



COUNTY GOVERNMENT OF MOMBASA
DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND
DIGITAL TRANSFORMATION

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21ST SEPTEMBER, 2026

The Clerk,
County Assembly,
MOMBASA COUNTY

RE: FORWARDING OF COUNTY BUDGET REVIEW OUTLOOK PAPER
(CBROP) 2026

The above subject matter refers.

Please find attached the Mombasa County Budget Review Outlook Paper (CBROP) 2026 for your attention and action.

Best Regards,

COUNTY GOVERNMENT OF MOMBASA
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, ECONOMIC PLANNING
& DIGITAL TRANSFORMATION

Mr. Evans Oanda,
County Executive Committee Member
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COUNTY GOVERNMENT OF MOMBASA
COUNTY TREASURY



MOMBASA 2026 COUNTY BUDGET
REVIEW AND OUTLOOK PAPER

©SEPTEMBER 2026



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Foreword

The Mombasa County Budget Review and Outlook Paper (CBROP) 2026, the fourth to be prepared in the third devolution regime and the third to implement the County Integrated Development Plan (CIDP) 2023/2027. The priority policies, programmes and projects under the CIDP 23/27 themed “Mombasa - A New Beginning; Voice of the People” will be implemented through Annual Development Plans (ADPs) and are also linked to the Fourth Medium-Term Plan for the period 2023-2027 which is anchored on the framework of the National Government’s Bottom-up Economic Transformation Agenda (BETA) that realizes the Kenya Vision 2030 that support investment, job creation and improved livelihoods, while Public-Private Partnerships, reforms to State-Owned Enterprises and other measures aimed to mobilize private capital that will complement public resources and enhance economic productivity.

The 2026 Mombasa CBROP has been prepared against a backdrop of heightened global uncertainty, marked by the ongoing conflict in the Middle East, which has disrupted energy markets and international shipping routes and contributed to volatility in energy and commodity prices. These developments have increased risks to global growth, which is projected to moderate from 3.5 percent in 2025 to 3.0 percent in 2026, before recovering to 3.4 percent in 2027. Against this challenging environment, Kenya’s economy has remained resilient, with real GDP growth accelerating to 5.3 percent in the first quarter of 2026, from 4.9 percent in the corresponding quarter of 2025. This performance reflects sound macroeconomic management, sustained structural reforms and increasing economic diversification, which have strengthened the economy’s capacity to withstand adverse shocks. Growth is projected at 5.0 percent in 2026 and 5.1 percent in 2027, supported by resilient domestic demand, improving credit conditions, strong services activity and continued investment. Going forward, the Government will remain focused on maintaining macroeconomic stability, advancing fiscal consolidation and deepening structural reforms to strengthen economic resilience and productive capacity.

The fiscal performance for FY 2025/26 demonstrates the Government's resolve to safeguard macroeconomic stability despite operating within a constrained fiscal environment. Total revenue, including Appropriations-in-Aid, amounted to KSh 3,198.8 billion against a target of KSh 3,259.0 billion, while total expenditure and net lending amounted to KSh 4,484.2 billion compared to a target of KSh 4,656.5 billion. Consequently, the fiscal deficit, including grants, stood at KSh 1,264.7 billion, equivalent to 6.8 percent of GDP. These fiscal pressures notwithstanding, the Government continued to meet its key obligations, including debt servicing, financing priority public services and transfers to County Governments while remaining firmly committed to the fiscal consolidation pathway.

The fiscal outcome in FY 2025/26 underscores the need to sustain the Government's fiscal consolidation agenda while safeguarding economic recovery and service delivery. Accordingly, the FY

2027/28 and medium-term fiscal framework will continue to focus on enhancing domestic revenue mobilization, prudent expenditure management and continued public financial management reforms, and ensuring that limited public resources are directed towards the highest national priorities. These efforts will support the restoration of fiscal space, safeguard debt sustainability and create room for greater investment in priority programmes that promote economic growth and improve the welfare of Kenyans.

The FY 2027/28 and Medium-Term Budget is prepared within a constrained resource envelope that calls for greater expenditure discipline and strategic prioritization. Taking into account the constrained fiscal environment, the Government will entrench the Zero-Based Budgeting Approach, requiring Ministries, Departments and Agencies to rigorously justify all expenditure proposals and align them with the Government's development priorities. Sector Working Groups are expected to carefully scrutinize all programmes and projects to ensure that available resources are directed towards high-impact interventions that accelerate implementation of the Bottom-Up Economic Transformation Agenda, create jobs, support private sector growth and deliver better outcomes for citizens.

The Mombasa CBROP presents the recent economic developments and actual fiscal performance of the FY 2025/2026 and makes comparisons to the budget appropriations for the same year. It further provides updated forecasts with sufficient information to show changes from the projections outlined in the latest County Fiscal Strategy Paper (CFSP), developed in February 2026. In this Paper, we will also provide an overview of how the actual performance of the FY 2025/2026 affected the County's compliance with the fiscal responsibility principles and the financial objectives as detailed in the 2026 CFSP.

This is the fourth CBROP that has been prepared in this administration and the third one to implement the third generation County Integrated Development Plan 2023-2027 that outlines the planning framework, guides county programmes budgeting, project funding, monitoring and evaluation. In this CBROP the County is re-emphasizing the Government's fiscal policy strategy, which focuses on maintaining a strong revenue effort and shifting composition of expenditure from recurrent to productive capital expenditures and optimally ensuring efficiency and effectiveness in the use of public resources.

The FY 2027/28 planning framework at the national and county level including the Budget is also being prepared under a revised budget calendar to facilitate completion of the budget process ahead of the 2027 General Elections. Ministries, Departments and Agencies, Sector Working Groups and other stakeholders are required to adhere strictly to the prescribed timelines to ensure the timely

preparation, approval and implementation of the Budget. The sector ceilings provided for the FY 2027/28 and the medium-term budget will form inputs into the 2027 Budget Policy Statement.

The critical programmes to be implemented are expected to stimulate the County's socio-economic development. The key County proposed priority areas are; Provision of Quality and Affordable Health Services, Upgrading of Water and Sanitation Systems, Transport and Infrastructure Development, Enhancement of Education and Training, Streamlined Solid Waste Management Services, Youth and Women Empowerment contained in the CFSP 2026 as were captured in the Annual Development Plan 2026/2027 (ADP) Ward Based Public Participation Fora.

The implementation of initiatives under these strategic sectors are expected to raise efficiency and productivity in the County's economy and in turn accelerate and sustain inclusive growth, create opportunities for productive growth and ensure high standards of living for Mombasa County residents. The County Treasury will link this CBROP with the other budgetary policy documents as stipulated in the PFM Act.



MR. EVANS OANDA

COUNTY EXECUTIVE COMMITTEE MEMBER

FINANCE, ECONOMIC PLANNING & DIGITAL TRANSFORMATION

Acknowledgement

This policy document is prepared in line with the provisions of the Public Financial Management Act, 2012 Article 118(1) (a). The preparation of this County Budget Review and Outlook Paper continues to be a collaborative effort from an array of expertise of professionals in the County Treasury. The information in this policy document has been obtained from the Mombasa County Treasury. We are grateful for their inputs.

The document provides the fiscal outturn for the FY 2025/26, the macro-economic projections and set sector ceiling for the FY 2027/28 and the Medium-Term Budget. The document also provides an overview of how the actual performance of the FY 2025/26 affected compliance in the fiscal responsibility principles and the financial objectives outlined in the PFM Act.

Immense appreciation goes to the Executive Member for Finance, Economic Planning and Digital Transformation for the good will and guidance provided during the entire period of preparation of this document.

A core team in the Budget and Economic Planning unit spent a significant amount of time consolidating this policy document. We are particularly grateful to Ms. Jane Githui (Director Budget & Economic Planning) and Ms. Shamsa Mohamed (Principal Economist) for working tirelessly in the development of this document.



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CHIEF OFFICER, FINANCE & INVESTMENT

FINANCE, ECONOMIC PLANNING & DIGITAL TRANSFORMATION

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Abbreviations and Acronyms

ADP	Annual Development Plan
BETA	Bottom-Up Transformation Agenda
BOPA	Budget Outlook Paper
BPS	Budget Policy Statement
BROP	Budget Review and Outlook Paper
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CG	County Government
CGAA	County Government Additional Allocation Act
CIDP	County Integrated Development Plan
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kenya
KNBS	Kenya National Bureau of Statistics
SDG	Sustainable Development Goals
MIC	Mombasa Investment Corporation
MTC	Mombasa Tourism Council
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
MV-2035	Mombasa Vision 2035
OSR	Own Source Revenue
PE	Personnel Emolument
PERs	Public Expenditure Review
PFM	Public Financial Management
PPP	Public Private Partnership
SBP	Single Business Permit
SGR	Standard Gauge Railway
SWGs	Sector Working Groups
UHC	Universal Health Coverage
VAT	Value Added Tax
V 2030	Vision 2030

Legal Background

The County Budget Review and Outlook Paper (CBROP) have been prepared by the County Treasury in accordance with Section 118 of the Public Finance Management (PFM) Act. The Act states that a County Treasury;

- Shall prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
- Submit the paper to the County Executive Committee by the 30th September of that year.

The main objectives of a CBROP are to specify;

- ✓ The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
- ✓ The updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
- ✓ Any changes in the forecasts compared with the CFSP;
- ✓ How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- ✓ Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.

