deliverables by the Office of the County Secretary were;

Administration and Support services

- ❖ Coordination of KDSP and other donor programs in conjunction with the line departments,
- ❖ Coordination of intergovernmental programs and activities,
- ❖ Coordination of capacity building of county staff,
- ❖ Coordination of national day events and county government events,
- ❖ Coordination of County Government Security of staff and buildings,
- ❖ Enhancement of a Complaints and Compliment system,
- ❖ All County assets insured
- ❖ Implemented liaison services between the County Government and the County Assembly, National Government and other partners,
- ❖ Held monthly meetings with chief officers to track on departmental projects,
- ❖ Repair and maintenance of Njabini Sub-County Office
- ❖ Staff training.

County executive committee affairs

- ❖ Coordination of Cabinet meetings
- ❖ Dissemination and follow-up on the implementation of cabinet resolutions
- ❖ A cabinet retreat.

Communication and public relations

Documenting and dissemination of information, ie coverage and publishing.

Publicity campaigns such as: Ninabadilisha Nyandarua Publicity Support

Communication policy draft tabled to the County Assembly for approval

Trained 43 people on effective public complaints management and access to information

County record management

- ❖ Implemented the integrated records management policy,
- ❖ Maintenance of county records.
- ❖ Completion of phase 2 appraisal of records
- ❖ Maintenance of Ole Liondo and Nyahururu signages at entry and exit points

Office of the County Attorney

The Office of the Attorney is charged with the provision of county legal services and advisory. Further, the office is charged to ensure operationalization of a seamless legal framework in support of the county's operations. The office recorded a 60.23% absorption rate having expended Kes. 13.16 million out of the allocated Kes. 26.85 million. Key achievements of the office were;

- ❖ 68% of cases litigated
- ❖ Assisted department in county legislations such as Nyandarua County

County Public Service Board

- ❖ Recruited, confirmed and promoted employees in the county public service.
- ❖ Prepared and submitted reports to the National Cohesion and Integration Commission on compliance with constitutional requirements on diversity during recruitment.
- ❖ Prepared quarterly and annual reports to the county assembly on the execution of the functions of the board.
- ❖ Submitted recommendations to the Salaries and Remuneration Commission (SRC) on employee remuneration.
- ❖ Administered the declaration of incomes, assets and liabilities.
- ❖ Participated in preparing some of the county HR instruments.
- ❖ Advised the County Government on HR planning and development including approval of staff establishments and organograms.
- ❖ Responded to queries from oversight bodies (such as OAG, Senate, County Assembly, EACC, NCIC, etc.).
- ❖ Compiled bio-data of the county public service.
- ❖ Communicated high level advisories to the county executive especially on HR matters.
- ❖ Resolved disciplinary issues.
- ❖ Established various offices in the County public service.

Public Service Management, Administration and Devolution

Public Service Management, Administration and Devolution had an absorption of the recurrent expenditure of Kes 2.65 billion, reflecting an absorption rate of 99.6%. Key deliverables attained by the department within the year under review were;

Public administration

- ❖ Coordinated and participated in County government functions, events and requisite development projects at the Sub counties and ward levels;
- ❖ Purchase of laptops for ward and sub county admins
- ❖ Training and capacity building of 48% of administrators

Enforcement

- ❖ Finalization and adoption of Enforcement Act;
- ❖ Training of 77 enforcement officers on First Aid Training and physical fitness;
- ❖ Coordinated with national security agencies and other County departments in enforcement measures;
- ❖ Empowered and enhanced professionalism of enforcement officers through provision of uniforms and accessories;
- ❖ Secured 100% of County government installations and assets;
- ❖ Maintained law and order during public holidays and county government functions
- ❖ Participated in national celebrations and county governments functions through parades

Payroll Management

- ❖ Phased out the manual payroll;
- ❖ Successfully migrated to HRIS (Human Resource Integrated System);
- ❖ Processed monthly payroll accurately and on time;
- ❖ Remitted payroll deductions on time

Performance Management

- ❖ Trained HROs and Departmental heads on development of service charters, customer care
- ❖ Procured Comprehensive Medical Cover, Last Expense and Group Life for the County staff

Human resource management

- ❖ Coordinated engagement and exit of interns;
- ❖ Coordinated recruitment and appointment of staff in the County;
- ❖ Facilitated timely exits of staff from service;
- ❖ Offered secretariat services to CHRMAC;
- ❖ Processed attachments, leaves and Staff Enquiries;
- ❖ Handled disciplinary cases;
- ❖ Facilitated confirmation, promotions and redesignations

Counselling Unit

- ❖ Offered counselling services to staff and members of public
- ❖ Participated in National and County counselling program

Finance, Economic planning and ICT

- ❖ Timely Preparation of monthly, quarterly and annual financial reports.

- ❖ Processing of requisitions and payments to enhance project implementation and employees emoluments.
- ❖ Absorbed 100% of all requisitioned funds.
- ❖ Coordinated external audit conducted by Office of the Auditor General.
- ❖ Prepared various reports and responses to the County Assembly, senate, Controller of Budget and other oversight bodies.
- ❖ Debt management by preparation of pending bills verification report and settlement of budgeted pending bills.
- ❖ Timely preparation of all planning and budget documents i.e. Budget circular, Annual development plan, CBROPs, CFSPs, Debt Management Strategy Paper, Programme and Itemized budget, Supplementary Budget, Appropriation Acts, An annual cash flow projection and County work plans.
- ❖ Prepared projects implementation, annual progress report for 2024/2025 FY;
- ❖ Prepared the Finance Act.
- ❖ Held various public participation for CFSP and Finance Act.
- ❖ Mobilized Kshs. 653 million from Own Source Revenue.
- ❖ Conducted various internal audits on Revenue, payments, Assets and liabilities, pending bills, payroll among others.
- ❖ Adopted open tendering process in line with procurement laws and regulations.
- ❖ Facilitated the acquisition of goods, services and works for all County Departments;
- ❖ Prepared consolidated County procurement plan.
- ❖ Acquired an asset management and tagging system.
- ❖ Facilitated the implementation of various County Funds i.e. Bursary, Mortgage and Emergency funds.
- ❖ LAN and MAST installation to various county offices to ensure seamless operations.
- ❖ Successfully restored to data recovery system to enhance security systems.

Public Works, Roads, Transport, Housing and Energy

In the financial year under review, the department had an allocation of Kes. 879,307,517 out of which kes. 94,275,000 was recurrent and kes. 785,032,517 development expenditure. The department overall absorption stood at 93.23% with the recurrent absorption at 97.82% and development expenditure at 92.68%.

Key sectional achievements are as captured below;

Roads and Transport Development

- ❖ Graded 269.4 contractual
- ❖ Gravelled 156.1 contractual
- ❖ Graded 655.4 using inhouse machinery
- ❖ Gravelled 122.7 using inhouse machinery
- ❖ 1205 Culverts lines installed
- ❖ 3 boda boda sheds constructed
- ❖ Maintained county machinery

Public Works

- ❖ Construction of County Headquarters
- ❖ Construction of County Executive Residences-Governor’s residence
- ❖ Construction of Gachuha bridge in Githioro (ongoing) and Kahutha bridge in ndaragwa

- ❖ Construction of Wanyoike, Gachwe, Rayetta box culverts,
- ❖ Produced Bills of Quantities, drawings and specifications
- ❖ Site visits and inspection of government buildings

Energy Development

- ❖ Repaired and Maintained 428 County Lighting Infrastructure (Streetlights and Floodlights)
- ❖ Installed 2no 13m Karau floodlights
- ❖ Rurii Kwa Iria/Nduthi village transformer Installation and Maximization

Emergency Response and Disaster Preparedness

- ❖ Fabrication of mairo inya Fire Engine
- ❖ Establishment of engineer fire station
- ❖ Responded to 50 fire incidences

Health Services

In its commitment to ensuring access to county health services, the Department of Health Services achieved a budget absorption rate of 94.35%. Out of the allocated KES 695.78 million, a total of KES 656.46 million was utilized across recurrent programs and development projects. Specifically, the Department absorbed 84.97% of its development budget, spending KES 137.25 million, and 97.2% of its recurrent budget, with an expenditure of KES 519.25 million.

Health Infrastructure & Equipment

- ❖ New Dispensaries -7 facilities ongoing: Kagaa, Munyeki, Mosset, Olmagogo, Kangubiri, Matindiri, Passenga are all ongoing.
- ❖ Sub-County Hospitals (4 health centres ongoing: Manunga,Bamboo,Ndaragwa,Chamuka Maternity, X-ray, pharmacy & lab works are ongoing.
- ❖ Referral Hospital (47% achieved): JM Mashujaa Complex construction ongoing.
- ❖ Renovations & Upgrades (4 achieved): Ndaragwa, Kagaa, Njambini and Pesi have seen improvements.
- ❖ Medical Equipment (3 achieved): Engineer, Manunga, Bamboo theatres have received equipment.

Preventive & Promotive Health

- ❖ Community Health Promoters: 1,427/1,500 – Improved outreach capacity.
- ❖ Advocacy & Health Promotion: 10/12 – Community groups reached.
- ❖ School Health Sessions: 480/500 – High engagement.
- ❖ Nutrition (Vit. A & Deworming): 90% – Steady progress in coverage.
- ❖ HIV Linkage to Care: 100% – Target surpassed.
- ❖ Malaria Prevalence: 0.24% – Target achieved.

Strong performance in key preventive indicators highlights the success of community-led initiatives and targeted health campaigns. However, some areas, such as Environmental Health, require more resources.