In summary, this CBROP is expected to present a review of the fiscal performance for the previous year, 2025/26 financial year.

The CBROP is expected to provide a summary of the national macroeconomic outlook and how this will affect the County's economic performance.

The above statistics would partly provide the basis for the revision of the Financial Year 2026/27 budget in the context of the Supplementary Estimates, as well as setting out the broad fiscal parameters for the next budget and medium term. The fiscal framework presented in this document provides a strong basis for building our common future under the current constitutional dispensation. The paper also presents an overview of budget financing sources that includes the equitable share, local revenue and grants. In the last section, the paper offers conclusion and the way forward.

Executive Summary

The 2026 CBROP has been prepared in accordance with the PFM Act, 2012 and its Regulations. The document provides an overview of the government's financial performance for the FY 2025/26 including compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act. It also shows macro-economic projections and the budget and the sector ceilings for the FY 2026/27, 2027/28 and the medium-term budget as well as information on variations from the projections outlined in the 2026 County Fiscal Strategy Paper (CFSP). The 2026 CBROP will form the basis for the development of the 2027 CFSP that will detail the various programmes and initiatives that will be undertaken during the Fourth Medium Term Plan of the Kenya Vision 2030.

It also presents macroeconomic projections and the sector ceilings for the FY 2027/28 and the medium-term budget as well as information on variations from the projections outlined in the 2026 County Fiscal Strategy Paper.

The 2026 Budget Review and Outlook Paper (BROP) has been prepared against a backdrop of heightened global uncertainty, marked by the ongoing conflict in the Middle East, which has disrupted energy markets and international shipping routes and contributed to volatility in energy and commodity prices. These developments have increased risks to global growth, which is projected to moderate from 3.5 percent in 2025 to 3.0 percent in 2026, before recovering to 3.4 percent in 2027. Against this challenging environment, Kenya's economy has remained resilient, with real GDP growth accelerating to 5.3 percent in the first quarter of 2026, from 4.9 percent in the corresponding quarter of 2025. This performance reflects sound macroeconomic management, sustained structural reforms and increasing economic diversification, which have strengthened the economy's capacity to withstand adverse shocks.

Growth is projected at 5.0 percent in 2026 and 5.1 percent in 2027, supported by resilient domestic demand, improving credit conditions, strong services activity and continued investment. Going forward, the Government will remain focused on maintaining macroeconomic stability, advancing fiscal consolidation and deepening structural reforms to strengthen economic resilience and productive capacity. Continued implementation of the Bottom-Up Economic Transformation Agenda (BETA) will support investment, job creation and improved livelihoods, while Public-Private Partnerships, reforms to State-Owned Enterprises and other measures to mobilize private capital will complement public resources and enhance economic productivity.

The fiscal performance for FY 2025/26 demonstrates the Government's resolve to safeguard macroeconomic stability despite operating within a constrained fiscal environment. Total revenue, including Appropriations-in-Aid, amounted to KSh 3,198.8 billion (17.2 percent of GDP) against a

target of KSh 3,259.0 billion, while total expenditure and net lending amounted to KSh 4,484.2 billion (24.1 percent of GDP) compared to a target of KSh 4,656.5 billion. Consequently, the fiscal deficit, including grants, stood at KSh 1,264.7 billion, equivalent to 6.8 percent of GDP. Despite these fiscal pressures, the Government continued to meet its key obligations, including debt servicing, financing priority public services and transfers to County Governments, while remaining firmly committed to the fiscal consolidation path.

The fiscal outcome in FY 2025/26 underscores the need to sustain the Government's fiscal consolidation agenda while safeguarding economic recovery and service delivery. Accordingly, the FY 2027/28 and medium-term fiscal framework will continue to focus on enhancing domestic revenue mobilization, prudent expenditure management and continued public financial management reforms, and ensuring that limited public resources are directed towards the highest national priorities. These efforts will support the restoration of fiscal space, safeguard debt sustainability and create room for greater investment in priority programmes that promote economic growth and improve the welfare of Kenyans.

In the FY 2027/28, total revenue including Appropriation-in-Aid (AiA) is projected at KSh 3,943.0 billion (17.1 percent of GDP). Of this, ordinary revenue is projected at KSh 3,207.8 billion (13.9 percent of GDP). This revenue performance will be underpinned by the on-going reforms in policy and revenue administration. The overall expenditure and net lending is projected at KSh 5,322.9 billion (23.1 percent of GDP) comprising: recurrent expenditure of KSh 3,887.2 billion (16.8 percent of GDP); development expenditure of KSh 958.0 billion (4.2 percent of GDP); transfer to Counties of KSh 472.8 billion and Contingency Fund of KSh 5.0 billion. The resulting fiscal deficit including grants of KSh 1,321.0 billion (5.7 percent of GDP) in FY 2027/28 will be financed by a net external financing of KSh 235.9 billion (1.0 percent of GDP) and a net domestic financing of KSh 1,085.2 billion (4.7 percent of GDP).

The Mombasa County Budget Review and Outlook Paper (CBROP) 2026, the fourth to be prepared under the new Administration, is the third to implement the County Integrated Development Plan (CIDP) 2023/27 which is also anchored on the framework of the National Government's Bottom-up Economic Transformation Agenda (BETA). The medium-term fiscal projections in the 2026 CBROP have been realigned with those of the 2026 County Fiscal Strategy Paper estimates taking into account the fiscal outcome of the FY 2025/26 and the budget for the 2026/27 FY while ensuring that any of the County Supplementary Budget(s) 2026/27 will be realistic so as to deter creation of pending bills. Taking into account the constrained fiscal environment, the County Government will strive to operate on a balanced budget and guide the prioritization and allocation of the scarce resources to ongoing

projects and programmes in the FY 2027/28. The county Departments and Agencies will therefore be required to re-evaluate all the existing/planned activities, projects and programmes to be funded in the FY 2027/28 and in the medium-term by anchoring on the various priorities through; Provision of Quality and Affordable Health Services, Upgrading of Water and Sanitation Systems, Transport and Infrastructure Development, Enhancement of Education and Training, Streamlined Solid Waste Management Services, Youth and Women Empowerment under the medium-term expenditure framework (MTEF).

The document further assesses the implications of the actual fiscal performance for FY 2025/26 on the County Government's compliance with the fiscal responsibility principles and the financial objectives set out in the Public Finance Management Act, 2012. It also highlights the changes in the fiscal outlook relative to the projections contained in the 2026 County Fiscal Strategy Paper (CFSP).

In line with the fiscal responsibility principles, the County Government will continue to promote efficiency, effectiveness, and economy in the use of public resources. Departments and agencies will be required to rationalize expenditure by curtailing non-essential and low-priority spending and reallocating resources towards priority programmes and essential service delivery. Expenditure management will focus on eliminating wastage, enhancing value for money, and ensuring that available resources are directed towards interventions that safeguard livelihoods, promote employment creation, support business recovery, and stimulate economic activity. These measures will contribute to strengthening fiscal sustainability while improving the welfare of the residents of Mombasa County.

Over the medium term, the County Government will continue to implement the County Integrated Development Plan (CIDP) 2023-2027, with emphasis on priority programmes aimed at accelerating economic recovery and strengthening the resilience of the local economy. The Government will focus on interventions that promote investment, support businesses, enhance employment opportunities, and improve the delivery of essential public services. These efforts are expected to reposition Mombasa County on a stable and sustainable economic growth path and contribute to improved socio-economic outcomes for the residents.

I. INTRODUCTION

1. The law requires CBROP to present the fiscal outcome for the previous financial year and to state how this outcome affects the financial objectives contained in that year's CFSP. In line with the law, this CBROP contains a review of the fiscal performance of the financial year 2025/2026, updated macroeconomic forecast, and deviations from the Fiscal Strategy Paper February 2026.
2. The objective of the CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the Fiscal Strategy Paper (CFSP). This together with updated macroeconomic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium-term policy priorities will be firmed up in the next Budget Policy Statement (BPS).
3. The CBROP is a key document in linking policy, planning and budgeting. This is the third CBROP which is implementing the County Integrated Development Plan (CIDP) 2023-2027.
4. The PFM Act has set high standards for compliance with the Medium-Term Expenditure Framework (MTEF) budgeting process. Therefore, it is expected that the sector ceilings for the Third Year of the MTEF provided in the previous CFSP will form the indicative baseline sector ceilings for the next budget of 2027/28. However, following the fiscal outcome of 2025/26 and the updated macroeconomic framework these sector ceilings have been modified as indicated in the annex of this CBROP.
5. The updated macroeconomic outlook will be firmed up in the next CFSP to reflect any changes in economic and financial conditions. We are committed to maintain the trend of economic growth and development in line with the expectations and commitments that the County has made to the people of Mombasa County. Towards this end, we shall ensure there is transparency and accountability by relaying our performance indicators to the public as well as publicizing other publications as required by the Constitution and the Public Finance Management Act.

II. REVIEW OF FISCAL PERFORMANCE IN 2025/2026 FY

6. This section is meant to review how the actual financial performance for the 2025/26 financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year.
7. In line with the Constitution, the Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 15) states that:
 - a) Over the medium term, a minimum of 30% of the budget shall be allocated to development expenditure.
 - b) The Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the Government revenue as prescribed by the regulations (35%) as per the Public Finance Management Regulations 2015.
 - c) Over the medium term, the Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
 - d) Public debt and obligations shall be maintained at a sustainable level as approved by County Assembly (CA)
 - e) Fiscal risks shall be managed prudently
 - f) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

A. FISCAL PERFORMANCE FOR 2025/2026 FY

8. The fiscal performance in 2025/26 had an improvement in revenue collection with full realization of the equitable share and an increase in donor funding disbursement. The County was able to realize Kshs. 15,819,074,650 cumulatively in revenue collection which translates to 85 percent of the total budgeted revenue of Kshs 18,725,000,000.
9. The 2025/26 County actual realized revenue by category was 15 percent below the projection in the budget estimate by Kshs. 2,905,925,350; with OSR amounting to Kshs. 6,214,590,483, comprising of Kshs. 3,799,700,513 Ordinary Own Source Revenue and Kshs. 2,414,889,970 Facility Improvement Fund (FIF), Opening Balance 2024/25 Kshs. 219,299,025, equitable share of Kshs. 8,383,385,281 and conditional grants by development partners amounting to Kshs. 1,001,799,861.
10. There was a tremendous 27.3 percent increase in own source revenue of Kshs. 1,333,760,531 up from Kshs. 423,071,656 in the previous FY 24/25, 100 percent disbursement of the equitable share with the conditional grants performing just above average with only 57.7% of the budgeted

and allocated grants being disbursed to the County hence the unremitted donor funding being one of the major reasons for the deficit in revenue achievement which continues to lead to the under performance of the revenues.

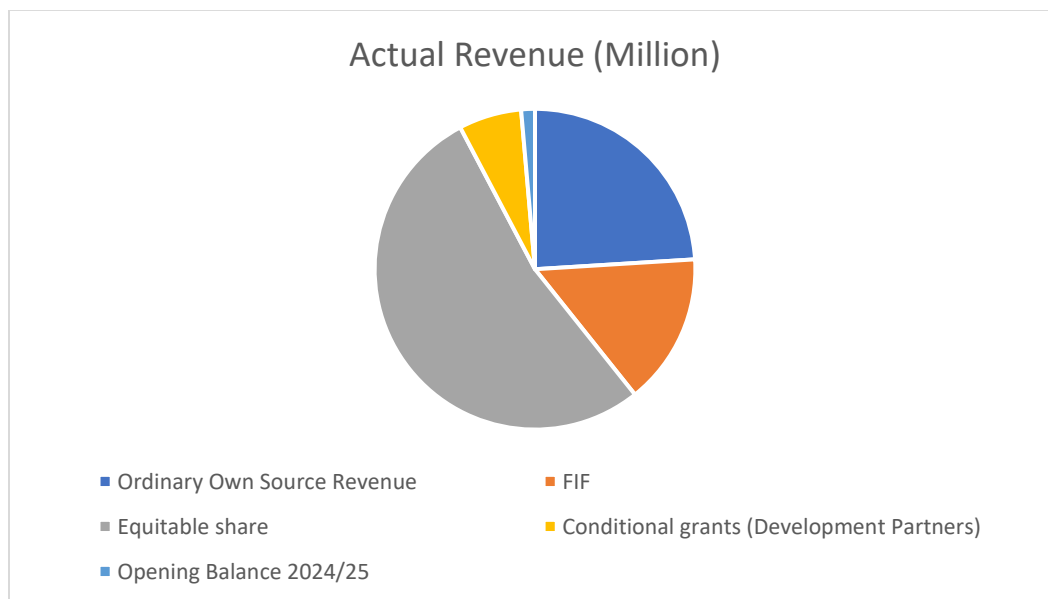
11. On budget absorption, Kshs. 14,223,433,447 which translates to 76 percent of the supplementary budget of Kshs 18,725,000,000 was spent. This amounted to recurrent expenditure of Kshs. 11,652,914,199 out of the budgeted Kshs. 13,106,684,254 and development expenditure of Kshs. 2,570,519,249 out of the budgeted amount of Kshs 5,618,315,746. In view of the above the County had a 24 percent budget implementation deficit of Kshs. 4,501,566,552.

Actual Realized Revenue by Source 2025/2026 vis-à-vis Budgeted and Actual 2024/2025 FYs

Type of Revenue	Actual Revenue (Million)	Budget Estimates (Million)	Actual Revenue (Million)	Variance (Million)
	2024/25	2025/26	2025/26	2025/26
Own Source Revenue (OSR)	4,880,829,952	8,388,177,983	6,214,590,483	(2,173,587,500)
Ordinary Own Source Revenue	3,429,988,577	6,664,567,655	3,799,700,513	(2,864,867,142)
FIF	1,450,841,375	1,723,610,328	2,414,889,970	691,279,642
Equitable share	8,528,596,411	8,383,385,281	8,383,385,281	0
Conditional grants (Development Partners)	1,389,110,205	1,734,137,711	1,001,799,861	(732,337,850)
Opening Balance 2024/25	~	219,299,025	219,299,025	~
Total	14,798,536,568	18,725,000,000	15,819,074,650	(2,905,925,350)

Source; County Treasury August, 2026

Figure 1: Realized Revenue Analysis by Source 2025/2026 FY



Own Source Revenue (OSR) Realized 2025/2026 FY

Table 1: Actual Revenue Collected Monthly per Department per Stream 2025/2026 FY

DEPARTMENT	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
FINANCE & ECONOMIC PLANNING													
Document Search Fee	0	0	0	0	2,000	0	0	1,000	0	0	0	0	3,000
Cess Fees	34,276,063	50,186,258	44,526,715	35,504,875	34,026,283	54,065,206	35,362,788	52,784,124	50,141,670	32,551,839	41,963,492	40,801,885	506,191,198
TOTAL	34,276,063	50,186,258	44,526,715	35,504,875	34,026,283	54,065,206	35,362,788	52,785,124	50,141,670	32,551,839	41,963,492	40,801,885	506,194,198
TRADE, TOURISM & INVESTMENT													
Liquor	0	0	0	0	0	31,361,313	0	0	18,854,851	0	0	7,390,979	57,607,143
Weights and Measures	0	0	0	0	0	1,283,800	0	1,186,600	1,116,200	1,784,200	726,600	2,716,400	8,813,800
Market Entrance /Gate Fee	774,213	679,081	734,710	679,774	599,645	787,640	691,682	659,126	755,536	601,284	508,443	604,800	8,075,934
Market Stalls Rent	2,054,140	1,994,970	1,815,923	1,785,240	1,567,160	2,239,290	2,311,810	1,678,213	1,943,420	2,525,150	1,605,467	2,535,350	24,056,133
Offloading	26,500	18,840	23,540	19,000	21,550	54,650	37,110	35,120	40,330	30,600	21,280	14,020	342,540
Hawking Fee	1,657,250	1,416,050	1,665,850	1,397,650	1,743,600	1,550,170	1,542,210	1,431,100	1,607,230	889,050	953,150	903,200	16,756,510
Renewal Form (SBP)	0	0	0	0	0	0	0	0	0	0	0	5,177,800	5,177,800
Single Business Permit	0	0	0	0	0	32,998,500	0	117,122,000	104,656,500	90,316,000	48,706,000	111,335,500	505,134,500
TOTAL	4,512,103	4,108,941	4,240,023	3,881,664	3,931,955	70,275,363	4,582,812	122,112,159	128,974,067	96,146,284	52,520,940	130,678,049	625,964,360
YOUTH, GENDER AND SPORTS													
Social Halls	0	0	0	0	0	1,025,000	265,000	205,000	168,000	220,000	170,000	260,000	2,313,000
TOTAL	0	0	0	0	0	1,025,000	265,000	205,000	168,000	220,000	170,000	260,000	2,313,000
EDUCATION													
Registration of Educational Facilities	140,000	7,000	115,500	31,500	49,000	0	164,500	455,000	518,000	136,500	486,500	56,000	2,159,500
TOTAL	140,000	7,000	115,500	31,500	49,000	0	164,500	455,000	518,000	136,500	486,500	56,000	2,159,500
ENVIRONMENT, WASTE MANAGEMENT & ENERGY													
Cemeteries Charges	119,500	88,000	119,500	0	0	82,500	392,000	63,000	76,000	0	76,000	410,500	1,427,000
Incidental charges-Tree Cutting-Environment	18,000	3,000	15,000	6,000	18,000	12,000	30,000	30,000	0	0	6,000	48,500	186,500
Solid Waste -Ships & Vessels	0	0	0	0	0	0	0	0	0	0	0	567,017,109	567,017,109
Solid Waste (Water)										0	0	11,113,217	11,113,217
Solid Waste (SBP)	0	0	0	0	0	4,519,000	0	380,000	12,209,454	132,000	87,000	231,000	17,558,454
Drainage Certificate Charges	0	0	0	0	0	0	0	0	345,000	0	0	0	345,000