Curative Services

- Diagnosis & Treatment: 88/92 facilities achieved
- Emergency Response Time: 30 mins achieved (Target Met).
- Maternal & Reproductive Health: 88/87 facilities achieved (Target Exceeded).
- SGBV Services: 35/36 facilities achieved (Near Target).
- Staff Trained & Compensated: 720/750 achieved (Near Target).
- FIF Revenue Collection: KShs. 313.8M achieved (Target Exceeded

Solid Waste & Cemetery Management

- Disposal Sites Operationalized: 4/5 achieved
- Street Sweepers Engaged: 43/53 achieved
- Tools & Protective Gear: 203/300 achieved
- Community Education Forums: 28/32 achieved

Lands, Housing & Physical Planning

Directorate of Physical Planning

- Preparation of Physical and Development Land Use plans for;
    i. Mawingu Trading Centre in Karau ward
    ii. Ol'Joro'Orok Town in Weru Ward
    iii. Miharati Township in Kipipiri Ward
    iv. Shamata Town in Shamata Ward
    v. Ngorika Town in Kanjuiri Ridge ward
- Completion of Engineer Municipality ISUDP and IDEP – Awaiting publishing
- Classification of urban Centers in Kinangop Subcounty – Reconnaissance study done and a reconnaissance report done; Data collection is underway
- Vetting development control applications – No. of development applications vetted as follows:
    i. Subdivisions – 5
    ii. Change/Extension of Use- 40
    iii. Building Plans- 112

Directorate of Survey and Mapping

- Topographical survey for ICT Hub in Arboretum.
- Survey of public land and roads - The process is continuous upon request across the county.
- Survey of Olkalou Township Block 2,5 & 6 - The process is ongoing after the approval of the Olkalou ISUDP by the County Assembly

Directorate of Land Administration and Management

- Establishment of County Land bank (public Land database) – undertaken ground verification for 411 public land parcels in Ol’Kalou subcounty
- Acquisition of Land for social amenities and access roads in various wards across the county - Conducted site inspection and field reports for 22 land acquisition sites for the current financial year. Prepared 12 files for payment.
- Issuance of titling documents - Colonial villages (identification and verification of beneficiaries, technical support in processing of allotment letters and leases) in Rurii, Wanjohi, Gathundia & Kanyagia colonial villages is underway.

- ❖ Preparation of County Valuation Roll (Joint Implementation by County & National Government) – Undertaken the screening exercise in order to determine the areas to fall under site value rating. Statutory resolutions adopted by the County Executive Committee and forwarded to the County Assembly for approval. Field inspections by National Valuation Team scheduled to begin early next year.
- ❖ Transfer of temporary plots and kiosks – Unlocked the stalemate in the transfer process with 44 Transfer applications approved out of 98 applications in the current financial year
- ❖ Valuation of County assets as outlined by IGRTC in collaboration with Valuers from the Ministry of Lands – Completed the field inspection exercise and ssubmitted the provisional valuation report to Chief Government Valuer
- ❖ Provision of technical backstopping/support to other departments – valuation of JM & Engineer Hospital assets, Ol' Kalou Municipality and County Assembly assets for book keeping purposes.

Directorate of Urban Development

- ❖ Infrastructure upgrade works in informal settlement in Huruma and Njabini under World Bank Kenya Informal Settlement Improvement Programme II (KISIP 2)

Municipalities

Ol' Kalou Municipality

- ❖ KUSP II UDG Assessment for Ol' Kalou Municipality was successful.
- ❖ Public Health & sanitation – Construction of public toilets in Tumaini & Kariamu as well as routine solid waste management in the municipality.

Engineer Municipality

- ❖ Preparation of Municipality Integrated Sustainable Urban Development Plan (ISUDP) & Integrated Development Plan (IDeP) as a minimum condition for KUSP funding
- ❖ KUSP II UDG Assessment for Engineer Municipality was successful

Mairo-Inya Municipality

- ❖ Infrastructure upgrade in the Mairo-Inya,Leshau Pondo and Ndaragwa Central(Drainage systems,floodlights).
- ❖ Public Health & sanitation - Routine solid waste management in the municipality

Tourism, Cooperatives, Trade and Industrialization

The Department is an integral component of the county's productive sector. It had an allocation of Kes 55.84 million for recurrent expenditure and an appropriation of Kes 47.40 million for development expenditure. The Department registered 95.07% and 65.36% absorption rate for the recurrent and development expenditure respectively. Key milestones achieved by the department within the year under review were;

Trade Development Directorate

- ❖ Upgrade of Soko Mpya (Phased financing – Cabro works, Market access and road Drainage) is at 70% completion status and works ongoing.
- ❖ Geta market stalls electricity installation and electrical works was done to completion.
- ❖ Rehabilitation of Market Toilets across the County.

- ❖ Markets places were rehabilitated.
- ❖ The Department participated in 2 Trade fairs and exhibitions.
- ❖ Four trainings were conducted to build the capacity of traders.
- ❖ More than 5 market management committees were established.
- ❖ Four B2B, B2C peer to peer networks were established.
- ❖ 1 Business round table forum was conducted.
- ❖ The Trader's database was updated.

Cooperative Development Directorate

- ❖ The Directorate oversaw more than 35 Cooperatives audited.
- ❖ Over 28 trainings were conducted to build capacity of Cooperatives.
- ❖ One Cooperative society was revived.
- ❖ One Cooperative society dispute was resolved.

Tourism

- ❖ Installation of Solar for water distribution in the arboretum is 100% complete.
- ❖ Two Tourism campaigns and marketing events were done.

Industrialization

- ❖ County Aggregation Industrial Park (CAIP) is at 17% completion status.

Weights and Measures

- ❖ Investigation of one complaint on infringement of weights and measures law was done.
- ❖ Verification of more than 160 traders Weighing and Measuring equipment was done.

Education, Technical Training, Culture, Gender Social Protection

Investment in Human resources is essential for socio-economic development. In the year under review, the department expended Kes. 173.7 million on recurrent expenditure and Kes 37.7 million on development expenditure which was 99.30% absorption of its recurrent expenditure and 59.47% absorption rate for the development expenditure. Key milestones are highlighted below;

Early Childhood Development Education

- ❖ Construction and completion of 10 ECDE classrooms (Others are ongoing)
- ❖ Construction and completion of 5 ECDE toilets
- ❖ Renovation of 5 ECDE Centres was undertaken
- ❖ 3 Recurrent Pending bills were paid
- ❖ 8 Development Pending bills were paid
- ❖ 288 Chairs and 48 tables were procured and distributed to 8 ECDE centers
- ❖ 344 ECDE Centres gained digital literacy access via the EIDU Program
- ❖ Provision of County Education Bursaries to 30,635 needy learners

Vocational Training Centers

- ❖ 3 Sanitation facilities were constructed
- ❖ Trainees' capitation was provided to 2,297 trainees.
- ❖ Recognition of Prior Learning Training for 165 Juakali Artisans in Gathaara and Engineer wards at Kinangop VTC and 65 Artisans in Karau Ward at OlKalou VTC
- ❖ 608 candidates sat for national exams with a 95% pass rate
- ❖ 3 VTC graduation ceremonies were conducted successfully
- ❖ Training of VTCs Managers and officers on financial reporting
- ❖ VTC Scouts participated in National Scouts Competition at National level

- ❖ Marketing of VTCs Programs across the County
- ❖ Attachment of 900 trainees in various industries

Culture

- ❖ Conducted Gordon cultural initiation mentorship training
- ❖ Kagaa Social Hall was renovated
- ❖ 11 Cultural groups were vetted
- ❖ Mapped Mau Mau veterans and other heroes
- ❖ Gordon Mentorship was constructed to 80%, construction is ongoing
- ❖ Facilitated Participation in Kenya Music and Cultural Festivals

Library Services

- ❖ Conducted Library Outreach services
- ❖ Construction of Modern toilets in Kiriita Ward

Gender and Social Protection

- ❖ International Celebrations for the African child
- ❖ Commemoration of 16 days of activism on GBV issues
- ❖ Advocacy on gender mainstreaming during International Women and Men's Days
- ❖ Carried out corrective surgeries in conjunction with other institutions to 10 persons
- ❖ Provision of Socio-economic support to 60 groups
- ❖ Empowerment of 100 groups through capacity building
- ❖ Provision of income generating equipment to 6 PWD groups
- ❖ Provision and distribution of foodstuff and basic needs to 625 vulnerable persons
- ❖ Support to PWDs and terminally ill with 450 adult diapers and colostomy bags
- ❖ Facilitation of 1200 PWD persons with registration assessments within the County
- ❖ Celebrations during the International PWD day on 3rd December
- ❖ Procurement of 8,000 hygiene kits, distribution to vulnerable boys and girls is ongoing

Alcohol drinks control

- ❖ Liquor premises Inspection and licensing was conducted
- ❖ The Programme collected 73.24M revenue which was 159% achievement against the set target.

Agriculture, Agribusiness, Livestock & Fisheries

The Department is key in the productive sector. With approved expenditures at Kes 458.75 Million for development and Kes. 108.68 million of the recurrent expenditure. The department recorded an absorption rate of Kes 9.59% and 93.07% for the development and recurrent expenditure having expended Kes 62.9million and Kes 124.8 million respectively. The key milestones in the year under review were:

Crops Development

- ❖ Farmer Profiling and Community Institution Development
  - A total of 80,533 farmers were profiled using the *Know Your Farmer (KYF) App*, including 47,756 existing members and 19,020 new registrations. The exercise involved agripreneurs across all wards.
  - Through the project, 4,047 CIGs/VMGs have been mobilized, reaching 94,154 beneficiaries against a target of 100,000, thereby enhancing farmer organization, inclusivity, and access to benefits.

- Establishment and capacity building of 160 active agripreneurs (83 female, 77 male) to support field data collection and digital profiling.
- Group strengthening activities and trainings conducted to enhance cohesion and functionality of CIGs/VMGs, FPOs, and SACCOs, including leadership training, savings mobilization, and digitization.

❖ Farmer Producer Organization (FPO) Level Climate-Smart Value Chain Investments

- A total of KES 33,982,978 (thirty-three million, nine hundred eighty-two thousand, nine hundred seventy-eight) has been disbursed to support Miharati FCS, Nyala Dairy MPCS, South Kinangop FCS, Boiman Dairy FCS, Umoja Victory Marketing Society Ltd, and Tulaga FCS in their specific investments under the *Enterprise Development Fund*

❖ last- mile distribution of over 187,578 bags of subsidized fertilizers

❖ Procurement and distribution of 22,500 apple fruit trees seedlings to farmers

❖ Distribution of 250,000 pyrethrum seedlings

❖ Distribution of 66 pyrethrum solar driers

❖ Procurement and distribution of maize seeds and avocado seedlings(Shamata) to farmers

Livestock Production

❖ Trained 14,800 farmers on various livestock production technologies.

❖ Procured and distributed 3,000 chickens to farmers in Shamata ward.

❖ Procured and distributed 104 sheep breeding stock to farmers in Shamata ward.

❖ Procured and distributed 2 incubators to farmer groups in Githioro ward.

❖ Procured and distributed 49 beehives to farmers in Githioro ward.

❖ Facilitated approval and benchmarking for the construction of a livestock sale yard in Leshau Pondo ward.

❖ Identified beneficiary cooperatives for milk coolers, trained operators, and collaborated with the National Government on implementation.

❖ Procured and distributed 3 solar-powered incubators and 3,200 fertilized eggs to farmers in Kaimbaga ward.