DEPARTMENT	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
Garbage dumping Fee	30,000	90,000	160,000	0	0	50,000	390,000	390,000	490,000	0	470,000	120,000	2,190,000
TOTAL	167,500	181,000	294,500	6,000	18,000	4,663,500	812,000	863,000	13,120,454	132,000	639,000	578,940,326	599,837,280
AGRICULTURE, LIVESTOCK & FISHERIES													
Poultry & Meat Inspection	56,732	24,032	44,104	33,280	0	40,492	55,764	15,436	36,108	59,536	37,700	55,456	458,640
Horticulture Consultation fees	0	45,800	0	0	0	19,100	0	173,000	82,500	0	22,500	0	342,900
Livestock Certificates	14,900	5,640	9,030	14,910	0	7,410	19,140	14,176	14,100	17,340	14,580	13,770	144,996
Slaughter House Charges	18,454	0	0	36,996	0	0	59,924	25,184	30,068	0	14,484	7,724	192,834
Livestock Permits	0	0	0	0	0	0	0	0	0	500	0	0	500
Dog Licenses	22,000	0	0	0	0	0	47,000	0	27,000	1,000	0	12,000	109,000
Cooperatives Audit Charges (Auditing of SACCO)	48,520	0	0	0	0	8,670	0	16,100	43,960	113,135	50,410	0	280,795
TOTAL	160,606	75,472	53,134	85,186	0	75,672	181,828	243,896	233,736	191,511	139,674	88,950	1,529,665
HEALTH													
Fumigation (SBP)	0	0	0	0	0	2,322,000	0	4,843,000	4,271,000	5,030,000	3,099,500	7,055,500	26,621,000
PH Form B (SBP)	0	0	0	0	0	3,847,500	0	4,674,500	4,641,500	5,936,500	3,685,000	10,552,000	33,337,000
Premises Inspection Fees (Medical services/Health facilities/Public health)	150,439,002	114,708,496	84,715,998	210,670,549	348,260,238	173,269,963	0	347,131,523	104,277,035	361,861,019	0	459,139,507	2,354,473,330
TOTAL	150,439,002	114,708,496	84,715,998	210,670,549	348,260,238	179,439,463	0	356,649,023	113,189,535	372,827,519	6,784,500	476,747,007	2,414,431,330
LANDS, PLANNING & HOUSING													
Ground Rent	352,473	86,746	0	0	1,000	0	0	0	0	0	0	0	440,219
Survey Fee	318,750	281,250	206,250	206,250	150,000	131,250	93,750	37,500	93,750	56,250	37,500	37,500	1,650,000
Buildings Plan Preparation Fee	142,800	259,290	318,900	156,200	68,400	0	212,400	510,600	205,600	95,400	191,200	338,400	2,499,190
Building Plan Approval Fee	26,089,025	7,761,052	8,663,507	32,477,384	0	63,608,762	7,446,850	0	0	0	0	140,399,987	286,446,567
Demolition of Structures	105,000	100,000	65,000	50,000	20,000	0	40,000	60,500	90,000	25,000	55,000	85,000	695,500
Land Rates	16,023,428	13,782,175	15,702,601	8,786,747	7,489,275	68,763,565	130,036,793	126,890,367	283,991,183	94,103,072	123,923,295	20,062,722	909,555,223
Document search Fee -HDD	2,000	0	0	0	3,000	0	2,000	0	0	0	1,000	0	8,000
Annual Ground Rent (HDD Scheme)	108,146	250,308	102,485	121,120	296,603	52,679	143,134	78,565	208,449	181,096	255,538	40,996	1,839,119
Plot Transfer Fee	6,800	34,000	13,600	20,400	20,400	20,400	40,800	13,600	13,600	6,800	0	20,400	210,800
Plots Charges (HDD Scheme)	595,368	184,432	393,997	805,632	686,715	390,714	399,025	370,567	746,541	271,479	416,810	287,612	5,548,892
Dumping of Building Materials	140,000	255,000	345,000	215,000	100,000	0	185,000	335,000	0	40,000	120,000	440,000	2,175,000
Allottees Documents	3,000	0	0	0	0	0	0	0	0	0	0	0	3,000
Housing Estates Monthly Rent- Mzizima, Changamwe, Buxton	2,314,430	1,438,221	1,222,168	1,680,560	2,542,508	2,242,343	1,550,742	1,373,543	1,570,966	1,224,924	1,241,193	1,794,686	20,196,284

DEPARTMENT	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
TOTAL	46,201,220	24,432,474	27,033,508	44,519,293	11,377,901	135,209,713	140,150,494	129,670,242	286,920,089	96,004,021	126,241,536	163,507,303	1,231,267,794
TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS													
Sign Boards & Advertisement Fee	0	0	0	0	0	0	0	0	73,723,278	0	0	25,594,106	99,317,384
Signage Fee (SBP)	0	0	0	0	0	45,836,333	0	5,763,139	9,096,285	13,133,326	3,643,068	2,192,568	79,664,719
Fire - Fighting Services/Tankers Inspection Fee	106,000	84,500	27,500	10,000	23,000	21,500	1,766,000	1,032,000	866,000	253,000	111,500	113,000	4,414,000
Fire Fee (SBP)	0	0	0	0	0	6,578,700	0	13,324,700	11,504,500	13,372,100	8,504,700	19,765,300	73,050,000
Other Vehicles Enclosed Park Fees (Cars, Lorries, etc.)	0	0	0	200	0	200	3,600	2,400	2,200	200	200	200	9,200
Street Parking Fees	26,876,980	29,101,997	27,110,071	24,304,942	22,537,246	22,486,426	26,393,157	23,845,687	26,876,565	22,720,600	19,913,493	23,960,729	296,127,893
PSV Parking Levy	12,247,020	10,420,200	12,280,392	12,018,100	12,277,000	10,042,405	12,357,050	12,283,200	12,396,100	12,416,120	12,005,750	11,957,100	142,700,437
Reserved Parking	0	0	0	0	0	342,000	0	0	16,560,002	0	0	3,362,000	20,264,002
Right - of - Way/ Way- Leave Fee (KPLC, Telcom, etc.)	6,789,200	6,562,750	6,562,750	3,888,000	0	24,262,900	0	0	259,800	1,017,150	0	64,888,171	114,230,721
TOTAL	46,019,200	46,169,447	45,980,713	40,221,242	34,837,246	109,570,464	40,519,807	56,251,126	151,284,730	62,912,496	44,178,711	151,833,174	829,778,356
MISCELLANEOUS													
Noise Permit	110,000	170,000	125,000	145,000	110,000	95,000	75,000	55,000	60,000	60,000	60,000	50,000	1,115,000
TOTAL	110,000	170,000	125,000	145,000	110,000	95,000	75,000	55,000	60,000	60,000	60,000	50,000	1,115,000
GRAND TOTAL COLLECTION	282,025,694	240,039,088	207,085,091	335,065,309	432,612,623	554,419,381	222,114,229	719,289,570	744,610,281	661,182,170	273,184,353	1,542,962,694	6,214,590,483

Source; County Treasury August, 2026

Table 2: Analysis of Own Source Revenue Collection Over Seven Financial Years

MONTH	2019/2020	2020/2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
JULY	110,950,638	133,177,640	290,898,301	367,089,557	207,528,785	183,605,261	282,025,694
AUGUST	164,871,323	180,063,924	158,294,767	124,935,681	177,215,561	239,678,277	240,039,088
SEPTEMBER	195,639,679	207,752,314	324,609,448	76,843,866	181,775,384	155,088,546	207,085,091
OCTOBER	192,425,344	200,978,869	240,688,839	106,492,816	162,567,466	182,665,447	335,065,309
NOVEMBER	208,065,464	195,076,359	161,645,883	386,945,293	172,237,724	154,529,441	432,612,623
DECEMBER	228,108,277	162,790,308	220,922,958	339,317,651	215,196,393	767,996,208	554,419,381
JANUARY	286,649,313	441,650,127	498,998,855	270,132,327	493,700,462	273,279,451	222,114,229
FEBRUARY	421,483,469	415,598,494	479,635,817	510,261,367	489,469,385	612,530,802	719,289,570
MARCH	634,763,565	541,583,202	515,926,400	792,863,010	1,200,484,931	683,089,371	744,610,281
APRIL	203,268,450	280,251,148	290,568,789	420,946,047	265,269,807	420,591,984	661,182,170
MAY	160,817,790	211,868,868	138,306,690	393,590,939	358,003,900	578,090,819	273,184,353
JUNE	508,759,315	343,741,925	299,135,806	209,210,294	534,308,498	629,684,345	1,542,962,694
TOTAL	3,315,802,627	3,314,533,178	3,619,632,553	3,998,628,848	4,457,758,296	4,880,829,952	6,214,590,483