❖ Procured and distributed 4 motorized chaff cutters to farmers in Kaimbaga ward.

❖ Procured and distributed 8 petrol-powered knapsack sprayers to farmer groups in Kaimbaga ward.

Veterinary Services Development

❖ 54,742 cattle vaccinated against Foot and Mouth Disease, 54,742 cattle vaccinated against Lumpy Skin Disease and 14,423 dogs, vaccinated against Rabies.

❖ 61,308 Carcasses inspected (8964 Bovine, 48,701 ovine and 3643 sheep) and 11,582 certificate of transport issued.

❖ 1571 movement permits and 1345 No Objection issued.

❖ 15,236 artificial inseminations carried out.

❖ 8 Cattle dips recharged.

❖ One Slaughter house repaired (Olkalou slaughter house).

❖ 15 sensitization forums on Zoonotic diseases, AMR and Food safety held

- ❖ 2 Animal control sensitization forums.

Fisheries Development

- ❖ Trained 2,215 farmers on various fish production technologies.

Youth Affairs, Sports and Innovation

In the year under review, Kes 60.7 million was for recurrent expenditure whilst Kes 15.6million was appropriated for the development expenditure. The Department recorded the highest absorption at 99.45% in development expenditure with the recurrent expenditure recording an absorption of 98.03%. Key achievements for the department are highlighted below;

Youth Affairs

- ❖ 8 Youth Enterprises supported with Youth equipment
- ❖ 100 Youth trained on Driving
- ❖ Training and Certification of 350 Youth in collaboration with NITA (ongoing)

Sports

- ❖ Upgrade of 8 sports facilities –Engineer, Murungaru, Wakirogo, Ndunyu Njeru, Rurinja, Oljoro Orok, and Kianjata stadiums
- ❖ Federation Clubs Sports Events-49 teams affiliated and participated
- ❖ Athletics Kenya Sports Events-1200 Athletes participated
- ❖ Governor's Tournament-620 teams participated
- ❖ 300 teams issued with sports uniform and Equipment
- ❖ 36 new referees,50 volleyball referees and 31 referees on physical Endurance Test

Innovation

- ❖ 50 Film makers trained on script writing, fine tuning, shooting, editing, screening)
- ❖ 100 Artists trained on Performance and Visual Production

Water, Environment, Natural Resources and Climate Change

During the reporting period, the Department of Water, Environment, Natural Resources and Climate Change made notable progress in improving water access, environmental protection, resource conservation, and climate resilience in Nyandarua County. The Department had an allocation of Kes 52.2 million for the recurrent expenditure with Kes. 483.8 million appropriated for the development expenditure. Subsequently, in the financial year under review, the department recorded an absorption rate of 70.6% and 34.73% for the recurrent and development expenditure respectively. The milestones achieved in the in the year were;

- ❖In water management, 7 boreholes were drilled, 53.24 km of pipelines laid in 21 projects, 3 water intakes constructed, 7 boreholes solarised, 9 rehabilitated, and 11 masonry tanks built, benefiting thousands of households.
- ❖In environmental conservation achieved 100% project screening for compliance, planted trees in Shamata, cleaned drains in five urban centres, commemorated World Environment Day, and developed draft noise regulations.
- ❖Natural resource management saw 20 community conservation groups trained, 5 tree nurseries supported, 3 acres of Ol Kalou quarry rehabilitated, and 20 farmers' groups supported with agroforestry.
- ❖Climate change resilience was strengthened through training of 254 committee members, installation of 62 biogas plants, and completion of multiple water projects serving over 2,450 households, alongside school water harvesting and ecosystem restoration initiatives.

County Assembly

The County Assembly plays an essential role in the oversight and approval of various Planning and Budgeting Policy documents among other roles and responsibilities as stipulated in the Constitution of Kenya 2010 and the County Government Act, 2012.
For the facilitation of programmes and projects that are recurrent, the County Assembly had appropriations of Kes. 872,918,248 vis-à-vis an actual expenditure of Kes. 868,059,988. The absorption rate of the County Assembly was 99.44%.

2.2.4 Expenditure on other Transfers & Payments

The expenditures by the County included transfers and payments made. This is as detailed in table 12.

Table 13: Expenditure on Other transfers & payments

Other Transfers & Payments In Kes.	Amount
Bursary fund	137,450,000
Mortgage fund	70,000,000
Medical, Pension and retirement benefits	329,720,560
Emergency fund	50,000,000
Hospital transfers and other transfers	337,860,763
Sub totals	**925,031,323**
Expenditure by Departments	5,920,823,387
County Assembly	868,059,988
Un surrendered imprest at 30th June 2025 b/f	-
Total Expenditure	**7,713,914,698**
Unrealized revenue	985,839,041
Unspent balances (including surrendered imprests at 30th June 2025)	80,019,732
Grand total	**8,779,773,471**

From the analysis in table 12, the County total expenditure amounted to Kes. 7,713,914,698. This was composed of transfers and other payments that included: Kes. 137,450,000 to bursary fund; Kes. 70,000,000 to mortgage fund; Kes. 329,720,560 to medical insurance, pension and gratuity; Kes. 50,000,000 to emergency fund; Kes; 337,860,763 to hospitals and other current transfers; Kes; 868,059,988 to County Assembly; and Kes. 5,920,823,387 as departmental expenditures in the year.

Further, during the financial year, the County had Kes. 985,839,041 as unrealized revenues and kes. 80,019,732 as unspent balances as at 30th June 2025.

2.3 Challenges in the Implementation of the 2024/25 FY Budget

Unrealized Own Source Revenue

The government didn't collect the income it expected from local sources like taxes and fees. This shortfall leads to budget gaps, making it hard to pay contractors for completed work. As a result, pending bills from previous years remain unpaid, causing delays in new projects. Contractors often pause work until they're paid, which slows down development and disrupts service delivery.

Civil unrest

Civil unrest disrupts financial operations by forcing governments to withdraw key tax measures, leading to major revenue shortfalls. To cover the gap, borrowing increases, which strains public finances. The unrest also causes destruction of public and private property, erodes public trust, and makes future policy implementation more difficult due to fear of backlash and instability.

Adverse weather conditions

The county experienced heavy rains in some parts that damaged infrastructure, forcing emergency spending, and delaying development projects. Economic activity slowed, tax revenues dropped, and governments had to divert funds from planned programs to disaster response, weakening overall fiscal performance.

2.4 Expenditure Performance in Relation to the Fiscal Responsibility Principles

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 observe. These include the following:

1. 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;

2. The County public debt shall never exceed twenty per cent of the County Governments total revenue at any one time;

3. 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;

4. The County Government actual expenditure on development shall be at least thirty per cent

An analysis of the County's adherence to the fiscal responsibility principles for the period under review is as follows:

Table 14: Analysis of the County's adherence to the fiscal responsibility principles for the period ending 30th June 2025

Indicator	Total Expenditure (Kes.)		Ratio (%) in relation to the total expenditure	Ratio (%) Fiscal Responsibility Principle requirement
County expenditure	Recurrent	5,386,672,395.00	73.37	
	Development	1,955,584,760	26.63	Should be at least 30%
	Total	**7,342,257,154.85**	100.00	
	Expenditure on wages & benefits (Excluding county assembly)	2,644,520,559.43	36.02	Should not exceed 35%
Expenditure by County Assembly		868,059,988	11.82	Should be the lower of 7% or twice the personnel emolument
Pending bills		342,772,669	4.67	Should not exceed 20%
Emergency fund		50,000,000	0.68	Should not exceed 2% of the total budget

The County Government's development expenditure must be at least 30%. The actual development expenditure comprised **26.63%** of the County's total actual expenditure. Hence the County did not adhere to the principle in its actual expenditures.

The County Government's spending on wages and benefits for public officers must not exceed 35% of its total revenue. The County's expenditure on wages and benefits, including pension, mortgage, gratuity, and medical insurance, accounted for 36.02% of total actual expenditure (excluding the County Assembly) in FY 2024/25. The County did not adhere to this fiscal responsibility on its actual expenditures.

The County's public debt shall not exceed 20% of its total revenue at any given time. The County had no debt as at the end of the Financial Year. However, Kes**. 342,772,669** was paid as pending bills, representing 4.67% of the expenditure estimates, which was within the limit.

The County Assembly's approved expenditures should not exceed 7% of the County Government's total revenue or twice the personnel emoluments of the Assembly, whichever is lower. The County Assembly's actual expenditure accounted for 11.82% of total revenue, which exceeded the prescribed limit. However, these expenditures also included the non-ceiling items and this explains why the limit was exceeded.

Fiscal risks must be managed prudently. The County Treasury implemented various control measures and checks to manage fiscal risks prudently**.**
The allocation for the Emergency fund accounted for 0.68**%** of the total revenues, thus falling within the confines of the principle.

A reasonable level of predictability in tax rates and tax bases should be maintained, considering potential future tax reforms. The County collected revenues as per the Finance Act and initiated resource mapping and mobilization efforts to enhance its resource base without overburdening residents.

CHAPTER THREE

ECONOMIC AND FINANCIAL FORECAST FOR FY 2026/27 AND THE MEDIUM-TERM

3.1 Macroeconomic Outlook And policies

Forecasting remains a critical tool in policy formulation, as it provides insights into the main forces shaping economic performance and the uncertainties that may influence future outcomes. The Macroeconomic Outlook builds on recent global, regional, and domestic developments to project the likely path of the economy. It helps policymakers anticipate fluctuations in growth and inflation, interpret key indicators of expansion and slowdown, and design appropriate policies to safeguard stability, resilience, and sustainable growth.

3.2 RECENT ECONOMIC DEVELOPMENTS

3.2.1 Global and Regional Economic Development

Global economic growth is projected to moderate in the medium term. According to the *IMF WEO,* July 2025, the world economy is expected to grow by 3.3 percent in 2024, slowing to 3.0 percent in 2025 before slightly picking up to 3.1 percent in 2026. The moderation reflects the fading effects of tariff front-loading in early 2025, ongoing trade policy uncertainty, elevated U.S. tariff rates, and persistent geopolitical tensions. Global inflation is expected to ease in 2025 and 2026 due to lower energy prices and moderating global demand. Central banks in major economies have continued to lower interest rates, albeit unevenly, depending on inflationary pressures and growth prospects. International oil prices have moderated because of increased production, but remain volatile given global uncertainties. On the upside, successful trade negotiations could boost global growth by reducing tariff-related uncertainties.

Advanced economies are projected to experience slower growth, declining from 1.8 percent in 2024 to 1.5 percent in 2025 and modestly improving to 1.6 percent in 2026. The slowdown is driven largely by weaker performance in the United States, where growth is projected to fall sharply to 1.9 percent in 2025 and 2.0 percent in 2026, down from 2.8 percent in 2024, reflecting the effects of aggressive tariffs, policy uncertainty, reduced labor supply from lower immigration, cooling consumer and housing activity, and mounting stagflation risks. The Euro Area is expected to recover gradually, with growth improving to 1.0 percent in 2025 and 1.2 percent in 2026 from 0.9 percent in 2024, supported by strong first-quarter performance in Ireland, driven by a surge in pharmaceutical exports.

Emerging Market and Developing Economies (EMDEs) are projected to grow moderately at 4.1 percent in 2025 and 4.0 percent in 2026, down from 4.3 percent in 2024. Growth is supported by stronger performance in South Asia and Sub-Saharan Africa, steady growth in Middle East and Central Asia, but slower momentum in China and Latin America. Within Sub-Saharan Africa, growth is projected at 4.0 percent in 2025, unchanged from 2024, before improving to 4.3 percent in 2026, reflecting gradual regional recovery. The growth drivers include robust performance in non-resource-rich countries, rising private consumption, improved investment activity, and easing inflationary pressures. However, structural constraints, high debt levels, climate vulnerabilities, and external risks such as commodity price fluctuations and global trade tensions continue to weigh on the region's prospects (BROP 2025).

3.2.2 Domestic Economic Development

Kenya's economy grew by 4.7 percent in 2024. This was lower than the 5.7 percent growth in 2023, mainly due to the negative effects of floods in the second quarter and the anti-Finance Bill protests in the third quarter that disrupted economic activities.

The economy remained resilient in the first quarter of 2025, registering a growth of 4.9 percent, a similar performance to the same quarter in 2024. This strength was underpinned by broad-based growth across all three main sectors:

- The Primary Sector was the main driver of growth, expanding by 6.2 percent. This was led by a strong performance in agriculture due to favorable weather conditions, which boosted production of key crops and exports, alongside a significant recovery in mining and quarrying.
- The Industry Sector showed improved growth of 2.6 percent, supported by positive performances in manufacturing (food and non-food), a rise in electricity generation, and a rebound in construction activity.
- The Services Sector, while slowing from its high base in 2024, remained robust with a 4.8 percent growth. Positive growth was recorded across all key sub-sectors, including transport, accommodation, ICT, and finance.

Leading indicators for the subsequent quarters of 2025 point to improved performance, supported by continued strength in agriculture, a rebound in construction, and resilient services. External financing is also expected to bolster industrial and energy development. Over the medium term, growth is projected to be supported by diversified sectoral activity. Risks to the outlook include climate variability. Kenya's real GDP growth is projected at 5.3 percent in both 2025 and 2026, supported by agriculture, services, and industrial recovery, alongside resilient private consumption and investment (BROP 2025).

Inflation Rate

Overall year-on-year inflation has remained stable and below the mid-point of the Government's policy target range of 5.0 ± 2.5 percent since June 2024. The rate was recorded at 4.5 percent in August 2025, compared to 4.4 percent in August 2024. This stable inflation outcome has been supported by an abundant supply of food due to favorable weather conditions and Government interventions. Further support has come from lower fuel inflation, attributed to exchange rate stability and lower international oil prices, and a decline in non-core inflation reflecting the impact of previous monetary policy tightening.

Core inflation, which measures price changes in non-volatile commodities such as manufactured food items, health services, education services, and ICT, increased to 3.0 percent in August 2025 from 2.2 percent in August 2024. This increase was largely driven by higher prices of processed food items. Meanwhile, non-core inflation, which includes volatile items like fresh vegetable farm produce, energy items, and select transport components, decreased to 9.2 percent in August 2025 from 10.3 percent a year earlier, mainly on account of relatively lower energy prices.

Inflation is projected to remain within the Government's target band of 5.0 ± 2.5 percent in the medium term, supported by stable food supply, easing fuel costs, and prudent monetary policy actions (BROP 2025).

Kenya Shillings Exchange Rate

The Kenya Shilling remained relatively stable against major international currencies. It stabilized against the US Dollar in August 2025, exchanging at an average of KSh 129.2 compared to KSh 129.3 in August 2024.

However, the Shilling depreciated against the Sterling Pound and the Euro by 3.8 percent and 5.6 percent, respectively. The Sterling Pound exchanged at an average of KSh 173.7 in August 2025, up from KSh 167.3 in August 2024, while the Euro averaged KSh 150.4 compared to KSh 142.4 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. The exchange rate is projected to remain broadly stable over the medium term, anchored by resilient exports, remittances, and adequate reserves (BROP 2025).

Interest rates

The Central Bank of Kenya has gradually eased monetary policy, lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.5 percent in August 2025. This action, complemented by a reduction in the Cash Reserve Ratio (CRR) to 3.25 percent, was aimed at stimulating lending to the private sector, supporting economic activity, anchoring inflationary expectations, and ensuring exchange rate stability.

Short-term interest rates declined in line with this monetary easing. The interbank rate fell to 9.5 percent by August 2025, remaining within the prescribed corridor around the CBR. Yields on government securities also declined significantly: the 91-day Treasury bill rate fell to 8.0 percent, the 182-day rate to 8.1 percent, and the 364-day rate to 9.6 percent in August 2025. This decrease in government borrowing rates implies lower debt servicing costs and creates greater space for private sector credit growth.

Commercial banks' average lending and deposit rates also decreased by July 2025. The average lending rate declined to 15.2 percent, and the average deposit rate fell to 8.1 percent. Consequently, the average interest rate spread between lending and deposit rates increased to 7.2 percent.

Monetary policy is expected to remain supportive of private sector credit expansion and overall economic recovery in the medium term (BROP 2025).

Capital Markets Developments

The stability of the Kenya Shilling against major international currencies, coupled with improved macroeconomic conditions, has strengthened investor confidence. This has contributed to increased foreign direct investment inflows and attracted investors to the Nairobi Securities Exchange (NSE).

The NSE 20 Share Index improved by 69.6 percent to 2,846 points in August 2025, up from 1,678 points in August 2024. Similarly, market capitalization expanded by 67.9 percent to KSh 2,719 billion from KSh 1,620 billion over the same period, underscoring improved market sentiment and stronger equity valuations.

Sustained macroeconomic stability and fiscal consolidation efforts are expected to reinforce investor confidence and deepen capital market activity in the medium term (BROP 2025).

External Sector Developments

The current account deficit was USD 2,098.2 million (1.5 percent of GDP) in June 2025, compared to USD 1,925.6 million (1.5 percent of GDP) in June 2024. The deficit in the 12 months to June 2025 was more than fully financed by financial account inflows, resulting in an overall balance of payments surplus of USD 2,832.1 million.

The deficit on the merchandise account deteriorated to USD 10,381.9 million in June 2025. This was mainly due to a 9.9 percent rise in goods imports, which reflected increases in intermediate and capital goods and more than offset a 7.7 percent increase in goods exports. The growth in exports was driven by higher domestic exports of horticulture and coffee. Services receipts increased by 24.4 percent, supported mainly by transport and travel services. The deficit on the primary income account narrowed to USD 1,728.0 million in the year to June 2025.

Net secondary income remained resilient, increasing by USD 431.7 million during the review period. This was owing to a 12.1 percent rise in diaspora remittances, which reached USD 5,084 million in the 12 months to June 2025. Net financial inflows improved significantly to USD 4,160.9 million in June 2025. These inflows were mainly in the form of other investments, direct investments, and financial derivatives, although portfolio investments registered a net outflow.

The current account deficit is projected to remain sustainable in the medium term, supported by strong remittance inflows, rising exports, and resilient service receipts (BROP 2025).

Foreign Exchange Reserves

The banking system’s foreign exchange holdings remained robust, increasing to USD 17,762.1 million in June 2025 from USD 16,438.0 million in June 2024. This improvement was largely driven by a significant build-up of official foreign exchange reserves held by the Central Bank of Kenya, which rose to USD 11,876.7 million in June 2025 from USD 8,462.7 million a year earlier. In contrast, commercial banks' foreign exchange holdings declined over the same

period.
The official foreign exchange reserves remained adequate at the end of June 2025, providing 5.2 months of import cover, a significant increase from 3.8 months of import cover in June 2024. This level of reserves is well above the statutory requirement of 4.0 months of import cover. This continues to offer a strong buffer against short-term external shocks, supports exchange rate stability, and reinforces investor confidence in the economy.

Reserves are expected to remain adequate over the medium term, providing more than 4 months of import cover and sustaining currency stability (BROP 2025).

Fiscal deficit

In FY 2024/25, the Government faced fiscal pressures arising from the withdrawal of the Finance Bill 2024, protests that slowed economic activity, and expenditure demands from carryover obligations and wage agreements. As a result, the overall fiscal deficit amounted to KSh 1,019.1 billion (5.8% of GDP), broadly in line with the target. The deficit was financed mainly through domestic borrowing (KSh 854.5 billion, 4.9% of GDP) and supplemented by external financing.

Looking ahead, the fiscal balance is expected to improve. In FY 2025/26, the deficit is projected to decline to 4.7% of GDP, with revenues projected at KSh 3.32 trillion (17.2% of GDP) and expenditures at KSh 4.27 trillion (22.2% of GDP). Financing will be split between domestic borrowing (KSh 613.5 billion) and external borrowing (KSh 287.4 billion).

Over the medium term, the deficit is projected to narrow further to 4.0% of GDP in FY 2026/27, reflecting the Government's fiscal consolidation strategy anchored on stronger revenue mobilization, expenditure rationalization, and prudent debt management to ensure long-term fiscal sustainability (BROP 2025).

3.2.3 County Outlook

Nyandarua County's economy continues to register steady and resilient growth, driven by a vibrant agricultural base and a dynamic service sector supported by a stable macroeconomic environment and enabling government policies. Strategic infrastructure development, in collaboration with the National Government, remains central to this progress. Ongoing flagship investments including new housing projects in Olkalou and Engineer, construction of economic stimulus modern markets in Gwa-Kiongo, Ndaragwa, Subuku, Kwa-Haraka, Wanjohi, and Engineer, proposed expansion of the Nairobi–Nakuru highway, and improved water and energy projects are expected to stimulate trade, attract investment, and unlock opportunities across both urban and rural areas. The operationalization of the University of Nyandarua will further boost human capital development and catalyze growth.