Source; County Treasury August, 2026

Figure 2: Comparison of OSR from 2019/2020 ~ 2025/2026 FYs

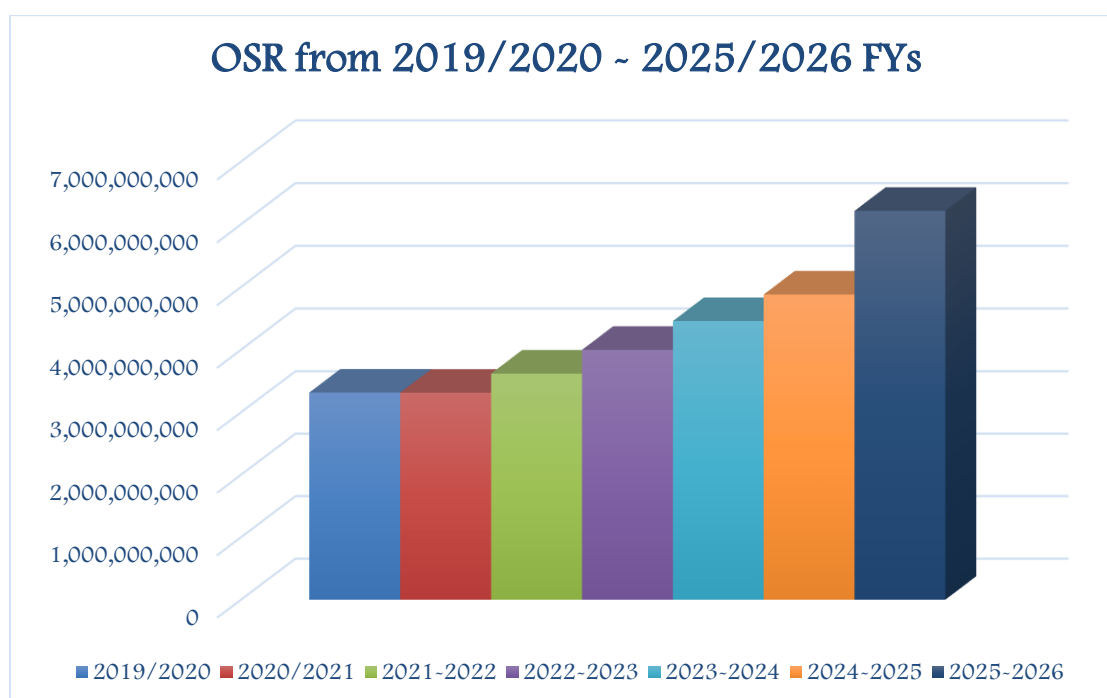
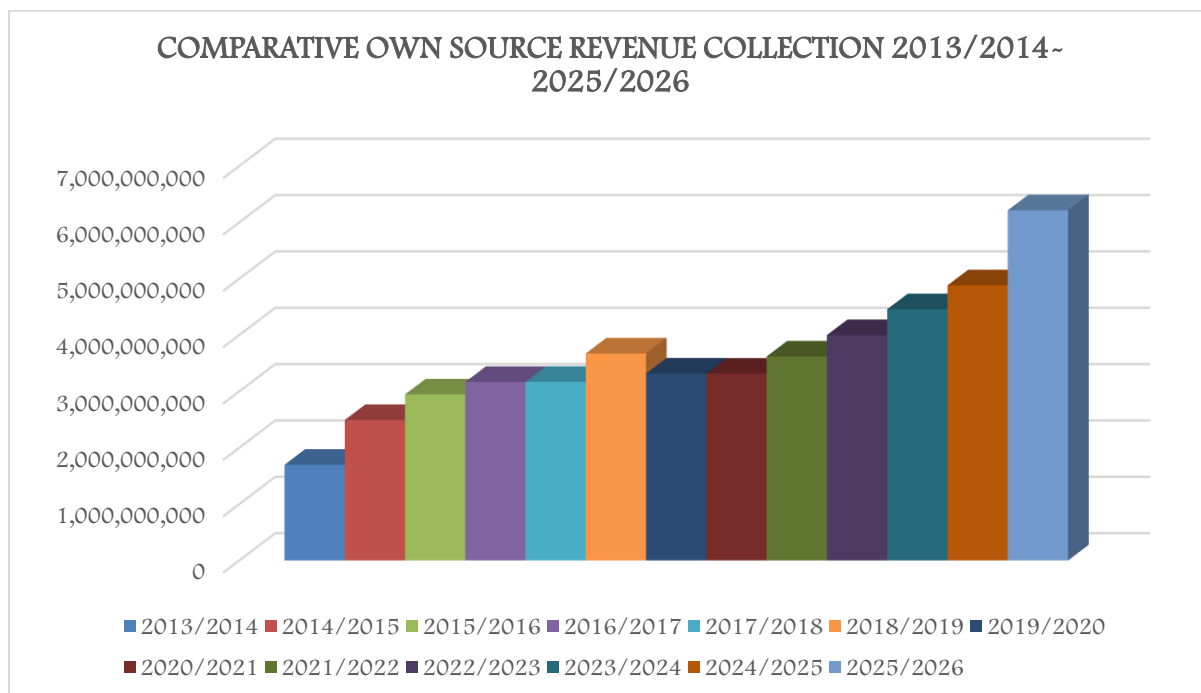


Table 3: Analysis of Total Own Source Revenue Collection 2013/2014- 2025/2026 FYs

FINANCIAL YEAR	REVENUE COLLECTED
2013/2014	1,696,542,251
2014/2015	2,491,655,330
2015/2016	2,944,968,224
2016/2017	3,166,240,961
2017/2018	3,168,013,709
2018/2019	3,672,657,053
2019/2020	3,315,802,627
2020/2021	3,314,533,178
2021/2022	3,619,632,553
2022/2023	3,998,628,848
2023/2024	4,457,758,296
2024/2025	4,880,829,952
2025/2026	6,214,590,483

Source; County Treasury August, 2026

Figure 3: Analysis of OSR from 2013/2014- 2025/2026 FYs



Exchequer Issues Disbursed

12. Exchequer issues from the National Government as shown below as received over the FYs.

Table 4: Actual Monthly Exchequer Issues Over Five Financial Years 2019/2020 ~ 2025/2026 FYs

MONTH	EXCHEQUER ISSUES 2019-2020	EXCHEQUER ISSUES 2020-2021	EXCHEQUER ISSUES 2021-2022	EXCHEQUER ISSUES 2022-2023	EXCHEQUER ISSUES 2023-2024	EXCHEQUER ISSUES 2024-2025	EXCHEQUER ISSUES 2025-2026
JULY	0	0	0	0	668,229,525	628,921,902	0
AUGUST	0	0	605,388,325	643,225,095	6,000,000	0	890,771,358
SEPTEMBER	1,228,083,300	0	643,225,095	605,388,325	642,761,844	720,861,104	670,670,822
OCTOBER	632,224,439	1,164,561,750	643,225,095	0	668,229,525	628,921,906	733,626,815
NOVEMBER	0	828,146,904	1,248,613,420	643,225,096	628,921,906	1,297,151,431	711,786,239
DECEMBER	824,676,155	574,671,000	825,326,491	605,388,325	678,229,525	684,062,059	747,841,220
JANUARY	949,232,625	798,466,182	643,225,095	983,546,633	628,921,906	631,973,961	1,048,670,823
FEBRUARY	1,592,730,838	628,955,904	845,033,993	0	668,229,525	671,472,333	847,373,424
MARCH	564,636,000	599,925,750	605,388,325	605,388,325	0	0	747,837,867
APRIL	40,134,590	599,925,750	712,922,804	1,286,450,190	1,155,880,198	1,303,446,294	782,899,757
MAY	741,084,750	574,844,314	864,906,837	605,388,325	691,421,906	710,970,706	1,039,747,271
JUNE	1,517,641,228	2,293,217,209	234,558,066	2,256,150,493	1,695,766,669	2,639,924,920	1,383,258,571
TOTAL DISBURSED	8,090,443,924	8,062,714,763	7,427,273,268	8,234,150,807	8,132,592,529	9,917,706,616	9,604,484,167

Source; County Treasury August, 2026

Figure 4: Exchequer Issues From 2019/2020 ~ 2025/2026 FYs

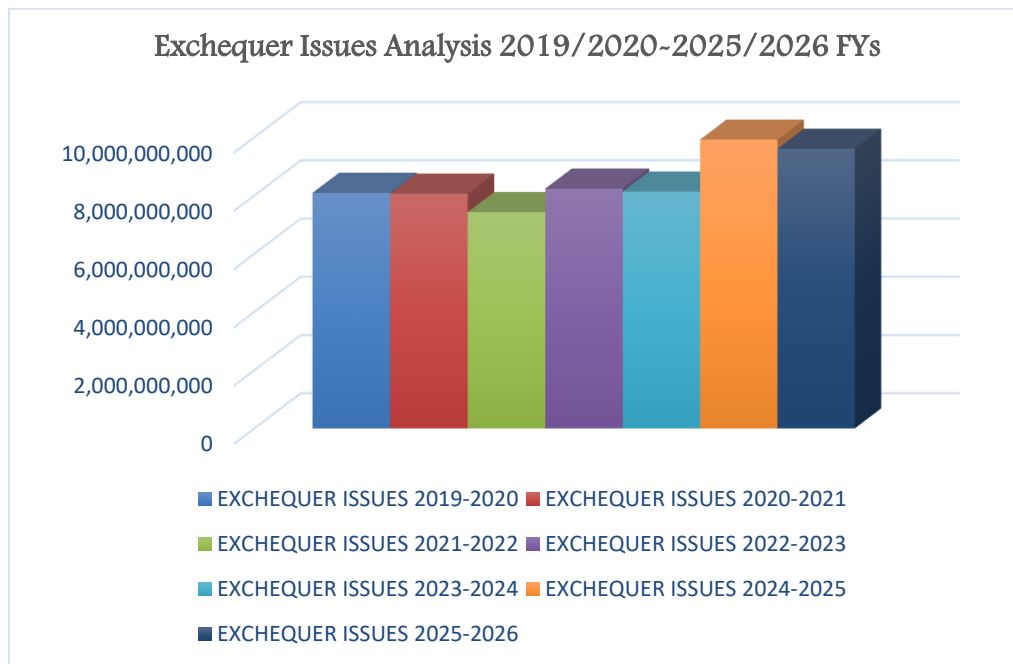


Table 5: Analysis of Total Equitable Share Disbursements from 2013/2014~ 2025/2026 FYs