Looking ahead, the County's medium-term outlook will be influenced by national and global economic dynamics but firmly anchored in the Third Generation County Integrated

Development Plan (CIDP III) under the theme *"Change Agenda for Socio-Economic Development and Wealth Creation."* Implementation of the 2026/27 budget and the medium-term framework will align with CIDP III, the National BETA Agenda which prioritizes agriculture, food security, MSMEs, manufacturing, affordable housing, the digital and creative economy, and health while remaining responsive to emerging needs.

To adapt to a rapidly evolving socio-economic environment, the County will prioritize resilience-building strategies, resource mobilization, and efficient service delivery. Fiscal priorities will emphasize prudent financial management, transparency, and efficiency. Key areas of focus include climate-smart agriculture, environmental conservation, water security, ecotourism, Infrastructure and human capital development.

The County will continue to support agricultural value chains through input subsidies such as fertilizer, certified seeds, and Artificial Insemination, alongside investments in climate-resilient infrastructure. Community empowerment through sustainable farming practices, financial literacy, and climate adaptation training will remain central, while digitization of revenue collection and monitoring will enhance efficiency and curb leakages.

Through these interventions, Nyandarua aims to build a resilient, inclusive, and sustainable economy that creates wealth, broadens opportunities, and improves livelihoods for all residents. To sustain this upward growth path, the County Government has rolled out key socio-economic measures, including:

i. **Health Services:**

Health services are a cornerstone of both public well-being and economic prosperity in the County. In recognition of this, in the medium term the Department of Health Services is committed to strengthening healthcare delivery through an integrated and sustainable approach that advances preventive, curative, and specialized services in line with universal health coverage objectives. Preventive health will be enhanced through the strengthening of community health units, expansion of school health programmes, improvement of nutrition services, and maintenance of high immunization coverage. Curative interventions will prioritize the maintenance of health facilities, expansion of diagnostic capacity, enhancement of emergency response systems, and focused investments in maternal and child health. To ensure uninterrupted service delivery, the County is implementing a locum policy for medical personnel, while also rolling out corporate health services to diversify financing and service delivery models. Furthermore, the County is pursuing resource mobilization strategies, including strategic partnerships, to expand initiatives in underserved areas. Flagship programmes such as *Afya Bora Mashinani* will further reinforce community-based healthcare by empowering Community Health Promoters to deliver essential services directly at the household level, thereby improving access, easing congestion in health facilities, and strengthening overall system resilience. Collectively, these measures provide a robust policy framework for delivering equitable, accessible, and high-quality health services to the County's population.

ii. **Education, Technical Training, Culture, Gender, and Social Protection**

Investments in education and social development remain vital for building human capital and reducing vulnerability. In the medium term, the county will strengthen ECDE and vocational training through capitation, bursaries, and expanded access to modern training facilities. These efforts will lower financial barriers, increase enrolment, and enhance skills for productive participation in the economy.

The operationalization of Nyandarua University College, Ol Joro Orok Campus, together with the Modern Ol'Kalou Community Library, will broaden access to tertiary education and lifelong learning. Parallel investments in culture, social protection, gender empowerment, and regulation of alcohol are expected to foster social cohesion and resilience, enhancing the county's overall competitiveness.

iii. Youth Affairs, Sports and Innovation

Youth, sports, and innovation are central to inclusive growth and employment creation. Medium-term interventions will focus on providing modern equipment for youth-led enterprises, promoting innovation and creative industries, and supporting talent development through sports infrastructure and training.

These programmes are expected to expand opportunities for self-employment, nurture new technologies and business models, and generate careers in sports and related sectors. Collectively, they will reduce unemployment, stimulate local economies, and enhance social inclusion by empowering the county's young population.

iv. Trade, Industrialization, Cooperative Development, and Partnership

Trade and industrialization initiatives are positioned to drive economic transformation by expanding market access, enhancing value addition, and strengthening cooperative movements. Key investments include modern market infrastructure across sub-counties, business-friendly policies, and entrepreneurship development programmes for youth and women.

The County Aggregation and Industrial Park (CAIP) will serve as a hub for agro-processing and value addition, boosting productivity and competitiveness. Support to cottage and Jua Kali industries, together with investment promotion through the Trade and Investment Authority, is expected to attract new capital and generate employment.

Revitalization of cooperatives through improved governance and infrastructure will restore confidence and expand financial access at the grassroots, positioning the cooperative sector as a key enabler of socio-economic empowerment.

v. Water, Sanitation, Environment, Tourism, Natural Resources, and Climate Change

Water security, environmental management, tourism promotion and climate resilience remain critical to Nyandarua's growth agenda. Medium-term priorities include expansion of community water projects and drilling of additional boreholes to enhance access to safe water and reduce reliance on rainfall.

Solid waste management initiatives and prudent use of natural resources will improve environmental quality, while eco-tourism development anchored by the upgrading of the county arboretum will diversify the economy and generate jobs. Conservation of Lake Olbollosat through awareness campaigns and annual half marathon event is also expected to mobilize resources and partnerships.

The Climate Change Programme, supported by the World Bank's FLLoCA initiative and the County Climate Change Fund, will strengthen adaptation measures, reduce vulnerabilities, and enhance long-term resilience. Together, these interventions will create a greener and more sustainable economic base.

vi. Lands, physical planning and urban development

The department is responsible for land administration, surveying & mapping, physical planning, housing development and urban/municipal development. These are crucial for providing security of tenure and the County's orderly growth. The department's key objective is to implement collaborative land planning and management that bring diverse groups together to address land issues and urban development.

Some overarching strategies that will be applied for accountable public land management, surveying, urban planning and development include;

1. Developing a public land policy to provide fundamental direction detailing responsibilities and systems of management, including clear transfer and regularization processes.
2. Develop an inventory of public land that will be updated regularly.
3. Implement the property valuation roll ensuring robust data management, transparent processes, strong public communication and sufficient technical capacity building.
4. Acquire modern survey and mapping equipment to quicken the process of land ownership transfers and reduce land related disputes.
5. Use the GIS system to integrate and manage all property data, including ownership details, land use, size, and aerial imagery. Invest in data, technology and staff in implementing specific applications such as parcel mapping, resource tracking, and transfer processing that the GIS will support.
6. Support urban planning to ensure orderly and controlled urban growth. This involves strategic land-use planning with zoning regulations, integrated infrastructure planning for transportation and basic services, community engagement and public-private partnerships, and a focus on environmental protection and green infrastructure.

vii. Roads, Transport, Energy, and Public Works

The department acts as an enabler by supporting the other county departments through the provision of sustainable development of essential infrastructure and services while protecting the environment. The department coordinates transportation systems & infrastructure projects, manages roads, public buildings, and emergency response & mitigation.

The department will focus on upgrading and maintenance of existing earth roads to all-weather roads and opening of new road network through use of county machinery and contractual works, Construction and maintenance of drainage infrastructure, and Construction and improvement of transport amenities infrastructure.

Further, through the Directorate of Public Works, the department will support in Project design, documentation, construction, and supervision for government buildings. Emphasis will be laid on the Construction and completion of the County headquarters and the governor's/ deputy governor's residences.

In the energy sector, priority will be given to the solarization of streetlights, a step aimed at promoting sustainability while reducing operational costs.

The emergency response and preparedness section will provide effective and timely response to disasters and emergencies and maximize recovery services of the residents, property, and environment.

viii. Agriculture, Agribusiness, Livestock and Fisheries

Agriculture remains the backbone of Nyandarua's economy and a priority growth driver. Medium-term strategies include increased access to subsidized fertilizers and farm inputs, mechanization services, and training through Agricultural Training Centers. These efforts are expected to boost productivity, lower production costs, and enhance food security.

Value chain development under the National Agricultural Value Chain Development Project (NAVCDP) will expand market access, processing, and value addition. In livestock, expansion of subsidized Artificial Insemination services, vaccination programmes, and livestock sale yard infrastructure will strengthen productivity and farmer incomes.

Fisheries development, including hatchery refurbishments and trout farm investments, will diversify food sources and create new income streams, consolidating agriculture as a driver of inclusive rural transformation.

ix. Office of the County Secretary

To achieve its mandate, the Office of the County Secretary will strengthen inter-departmental coordination by institutionalizing regular meetings and workshops with chief officers, standardizing progress reporting, and consolidating quarterly departmental status reports to enhance accountability. The Office will also improve executive support functions through the digitization of minutes, reports, and policy documents, and by establishing a dedicated secretariat to facilitate the work of the County Executive Committee and its sub-committees. Safeguarding county assets will be achieved through the maintenance of a centralized asset register, comprehensive insurance coverage, and enhanced security measures, including the training of county security personnel. Administrative efficiency will be promoted through timely settlement of utility bills, routine maintenance and cleaning of county premises, and systematic renovations and repairs to ensure conducive workspaces. In coordinating official county functions, the Office will establish clear event management guidelines and maintain a county events calendar to streamline planning and resource allocation. Furthermore, communication and public relations will be enhanced through the implementation of a county communication strategy, branding initiatives, and publicity campaigns aimed at strengthening the county's image. Records management will be improved by rolling out digital systems for document storage and retrieval, supported by clear retention and disposal schedules. Lastly, efficiency in transport services will be realized through centralized fleet management, fuel control, and the use of monitoring tools to reduce wastage and ensure accountability. Collectively, these strategies will enhance efficiency, accountability, and the seamless execution of government operations

x. Office of the County Attorney

To effectively deliver on its mandate, the Office of the County Attorney will prioritize timely litigation management by strengthening case tracking systems, enhancing capacity for alternative dispute resolution, and ensuring the prompt settlement of legal liabilities. It will support legislative drafting through the continuous review, formulation, and repeal of county laws and policies to align with the Constitution and national legislation, thereby fostering good governance and compliance. The Office will also expand access to justice by conducting legal aid clinics across all sub-counties, establishing a legal repository for efficient storage and retrieval of county laws and regulations, and sensitizing departments on compliance with legal and policy requirements. To promote accountability, regular legal audits will be undertaken, alongside the review and drafting of MoUs, contracts, and other instruments to ensure due diligence and legal soundness in county operations. Furthermore, the Office will invest in capacity building for its staff, including training in mediation and arbitration, to enhance efficiency in dispute resolution. These strategies will collectively strengthen the county's legal framework, safeguard its interests, and promote adherence to the rule of law.

xi. Public Service Management, Administration and Devolution

To deliver on its mandate, the Department of Public Service Management, Administration and Devolution will strengthen grassroots administration by adequately facilitating sub-county and ward offices to coordinate citizen participation, mobilize communities for government programmes, and respond effectively to emerging issues such as disasters. It will enhance enforcement and compliance through continuous county-wide enforcement drives, training of officers, provision of modern operational tools and uniforms, and safeguarding county assets to promote order and accountability. Human resource management will be improved through structured succession planning, comprehensive employee records management, targeted training and capacity-building, wellness and counselling services, and performance management systems to ensure a professional and motivated workforce. The Department will also maintain compliance with labour laws and policies, while promoting integrity through staff wealth declaration sensitization. In addition, payroll management will be strengthened to guarantee the timely processing of salaries, gratuities, pensions, and medical insurance in line with financial regulations, thereby ensuring staff welfare and operational stability.