FINANCIAL YEAR	TOTAL EQUITABLE SHARE RECEIVED
2013/2014	3,229,934,144
2014/2015	4,914,617,520
2015/2016	5,197,893,975
2016/2017	5,608,593,922
2017/2018	8,154,000,000
2018/2019	8,226,800,000
2019/2020	7,057,950,000
2020/2021	7,437,750,000
2021/2022	7,567,354,061
2022/2023	7,567,354,061
2023/2024	7,232,601,918
2024/2025	8,528,596,411
2025/2026	8,383,385,281

Source; County Treasury August, 2026

Figure 5: Analysis of Equitable Share from 2013/2014 ~ 2025/2026 FYs

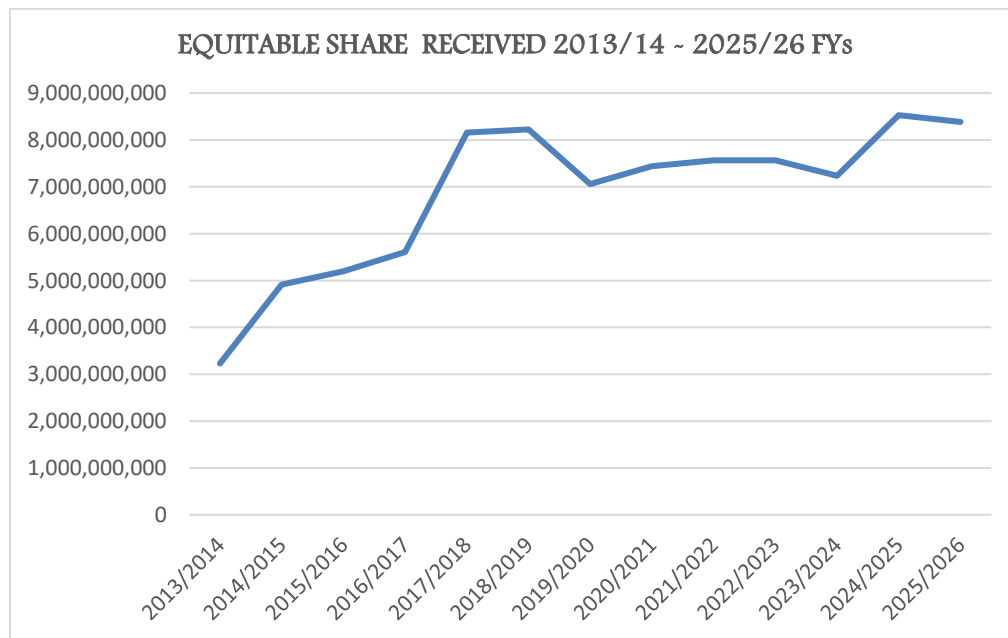


Table 6: Monthly Equitable Share Disbursement July 2025- June 2026

MONTH	EQUITABLE SHARE RECEIVED
JULY	0
AUGUST	671,472,333
SEPTEMBER	670,670,822
OCTOBER	712,587,749
NOVEMBER	711,786,239
DECEMBER	712,587,749
JANUARY	670,670,823
FEBRUARY	712,587,749
MARCH	712,587,749
APRIL	670,670,822
MAY	754,504,675
JUNE	1,383,258,571
TOTAL DISBURSED	8,383,385,281

Source; County Treasury August, 2026

Grants Disbursed

Table 7: Analysis of Grants Allocated and Disbursed from 2019/2020 - 2025/2026 FYs

Grant Details	GRANTS DISBURSED TO THE COUNTY							
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	Total
Level 5 Hospital Grant	388,439,306	388,439,308	-	-	-	-	-	776,878,614
User Fees Forgone	23,385,934	23,385,934	-	-	-	-	-	46,771,868
DANIDA	24,562,500	20,070,000	41,990,166	-	13,839,938	-	-	100,462,604
World Bank-KDSP Level I	30,000,000	45,000,000	-	-	-	-	70,503,589	145,503,589
World Bank KDSP Level II	-	-	201,635,625	-	-	-	103,939,269	305,574,894
Grant for Aggregated Industrial Parks Programme	-	-	-	-	62,500,000	54,131,579	133,368,421	250,000,000
World Bank-IDA: Transforming Health Systems for Universal Care Project (Primary Health Care Grant)	33,184,038	51,996,243	-	-	6,000,000	10,871,250	-	102,051,531
Water and Sanitation Development Project (WSDP)	247,584,920	228,221,154	-	570,120,196	497,650,673	585,006,309	345,000,000	2,473,583,252
Covid 19 Fund	100,168,000	-	-	-	-	-	-	100,168,000
Development of Youth Polytechnics	25,473,298	18,484,894	-	-	-	-	-	43,958,192
Agriculture Sector Support Program II	9,437,481	10,250,771	-	4,612,847	-	-	-	24,301,099
Road Maintenance Levy Grant	150,258,446	218,916,458	221,681,742	-	-	45,601,067	-	636,457,713
National Agricultural Value Chain Development Project (NAVCDP)	-	-	-	-	-	-	130,315,790	130,315,790
Allocations for Court Fines	-	-	-	-	-	-	1,398,424	1,398,424
Allocations for 20% Share of Mineral Royalties	-	-	-	-	-	-	18,830	18,830
Kenya Informal Settlement Improvement Project (KISIP)	-	-	-	92,063,703	320,000,000	695,000,000	120,882,538	1,227,946,241
Primary Health Care in Devolved Context (PHDC) Programme	-	-	-	-	-	-	11,373,000	11,373,000
Financing of FLLoCA County Climate Institutional Support (CCIS) Grant	-	-	-	-	-	-	33,000,000	33,000,000
Bloomberg Philanthropies Grant	-	-	-	-	-	-	52,000,000	52,000,000
Total	1,032,493,923	1,004,764,762	465,307,533	666,796,746	899,990,611	1,390,610,205	1,001,799,861	6,447,452,357

Source; County Treasury August, 2026

County Departmental Expenditure

13. The figures and tables below illustrate the County's departmental utilization of funds both in development and recurrent. They present the fiscal performance for the FY 2025/2026 and the deviations from the Original and Revised budget estimates.

Table 8: Departmental Recurrent Expenditure %Age 2025/2026 FY

S/NO	DEPARTMENTS	Approved Budget FY 2025/2026	Final Budget FY 2025/2026	Expenditure Total	%age
3012	County Assembly	740,845,894	870,845,894	870,845,271	100
3013	Public Service Board	120,942,827	115,881,944	93,300,887	80.51
3014	Finance & Economic Planning	880,484,441	1,036,494,891	923,276,748	89.08
3017	Health	4,184,835,493	5,146,233,545	4,654,677,296	90.45
3022	Transport & Infrastructure	686,570,444	980,711,263	880,494,869	89.78
3029	Water, Natural Resources & Climate Change Resilience	217,218,845	125,829,150	100,904,308	80.19
3030	Public Service Administration, Youth, Gender, Sports & Social Services	774,017,956	1,314,091,799	1,181,720,618	89.93
3031	Tourism, Culture & Trade	438,459,661	494,115,108	365,788,722	74.03
3034	The County Attorney	98,014,783	98,855,606	88,836,951	89.87
3035	The Executive	223,460,063	239,487,467	211,104,429	88.15
3036	Environment & Governance	897,023,126	1,137,666,657	963,655,962	84.70
3037	Education	554,376,025	988,356,097	926,972,285	93.79
3038	Lands, Urban Renewal and Housing	185,073,556	366,366,697	233,777,420	63.81
3039	Blue Economy, Cooperatives, Agriculture & Livestock	177,970,874	191,748,137	157,558,433	82.17
	TOTAL	10,179,293,988	13,106,684,254	11,652,914,199	88.91

Table 9: Departmental Development Expenditure %Age 2025/2026 FY

S/NO	DEPARTMENTS	Approved Budget FY 2025/2026	Final Budget FY 2025/2026	Expenditure Total	%age
3012	County Assembly	70,000,000	70,000,000	67,107,519	95.87
3013	Public Service Board	10,000,000	10,000,000	0	0
3014	Finance & Economic Planning	382,513,000	382,371,429	252,045,498	65.92
3017	Health	600,000,000	876,593,268	54,140,257	6.18
3022	Transport & Infrastructure	743,542,752	1,305,962,817	807,969,623	61.87
3029	Water, Natural Resources & Climate Change Resilience	786,050,260	805,550,260	452,409,070	56.16
3030	Public Service Administration, Youth, Gender, Sports & Social Services	227,500,000	166,600,000	78,860,093	47.33
3031	Tourism, Culture & Trade	334,500,000	233,673,300	180,639,366	77.30
3034	The County Attorney	-	-	-	-
3035	The Executive	37,000,000	35,000,000	23,717,007	67.76
3036	Environment & Governance	570,300,000	205,802,672	107,231,660	52.10
3037	Education	151,000,000	205,200,000	98,961,260	48.23
3038	Lands, Urban Renewal and Housing	460,000,000	1,087,500,000	291,170,048	26.77
3039	Blue Economy, Cooperatives, Agriculture & Livestock	78,300,000	234,062,000	156,267,847	66.76
	TOTAL	4,450,706,012	5,618,315,746	2,570,519,249	45.75