Collectively, these strategies will reinforce efficient service delivery, safeguard county interests, and enhance citizen trust in governance

3.4 Medium-Term Fiscal Framework

3.4.1 Financial Forecast for 2026/27 fy and the Medium Term

3.4.1.1 Revenue projections

The County remains heavily reliant on revenue transfers from the National Government as well as Conditional Grants from various development partners. Consequently, the realization of the County's planned programmes and projects is dependent on the timely disbursement of all revenue streams.

To effectively finance the priorities outlined in the Medium-Term Expenditure Framework (MTEF) for the period 2026/27–2028/29, deliberate measures must be taken to enhance resource mobilization efforts inorder to meet the growing funding needs. The success of the County's fiscal framework will largely depend on a budget policy that aligns with prevailing political, social, and economic realities.

Over the medium term, the projected sources of revenue include:

- Equitable share from the National Government,
- Own-source revenue collections,
- Conditional grants from the National Government and development partners, and
- Support from donors and well-wishers.

Overall, the County Government's total projected revenue for the FY 2026/27 stands at approximately Kshs. 8,942,738,228

Table 14 provides a breakdown of the projected revenues over the medium term

Table 14: Revenue forecast for FY 2026/27 and the Medium Term (Kshs.)

Revenue	FY2025/26 Budgeted Revenues (Kes. Millions)	Revenue Projections (Kes. Millions)		
		FY2026/27	FY2027/28	FY2028/29
Equitable Share	6,663	6,663	6,929	7,206
County Own Source Revenue	675	650	676	703
Facility Improvement Financing (FIF)	300	400	450	500
Conditional loans and Grants from National Government and Development Partners	1,788	1,230	684	684
Total	9,426	8,943	8,739	9,093

Source: County Treasury

3.4.1.2 Expenditure forecasts

The expenditure projections are guided by the principle of a balanced budget model, where revenues are expected to match expenditures. This approach is necessitated by limited revenue-generation capacity, alongside significant resource demands required to implement programmes and interventions.

Fiscal policy will adopt an expansionary stance while upholding allocation efficiency to ensure that public spending delivers maximum socio-economic impact. Decision-making on resource allocation will be anchored on the principle of value for money.

For the FY 2026/27, total programme expenditure is projected at Kshs. 8,942,738,228 million, comprising Kshs 3,021.49 million (33.39%) for development expenditure and Kshs. 5,956.65 million (66.61%) for recurrent expenditure.

Implementation of the budget will strictly adhere to the prevailing legal and regulatory framework, primarily the Public Finance Management Act, 2012, and its accompanying Regulations.

Table 15: Expenditure forecast for FY 2026/27 and the Medium Term (Kshs.)

Expenditure	FY2024/25 Actual Expenditures (Kes. Millions)	FY2025/2026 Budgeted Expenditure (Kes. Millions)	Expenditure Projections (Kes. Millions)		
			FY2026/27	FY2027/28	FY2028/29
Recurrent	4,285.81	5,833.86	5,921.5	5,821.21	6,057.14
Development	1,905.85	3,592.61	3,021.49	2,918.03	3,036.30
Total	**6,191.66**	**9,426.47**	**8,942.99**	**8,739.24**	**9,093.45**

Source: County Treasury

CHAPTER FOUR

SECTORAL PRIORITIES AND RESOURCE ALLOCATION IN THE MEDIUM TERM

4.1 Overview

The FY 2026/27 and Medium-Term Budget will be aligned with the Bottom-up Economic Transformation Agenda (BETA) and the Change Agenda for Socio-Economic Transformation and Wealth Creation as outlined in CIDP-3 (2023–2027). Resources will be directed strategically to priority sectors with high potential for revenue growth, wealth creation, and job opportunities. The County Government will ensure that budget allocations respond to citizen needs, are consistent with planning frameworks, and are effectively implemented. By concentrating on these strategic areas, resources will be utilized efficiently to address pressing priorities and deliver meaningful economic impact.

4.2 Assumptions underpinning the FY 2026/27 and Medium-Term Fiscal Framework

Consistent with the National Government's Budget Policy Statement 2025, the County Government's Medium-Term Fiscal Framework is grounded in the following assumptions:

1. GDP is projected to grow 5.3% in 2025 and 2026 driven by services and household production and is expected to continue growing over the medium term.
2. Inflation is projected to gradually ease towards the Government target range of 5.0 percent in FY 2025/26 and remain within the target range over the medium term
3. Fluctuations in the exchange rates and increased interest rates will lead to an increase in debt servicing costs.
4. The external sector is expected to remain relatively stable despite the geopolitical fragmentation, uncertainties and tight global financial conditions.
5. The County depends significantly on National Government revenues and Conditional Grants from development partners, with expectations that these funds will be fully provided to support planned programs and projects.
6. Adherence to fiscal principles set out in Kenya's 2010 Constitution and the PFM Act, 2012 is essential. Projects must also comply with legal frameworks such as the Public Procurement and Disposal Act and the County risk policy.
7. Disruptive events, including strikes or political unrest, are not expected to affect the implementation of FY 2026/27 programs and projects.
8. The Medium-Term expenditure projections are in tandem with the National Government fiscal projections' growth rate.

9. The unexpected changes in the macroeconomic projections may pose risks to the projected revenue and expenditure.

4.3 Guidelines for Preparing FY 2026/26 and Medium-Term Budget Proposals

The FY 2026/27 and Medium-Term Budget preparation process is in adherence to the following guidelines:

4.3.1 Fiscal Consolidation Policy

The fiscal policy framework for FY 2026/27 and the medium term aims to enhance debt sustainability and create fiscal space through a growth-oriented consolidation strategy. This approach seeks to moderate the pace of public debt accumulation and strengthen liability management, while safeguarding essential service delivery to citizens. The County's medium-term fiscal outlook has been adjusted from the 2025 Budget Policy Statement projections to reflect the FY 2023/24 fiscal performance and the implications of the withdrawal of the 2024 Finance Bill.

Fiscal consolidation will be driven by improved revenue mobilization and rationalization of non-essential expenditure, with priority given to protecting critical social and development programs. Accordingly, Departments are required to align their medium-term budgets with the Fiscal Framework outlined in the 2025 CBROP.

4.3.2 Bottom-up Economic Transformation Agenda (BETA)

The FY 2026/27 and Medium-Term Budget will focus on advancing the Bottom-up Economic Transformation Agenda (BETA), which seeks to drive economic recovery and inclusive growth. This will be achieved through strategic investments in five priority sectors which include:

1. Agricultural transformation,
2. Support for Micro, Small, and Medium Enterprises (MSMEs),
3. Housing and settlement development,
4. Healthcare improvements, and
5. Expansion of the digital superhighway alongside growth of the creative industry.

4.3.3 Vision 2030 and the Medium-Term Plan IV (2023-2027)

The FY 2025/26 and Medium-Term Budget will be aligned with the objectives of MTP IV, while building upon past gains. Emphasis will be placed on tackling policy, legal, regulatory, and governance challenges to promote efficient use of resources. Departments are required to review their budgets to enhance productivity and meet MTP IV goals. This review should include:

1. Prioritizing government programs and projects in budget proposals.
2. Assessing resource needs for each program and project within budget limits.
3. Providing justifications for each program's funding with appropriate documentation.
4. Conducting Program Performance Reviews (PPRs).

4.4 Sector Priorities

4.4.1 Office of the Governor

The Office of the Governor offers the overall leadership, policy direction and coordinating role of the County government. The planned activities and programmes for this Office therefore are facilitative to enable the Office of the Governor to offer the leadership and coordination required for the smooth running of the County Government. In the FY 2026/27, the Governor is expected to chair County Executive Committee meetings where several resolutions are passed to guide the operations of the County Government; meet county residents and other key stakeholders in forums and ward development tours so as to articulate the government's development agenda; report on the actions being taken to implement the development agenda as well as commission 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.

To achieve these, the proposed allocation for this office is Kes. 145.64 million

4.4.2 Office of the County Secretary and Head of Public Service

The Office of the County Secretary plays a pivotal role in coordinating government operations and ensuring accountability. In the medium term, focus will remain on effective inter-departmental coordination, safeguarding county assets, maintaining facilities, and supporting smooth execution of county and national functions.

By consolidating progress reports and ensuring timely settlement of obligations, the office strengthens transparency, service delivery, and institutional efficiency—key enablers of sustained economic growth. To undertake these administrative and coordinating roles**, the proposed allocation for the Office is Kes. 132.165Million.**

4.4.3 Office of the County Attorney

The Office of the County Attorney ensures sound legal governance by drafting, reviewing, and enforcing legal instruments. Over the medium term, it will continue to align county laws with the Constitution and national legislation, provide legal guidance to decision-makers, and represent the county in legal forums.

These measures are expected to promote compliance, reduce legal risks, and enhance investor confidence thereby supporting a transparent and enabling business environment. To achieve this, the **proposed allocation for this office is Kes. 36.5 million in FY 2026/27**.

4.4.4 The County Public Service Board

The County Public Service Board (CPSB) has its mandate and functions prescribed in Section 59 of the County Government Act, 2012. To fully undertake its functions as intimated in the Act**. It has a proposed allocation of Kes. 28 million**.

4.4.5 Public Service Management, Administration and Devolution

A professional and effective public service underpins all county programmes. In the medium term, the department will prioritize workforce development through training, performance management and motivation.

At the grassroots, administrators will continue to coordinate service delivery, public participation, and disaster response. Revenue collection and enforcement functions will be enhanced to ensure accountability and expand the county’s fiscal space.

These measures are expected to improve efficiency, strengthen citizen trust, and reinforce devolution as a platform for inclusive growth and responsive governance.