Table 10: Departmental Total Expenditure %Age 2025/2026 FY

	DEPARTMENTS	Approved Budget FY 2025/2026	Final Budget FY 2025/2026	Total Expenditure	%age
3012	County Assembly	810,845,894	940,845,894	937,952,790	99.69
3013	Public Service Board	130,942,827	125,881,944	93,300,887	74.12
3014	Finance & Economic Planning	1,262,997,441	1,418,866,320	1,175,322,246	82.84
3017	Health	4,784,835,493	6,022,826,813	4,708,817,553	78.18
3022	Transport & Infrastructure	1,430,113,196	2,286,674,080	1,688,464,492	73.84
3029	Water, Natural Resources & Climate Change Resilience	1,003,269,105	931,379,410	553,313,378	59.41
3030	Public Service Administration, Youth, Gender, Sports & Social Services	1,001,517,956	1,480,691,799	1,260,580,711	85.13
3031	Tourism, Culture & Trade	772,959,661	727,788,408	546,428,088	75.08
3034	The County Attorney	98,014,783	98,855,606	88,836,951	89.87
3035	The Executive	260,460,063	274,487,467	234,821,436	85.55
3036	Environment & Governance	1,467,323,126	1,343,469,328	1,070,887,621	79.71
3037	Education	705,376,025	1,193,556,097	1,025,933,545	85.96
3038	Lands, Urban Renewal and Housing	645,073,556	1,453,866,697	524,947,468	36.11
3039	Blue Economy, Cooperatives, Agriculture & Livestock	256,270,874	425,810,137	313,826,281	73.70
	TOTAL	14,630,000,000	18,725,000,000	14,223,433,447	75.96

Source; County Treasury August, 2026

Table 11: Cumulative Personnel Expenditure 2025/2026 FY

Month	County Executive P.E Expenditure	County Assembly P.E Expenditure	Total P.E Expenditure
June	527,603,901	-	527,603,901
July	551,159,375	38,568,883	589,728,258
August	567,800,525	38,866,426	606,666,951
September	573,832,648	38,398,102	612,230,750
October	550,724,775	39,323,153	590,047,928
November	574,740,014	41,740,302	616,480,316
December	594,017,309	39,000,831	633,018,140
January	584,073,491	38,854,856	622,928,347
February	606,004,159	40,229,911	646,234,070
March	633,599,411	47,563,276	681,162,687
April	621,975,654	39,751,338	661,726,992
May	646,185,276	38,471,628	684,656,904
June	-	38,625,910	38,625,910
Total Expenditure	7,031,716,538	479,394,616	7,511,111,154
Total Budgeted	7,881,218,282	489,261,034	8,370,479,316

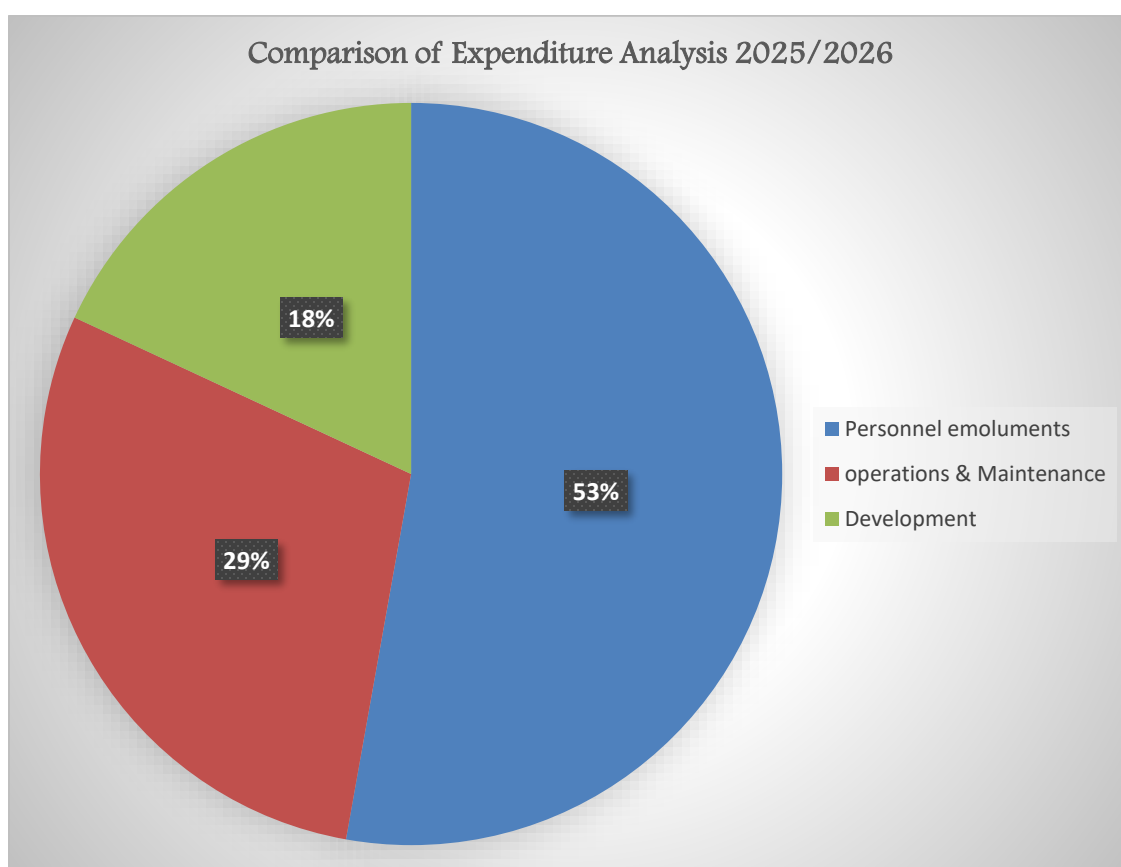
Source; County Treasury August, 2026

Table 12: Expenditure by Category 2025/2026 FY

Category	Budgeted	Expenditure	% Expenditure
Recurrent	13,106,684,254	11,652,914,199	88.91
Personnel emoluments	8,370,479,316	7,511,111,154	89.73
Operations & Maintenance	4,736,204,938	4,141,803,045	87.45
Development	5,618,315,746	2,570,519,249	45.75
Total	18,725,000,000	14,223,433,448	75.96

Source; County Treasury August, 2026

Figure 6: Analysis of Expenditure by Category 2025/2026 FY



B. ADHERENCE TO FISCAL RESPONSIBILITY PRINCIPLES

14. Section 107 (2) (f) of the PFM Act, 2012 require County Treasuries to manage their fiscal risks prudently. During the review period, a number of fiscal risks have been identified in revenue and expenditure performance. These are:

- i. High expenditure on wage bill that lowers the ability of the county government to meet financial obligations on operations & maintenance and development requirements; and,
- ii. Unrealized OSR target, which results to unfunded budgets resulting to low budget absorption and probability for accumulation of pending bills.
- iii. Late disbursement of equitable share and conditional grants coupled with undisbursed grants that has greatly affected the development budget absorption.
- iv. High levels of historical pending bills that negatively affects effective delivery of public services as well as local business development;

Executive Pending Bills Analysis

15. As at 30th June 2026, the total stock of pending bills for the County Executive stood at Ksh 3.8 billion.

Table 13: Ageing Analysis of the Outstanding Trade Payables as of 30 June, 2026

Category	Ageing Analysis (Amount in Kshs.)				Total
	Under one year	1-2 years	2-3 years	Over 3 years	
Development Trade Payables	-	-	-	1,248,918,756.58	1,248,918,756.58
<i>Recurrent Trade Payables (Goods & Services)</i>	202,883,459.00	13,422,539.65	-	1,001,190,606.77	1,217,496,605.42
<i>Recurrent Trade Payables (Salary Arrears and Statutory Deductions)</i>	620,521,882.25	4,492,338.00	-	700,018,248.10	1,325,032,468.35
<i>Recurrent Trade Payables (Staff Claims)</i>	-	-	-	-	-
Total Recurrent Trade Payables	823,405,341.25	17,914,877.65	-	1,701,208,854.87	2,542,529,073.77
Total Trade Payables	823,405,341.25	17,914,877.65	-	2,950,127,611.45	3,791,447,830.35

Source; County Treasury August, 2026

Table 14: Departmental Cumulated Pending Bills at 30th June 2026

1.Recurrent Expenditure

S/No	Department Name	Amount Payable as of 1 st July 2025 (Kshs.)	Amount Paid (Kshs.)	Outstanding Trade Payables as of 30 th June 2026 (Kshs.)
1	Agriculture, Fisheries, Livestock and Cooperatives	16,237,442.00	-	16,237,442.00
2	County Planning, Land and Housing	116,225,530.00	-	116,225,530.00
3	Devolution and Public Service Administration	144,229,057.00	30,402,984.00	734,347,955.25
4	Education, Information Technology and Mv 2035	36,732,266.00	-	36,732,266.00
5	Environment and Solid Waste Management	115,607,106.60	-	115,607,106.60
6	Finance and Economic Planning	1,514,211,826.23	634,461,945.67	879,749,880.56
7	Health	24,893,872.00	270,000.00	24,623,872.00
8	Public Service Board	4,471,281.80	-	4,471,281.80
9	The Executive	57,734,483.57	990,000.00	56,744,483.57
10	Trade, Tourism and Investments	121,971,775.05	-	121,971,775.05
11	Transport and Infrastructure	223,145,625.26	52,783,477.77	373,245,606.49
12	Youth, Gender and Sports	63,901,255.45	1,329,381.00	62,571,874.45
Sub Total		2,439,361,520.96	720,237,788.44	2,542,529,073.77