4.4.6 Health Services

This department is responsible for the delivery of affordable universal health care for the county residents. Key priorities in this department include development of health infrastructure and equipping, preventive and promotive health and curative services.

Key initiatives include fencing and payment of pending payments for Mirangine CDC, upgrade of sub-county health facilities at Bamboo, Manunga, Ndaragwa, and Chamuka, operationalization of new facilities, acquisition of commodities and strategic stocks and the community health strategy.

The proposed allocation for the department is **Kes. 869 millio**n. This is inclusive **of Kes. 400 million** to be generated and utilised internally under health Facility Improvement Financing (FIF).

4.4.7 Education, Technical Training, Culture, Gender and Social Protection

The department continues to prioritize investments in education, skills development, and community empowerment as key drivers of human capital development. The key priorities will include capitation for ECDE, construction of model ECDEs, capitation for vocational training , support for the operations of the Nyandarua agricultural training College Taskforce, completion of the Modern Ol’Kalou Community Library, providing socio-economic support to organized social groups countywide.

The proposed allocation for the Department is Kes. 442.13 million.

4.4.8 Youth Affairs, Sports and Innovation

The department is a central pillar in advancing the county government’s mission to empower young people economically, socially, and in other areas of development. Key priorities in the department include the development of sports infrastructure, Nyandarua youth service, support to youth boda boda sacco enterprises, organizing the Governor’s Tournament, supporting youth enterprises and livelihoods through the provision of specialized equipment, youth training and supporting youth-led innovations.

The proposed budgetary allocation to the department is Kes. 167 million

4.4.9 Trade, Industrialization, Cooperative Development and Partnership

This department serves as a key anchor for development with its wide-ranging multiplier effects that underscore the need to leverage its potential. Key priorities for the department include the development of the County Aggregation and Industrial Park, infrastructure development for Cooperatives, Investment promotion and Biashara fund to help boost the local businesses thereby improving their livelihoods.

The proposed allocation for the department is Kes 205.29 Million.

4.4.10 Water, Sanitation, Environment, Tourism, Natural Resources, and Climate Change

The department operates within the productive sector, with water resources catalyzing other socio-economic development activities. Key initiatives include development and operationalization of community water projects, maintenance of existing water projects, water rig program, operationalization of stalled water projects as well as addressing emergency cases On Climate Change, significant resource allocation is towards ward climate resilience projects while tourism promotion will include upgrade of Olkalou Arboretum and conservation of Lake Olbollosat through the annual half marathon.The department will also focus on environmental conservation and prudent use of the natural resources.

The proposed departmental allocation is Kes. 333.6 million.

4.4.11 Lands, Physical Planning and Urban Development

The department is mandated to undertake land administration, surveying and mapping, physical planning, housing and urban development and the municipalities.
Key priorities for the department in FY 2026/27 include the upgrade of urban areas; physical and development planning; and survey, mapping and titling of colonial villages. These initiatives are designed to enhance controlled development in the county and ensure security of tenure for the people of Nyandarua.
The proposed allocation for the department is **Kes 127.46 million,** with an additional **Kes 152.9 million** designated for the 3 municipalities.

4.4.12 Public Works, Roads, Transport, Housing and Energy

The department plays a vital role as an enabler for other productive and human resource sectors. The key priorities and initiatives for 2026/27 include upgrading the county's road infrastructure to motorable standards through the County Machinery Program and contracted works; purchase of additional machinery, completion of the county headquarters; completion of the Governor's residence, commencement of the Deputy Governor's residence; settlement of electricity bills under the county lighting program.
The proposed allocation for the department is **Kes 1,110.84 million.**

4.4.13 Agriculture, Agribusiness, livestock and Fisheries

The key priorities for the agriculture subsector includes provision of subsidized fertilizer, promotion of key value chains through the National Agricultural Value Chain Development Project (NAVCDP) provision of farm inputs, provision of subsidized Artificial Insemination (AI) services, completion of the Leshau Pondo livestock sale yard.
The proposed allocation to the department is **Kes. 525.61 million.**

4.4.14 Finance, Economic Planning and ICT

This department is responsible for overseeing the management of public finances and economic affairs of the County Government. The key priorities for the department in 2026/27 include overseeing the administration of County funds which are domiciled in the department. These are staff Mortgage fund, the Emergency Fund and the County Bursary Fund. The department will also oversee the payment of duly verified pending bills across various. The revenue

directorate is expected to put in place measures for mobilization and collection of county's own source revenue. The department will also oversee the processing of payments, requisition of funds, financial reporting, economic planning and budgeting, Monitoring and evaluation, management of county statistics, supply chain management, internal audit and provision of ICT support services to the county departments.
The proposed allocation for the department is **Kes. 645 million i**ncluding **Kes. 260 million** for the county funds and **kes 200 million** for pending bills.

4.5 Criteria For Resource Allocation

The County Government is operating in a constrained fiscal environment. To address this, measures have been adopted to guide the prioritization and allocation of scarce resources, ensuring that high-priority service delivery programmes take precedence over lower-priority expenditures.

Resource allocation will be guided by the following criteria:

(i) Development priorities identified in CIDP 3, the Governor's manifesto, the Kenya Kwanza manifesto, MTP IV, sectoral plans and stakeholder's consultative forums.

(ii) Flagship Projects, the Bottom-up Presidential Agenda and The Governor's Change Agenda

(iii) Ongoing projects: Emphasis shall be 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.

(iv) 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.

4.6 Indicative Sector Allocations

The projected cost of implementing the Programmes and Projects in 2026/27 is Kes 8,942,738,228. This includes an allocation of Kes. 800 Million for the County Assembly.

The indicative allocations to the sectors in the 2026/27 FY and medium term are as shown in table 16.

Table 16: Sector Ceilings for FY 2026/27 and the Medium Term (Kes. millions)

Department/Programme	Proposed Allocation 2026/27			
	Approved Expenditure 2025/26 FY	ADP 2026/27 FY projected allocations as -Submitted to CA	FY 2027/28 projected allocations	FY 2027/28 projected allocations
	Kes. Million	Kes. Million	Kes. Million	Kes. Million
GOVERNANCE SECTOR				
Office of the Governor	125	145.64	151.47	157.52
Office of the County Secretary	113.75	132.17	137.45	142.95
Office of County Attorney	39.6	36.50	37.96	39.48
County Public Service Board	28	28.00	29.12	30.28
Public Service Management, Administration and Devolution	3,111.50	3,114.16	2833.126	2,946.45
Finance, Economic Planning, ICT & Revenue	756.12	701.56	729.62	758.81
HUMAN RESORCE SECTOR				
Education, Children, Gender Affairs, Culture and Social Services	410.06	442.13	459.82	478.21
Health Services	765.22	869.00	927.932	954.05
PRODUCTIVE SECTOR				
Water, Sanitation, Environment, Tourism, Natural Resources and Climate Change	558.37	333.60	346.94	360.82
Trade, Industrialization, Cooperative Development and Partnership	98.99	205.30	213.51	222.05
Youth Affairs, Sports and Innovation	119.32	167.00	173.68	180.63
Agriculture, Livestock and Fisheries	612.23	525.61	541.6844	563.35
INFRASTRUCTURAL SECTOR				
Lands, physical planning and urban development	160.64	127.34	130.36	135.58
Municipalities	110.75	203.90	175.656	182.68
Roads, Transport, public works and Energy	1,495.57	1,110.84	1,018.32	1,053.81
County Assembly	921.35	800.00	832.00	865.28
Grand Total	**9,426.47**	**8,942.74**	**8,738.65**	**9,082.95**

Source: County treasury

Table 17: FY 2026-2027 Indicative Recurrent and Development Ceilings (Kes. millions)

Department/Programme	Proposed Allocation 2026/27 FY 2026/27 Proposed Non-Capital Budget Kes. Million	FY 2026/27 Proposed Capital Budget Kes. Million	ADP 2026/27 FY as Submitted to CA Kes. Million
Office of the Governor			
Service delivery, policy direction and Leadership	80	-	80
Governor's press services	25.46	-	25.46
Liaison and intergovernmental relations	22.68		22.68
Public Participation and Civic Education	11	-	11
Special Program and Diaspora Affairs	6.5	-	6.5
Total	**145.64**	**0**	**145.64**
Office of the County Secretary			
County Administration, coordination and support	44.865		44.865
Communication and public relations	10.85		10.85
County Executive Committee Affairs	2.5		2.5
Records management	3.95		3.95
Fleet management and fuel control services	70		70
Total	**132.165**	**0**	**132.165**
Office of County Attorney			
County Attorney	36.5		36.5
Total	**36.5**	**0**	**36.5**
County Public Service Board			
Total	**28**	**0**	**28**
Public Service Management, Administration and Devolution			
Human Resource Management	8.73		8.73
Payroll	2675.4		2675.4
Public Administration	2.49		2.49
Sub County and Ward Administration	19.52		19.52
Enforcement and compliance	13.02		13.02
Kenya Devolution Support Programme Level 2	0	352.5	352.5
Kenya Devolution Support Programme Level 1	37.5		37.5
Counter Funding - Kenya Devolution Support Programme Level 2	5		5
Total	**2761.66**	**352.5**	**3114.16**
Finance, Economic Planning, ICT & Revenue			
Public Finance Management (Including Financial Reporting)	26	-	26
Mortgage fund	85	-	85
Emergency Fund	40		40

Department/Programme	Proposed Allocation 2026/27 FY 2026/27 Proposed Non-Capital Budget Kes. Million	FY 2026/27 Proposed Capital Budget Kes. Million	ADP 2026/27 FY as Submitted to CA Kes. Million
Nyandarua County Trade Development and Investment Authority Fund		25	25
County Bursary Fund	145		110
Pending Bills		256.56	256.56
ICT & E-government services	8.5	15.5	29
Economic Planning and Development	63	-	58
Revenue and business development	45	-	45
Supply Chain Management	14	-	14
Internal Audit and Risk Management	13	-	13
Total	**439.5**	**297.06**	**701.56**
Education, Children, Gender Affairs, Culture and Social Services			
Early Childhood Development Education (ECDE)	53.1	122.05	175.15
Vocational Training Development	58.5	10	68.5
Cultural Heritage	11	0	11
Library Services	1.8	12	13.8
Gender and social protection	166.68	0	166.68
Alcoholic Drinks Control	7	0	7
Total	**298.08**	**144.05**	**442.13**
Health Services			
Health infrastructure and equipment	0	175.5	175.5
Preventive and promotive health care	116		116
Curative Health Care	177.5		177.5
A.I.A (Facility Improvement Financing)	400		400
Total	**693.5**	**175.5**	**869**
Water, Sanitation, Environment, Tourism, Natural Resources and Climate Change			
Water Resource Management	17	198.5	215.5
Environment Conservation and Management	8	2.5	10.5
Solid Waste Management	6.1	2.5	8.6
Climate Change	8	60	68
Natural Resources Management	7	1	8
Tourism Development and Marketing	13	10	23
Total	**59.1**	**274.5**	**333.6**
Trade, Industrialization, Cooperative Development and Partnership			
Trade Development	8.5	16.6	25.1
Investment promotion and Development	27.3	1.5	28.8
Industrial Development	6.35	107.5	113.85
Cooperative Development	11.95	16.3	28.25
Weights and Measures	4.295	0	4.295
Partnership, Diaspora and Resource Mobilization	5	0	5

Department/Programme	Proposed Allocation 2026/27 FY 2026/27 Proposed Non-Capital Budget Kes. Million	FY 2026/27 Proposed Capital Budget Kes. Million	ADP 2026/27 FY as Submitted to CA Kes. Million
Total	**63.395**	**141.9**	**205.295**
Youth Affairs, Sports and Innovation			
Youth Affairs	94.4	0	94.4
Sports	51.5	10	61.5
Innovation	9.1	2	11.1
Total	**155**	**12**	**167**
Lands, physical planning and urban development			
Land administration and management	25.72	43.37	69.09
Survey and mapping	25.7	0	25.7
Physical planning	5.55	9	14.55
Urban Development	3	4.5	7.5
Housing Development	10.5	0	10.5
Total	**70.47**	**56.87**	**127.34**
Municipalities			
Olkalou Municipality	21	68	89
KUSP	20		20
Sub Total	**41**	**68**	**109**
Engineer Municipality	16.2	16.5	32.7
KUSP	15		15
Sub Total	**31.2**	**16.5**	**47.7**
Mairo-Inya Municipality	14.2	32	47.2
Sub Total	**14.2**	**32**	**47.2**
Roads, Transport, public works and Energy			
Roads and Transport Development	20.6	834.24	854.84
Public Works	11	171	182
Energy development	64	4	68
Emergency Response and Preparedness	6	0	6
Total	**101.6**	**1009.24**	**1110.84**
Agriculture, Livestock and Fisheries			
Crop development	35.445	387.37	421.415
Agricultural Institutions support to ATCs & AMS (including SPPU & Revolving fund)	7	0	7
Livestock development	25.625		25.625
Veterinary services (including subsidized AI)	61.51	2	63.51
Fisheries Developments	6.055	2	8.055
Total	**135.635**	**391.37**	**525.605**
County Assembly	**750**	**50**	**800**
Grand Total	**5,921.5**	**3021.49**	**8942.735**

Department/Programme	Proposed Allocation 2026/27 FY 2026/27 Proposed Non-Capital Budget Kes. Million	FY 2026/27 Proposed Capital Budget Kes. Million	ADP 2026/27 FY as Submitted to CA Kes. Million

Source: County Treasury

CHAPTER FIVE

RISKS TO THE COUNTY ECONOMY

During the implementation of this Plan, the County Government anticipates various risks and is committed to adopting proactive measures to safeguard fiscal discipline, ensure effective service delivery, and promote socio-economic transformation. The key risks and their proposed mitigation measures are summarised below.

1. Poverty and Low Economic Growth

Risk:

Slow economic growth threatens job creation, household incomes and local revenue mobilisation. Factors such as increased taxation, high cost of credit, and limited investment confidence further suppress private-sector activity. Climate-related shocks like droughts and floods aggravate food and energy insecurity, deepening poverty levels.

Mitigation:

Both the National and County Governments will work jointly to improve the business and governance environment to enhance confidence, stability and growth. Targeted stimulus measures including training of business owners—particularly MSMEs—will be rolled out. For FY 2026/27 the County will prioritise proactive revenue mobilisation, realistic revenue targets and policy measures to broaden the tax base. Robust revenue performance will provide a firm foundation for supporting household incomes, job creation, and private-sector-led growth.

2. Unpredictable Weather and Climate Shocks

Risk:

Global warming and climate variability pose severe risks to agricultural productivity. Extended droughts reduce yields and local revenues, while heavy rains damage crops, cause post-harvest losses and disrupt transport networks to markets. Such conditions also delay infrastructure projects such as road construction.

Mitigation:

The County will adopt climate-smart agriculture practices that integrate production with climate adaptation. Farmers will be supported to grow drought-resistant and fast-maturing crops, adopt soil and water conservation techniques, and access early-warning information. Timely execution of development projects during favourable weather windows, together with investments in drainage, water harvesting and irrigation systems, will strengthen resilience to climate shocks.

3. Political risk

The 2027 election year poses a significant risk to the timely implementation of county projects. Elections typically heighten political tensions, slow administrative processes, and may lead to changes in policy priorities that disrupt ongoing initiatives. Such uncertainties can delay project execution, weaken institutional focus, and deter potential investors.

Mitigation:

To minimize these risks, the County needs to develop election-year contingency plans, maintain strict adherence to project timelines, and strengthen intergovernmental coordination.

Clear communication of project priorities and non-partisan execution will also help sustain investor confidence during political transitions.

4. Broad-Based Government Dynamics

Risk:

While a broad-based government seeks inclusivity and consensus, it can also complicate decision-making and slow down policy implementation. Managing diverse interests between the County and National Governments can heighten expectations, create policy paralysis and undermine long-term planning.

Mitigation:

Strong leadership and well-defined decision-making frameworks are essential and therefore need to be developed. In addition, mechanisms for coordinating and reconciling diverse interests—without compromising economic stability—need to be institutionalised. These measures will ensure that policies are implemented efficiently, effectively, and sustainably.

5. Global Economic Factors

Risk:

External shocks such as supply-chain disruptions, commodity price volatility, rising international oil prices, persistent geopolitical tensions, and slowdowns in major economies directly affect Kenya's and Nyandarua's economies. These pressures drive up inflation and living costs, reduce export earnings, constrain access to foreign financing and could hinder the achievement of the 2026/27 Plan targets.

Mitigation:

The National and County Governments need to develop resilience policies linking social protection, disaster-risk reduction, livelihood investments, emergency response and pro-growth measures into one framework. Establishing transparent and accountable institutions to deliver services to vulnerable populations will strengthen shock-absorption capacity. Additionally, the County will diversify its own revenue streams to reduce reliance on externally influenced funding sources.

6. Delays in Fund Disbursement

Risk:

Timely release of funds from the National Treasury is crucial for executing planned activities. Delays disrupt cash flow, undermine project financial management and reduce the rate of return on public investments.

Mitigation:

The County will enhance own-source revenue mobilisation and implement austerity measures on non-essential recurrent spending. Resources will be allocated to priority, growth-supporting programmes. Budgeting processes will give precedence to outstanding (pending bills) and ongoing phased projects to ensure timely completion and measurable outcomes.

7. Overreliance on Agriculture

Risk:

Agriculture is Nyandarua County's mainstay and the backbone of food production and employment. However, climate change, food insecurity and rising inequality between regions have made the economy vulnerable. Overreliance on a single sector increases exposure to shocks and limits job diversification.

Mitigation:

The County will pursue economic diversification by promoting agro-processing, value addition and light manufacturing. Establishing industrial parks, business incubation and skills development centres will attract private investment, offer youth and women alternative livelihoods, and gradually reduce overdependence on agriculture.

8.Social Unrest

Recent nationwide demonstrations—such as the Gen-Z protests over the Finance Bill, high living costs, and rising taxes—have resulted in violence, property destruction, and service disruptions within the County. These disturbances erode investor confidence, depress economic activity, and inflict losses on households and businesses.

Mitigation:

In line with peace-building principles, structured national and county-level dialogues need to be convened to address grievances and build consensus. Promoting inclusivity, tolerance, and transparent communication will reduce tensions, strengthen social cohesion, and restore investor confidence.

CHAPTER SIX

CONCLUSION AND WAY FORWARD

The County Budget Review and Outlook Paper (CBROP) is prepared in alignment with Vision 2030, the Bottom-up Economic Transformation Agenda (BETA), CIDP 3, and H.E. Governor Kiarie Badilisha's Change Manifesto. It emphasizes Nyandarua's commitment to prudent fiscal management, inclusive growth, and targeted investments in agriculture, MSMEs, healthcare, tourism, infrastructure, and ICT. The document is grounded on stable macroeconomic assumptions, fiscal discipline, and a risk-aware planning framework that prioritizes ongoing projects, interdepartmental collaboration, and continuous evaluation of implementation.

Looking ahead, the County Government acknowledges that the successful execution of this plan depends on proactively addressing potential risks. To mitigate poverty and low economic growth, the County will intensify revenue mobilization, broaden the tax base, and support MSMEs, thereby boosting household incomes and private-sector-led job creation. In response to unpredictable weather and climate shocks, climate-smart agriculture, irrigation expansion, water harvesting, and soil conservation will be scaled up to safeguard food security and incomes. To manage the political risks anticipated in the 2027 election year, contingency measures will be developed to safeguard project continuity, ensure timelines are respected, and sustain investor confidence.

Recognizing the complexities of broad-based government dynamics, the County will institutionalize strong coordination mechanisms, structured dialogue, and transparent frameworks that reconcile diverse interests without undermining long-term planning. In addressing global economic factors, such as inflationary pressures, oil price volatility, and foreign exchange instability, the County will prioritize resilience policies, diversify revenue sources, and strengthen social protection systems for vulnerable groups. To cushion against delays in fund disbursement, the County will strengthen own-source revenue generation, enforce austerity on non-priority recurrent expenditure, and prioritize pending bills and phased projects to maximize returns.

Given the County's overdependence on agriculture, economic diversification will be aggressively pursued through agro-processing, value addition, light manufacturing, and the development of industrial parks and incubation centres that generate new employment opportunities, particularly for youth and women. Finally, to counter the risks of social unrest, the County will foster inclusivity and peacebuilding by institutionalizing structured citizen engagement, addressing grievances transparently, and promoting consensus-driven governance to protect livelihoods, businesses, and investor confidence.

In conclusion, Nyandarua's way forward is to remain agile, resilient, and inclusive in the face of emerging risks. By anchoring fiscal discipline, strengthening governance, and ensuring strategic alignment of resources to high-impact priorities, the County Government will steer the economy towards sustained growth, improved service delivery, and meaningful socio-economic transformation for all citizens.