2.Development Expenditure

S/No	Department Name	Amount Payable as of 1 st July 2025 (Kshs.)	Amount Paid (Kshs.)	Outstanding Trade Payables as of 30 th June 2026 (Kshs.)
1	Agriculture, Fisheries, Livestock and Cooperatives	26,590,221.80	-	26,590,221.80
2	County Planning, Land and Housing	30,159,574.00	-	30,159,574.00
3	Devolution and Public Service Administration	4,991,540.00	-	4,991,540.00
4	Education, Information Technology and Mv 2035	45,757,403.00	4,623,600.00	41,133,803.00
5	Environment and Solid Waste Management	48,252,981.70	-	48,252,981.70
6	Finance and Economic Planning	90,369,011.94	9,493,150.00	80,875,861.94
7	Health	23,352,186.02	-	23,352,186.02
8	Public Service Board			
9	The Executive	1,260,000.00	-	1,260,000.00
10	Trade, Tourism and Investments	40,400,917.90	-	40,400,917.90
11	Transport and Infrastructure	950,301,897.22	7,565,030.00	942,736,867.22
12	Youth, Gender and Sports	9,164,803.00	-	9,164,803.00
		40,150,000.00	40,150,000.00	-
Sub Total		1,310,750,536.58	61,831,780.00	1,248,918,756.58
Grand Total		3,750,112,057.54	782,069,568.44	3,791,447,830.35

Growth of Executive Expenditure from 2019/2020-2025/2026 FYs

Table 15: Analysis of Executive Expenditure from 2019/2020-2025/2026 FYs

S NO.	DEPARTMENTS	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
3011	County Executive	170,907,637	134,579,861	124,868,359	134,811,934	88,172,829	250,157,590	234,821,436
3013	Public Service Board	42,223,122	57,481,487	53,739,218	87,803,620	124,630,357	97,338,304	93,300,887
3014	Finance & Economic Planning	1,929,435,855	1,674,353,623	1,661,433,513	1,355,581,695	1,425,087,060	1,787,908,769	1,175,322,246
3015	Environment, Waste Management and Energy	507,605,972	581,863,283	541,024,948	669,774,046	-	-	-
3027	Environment & Solid Waste Management	-	-	-	-	722,923,401	1,051,564,958	1,070,887,621
3016	Education, Information Technology & MV 2035	429,302,668	553,209,274	208,472,630	503,051,504	-	-	-
3028	Education & Digital Transformation	-	-	-	-	954,356,689	795,105,568	1,025,933,545
3017	Health Services	3,261,210,911	3,166,401,627	2,067,494,451	5,277,309,931	3,306,064,189	3,544,470,112	4,708,817,553
3018	Water, Sanitation & Natural Resources	282,665,964	333,232,081	236,462,366	642,268,728	-	-	-
3029	Water, Natural Resources & Climate Change Resilience	-	-	-	-	595,404,912	1,057,570,947	553,313,378
3019	Youth, Gender, Sports & Cultural Affairs	181,268,380	454,099,872	303,179,857	146,682,243	-	-	-
3030	Public Service Administration, Youth, Gender, Social Services & Sports	-	-	-	-	1,305,897,517	816,704,617	1,260,580,711
3020	Trade, Tourism & Investment	286,680,390	450,113,691	366,410,252	430,794,137	-	-	-
3031	Tourism, Culture & Trade	-	-	-	-	443,510,805	545,887,887	546,428,088
3021	Lands, Housing & Physical Planning	214,961,915	487,982,311	242,381,419	289,821,422	-	-	-
3032	Lands, Planning, Housing and Urban Renewal	-	-	-	-	544,377,922	203,183,327	524,947,468
3022	Transport & Infrastructure & Public Works	1,239,171,000	1,121,356,757	889,900,518	1,059,969,882	1,153,380,220	1,388,823,847	1,688,464,492
3023	Agriculture, Fisheries, Livestock & Cooperatives	141,925,916	175,574,698	126,438,905	193,519,629	-	-	-
3033	Blue Economy, Agriculture & Livestock	-	-	-	-	203,884,012	194,725,361	313,826,281
3026	Devolution & Public Service Administration	1,389,053,177	1,107,593,596	2,172,829,629	905,522,554	-	-	-
3034	The County Attorney	-	-	-	-	93,398,714	203,183,327	88,836,951
	Total Expenditure	10,076,412,906	10,889,466,230	8,994,636,065	11,696,911,326	10,961,088,627	12,779,736,139	13,285,480,657
	Budgeted	12,925,617,143	13,066,172,243	13,120,745,608	13,095,216,980	14,944,055,093	16,539,154,106	17,784,154,106
	% Absorption	76	83	69	89	73	77	75

Figure 7: Percentage Executive Budget Absorption 2019/2020 -2025/2026 FYs

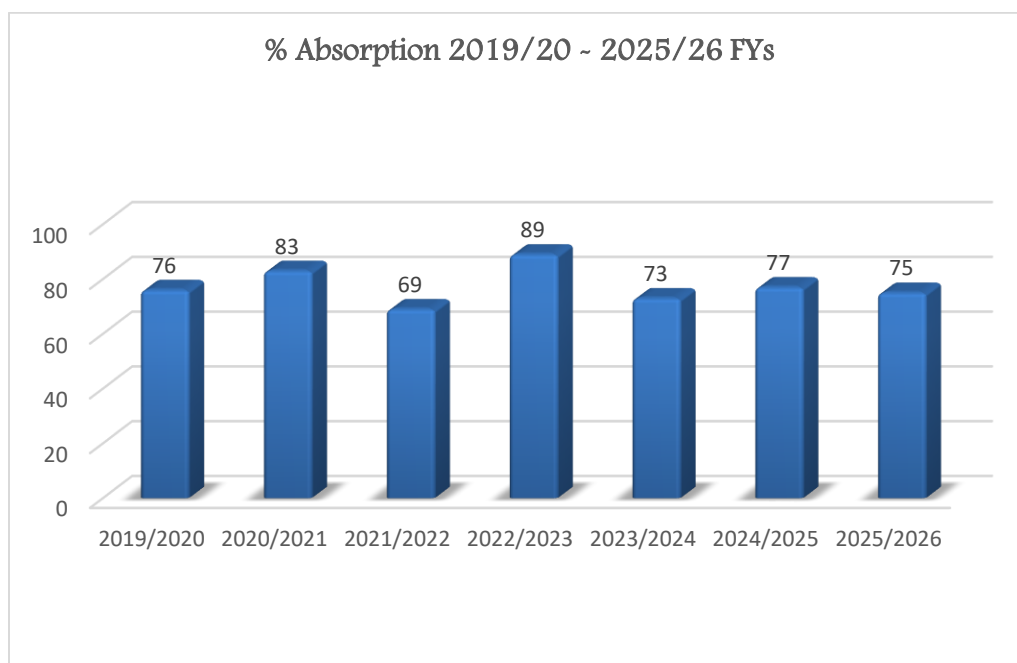
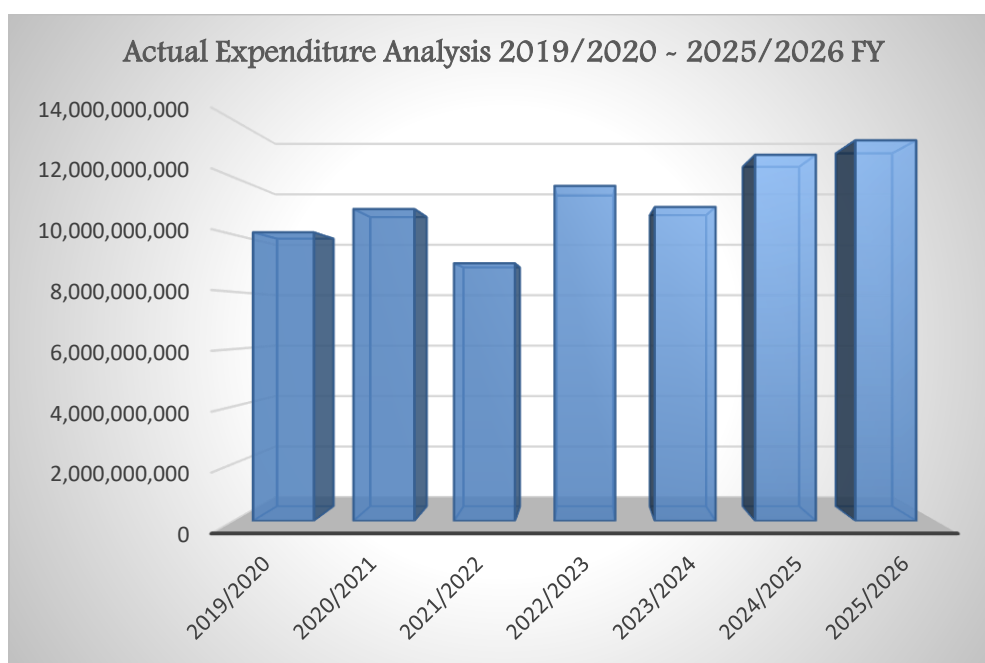


Figure 8: Actual Executive Expenditure Analysis 2019/2020 -2025/2026 FYs



County Budget Expenditure by Programmes 2025/2026 FY

Table 16: Expenditure by Programmes 2025/2026 FY

Department/Sector	Expenditure	Original Budget FY 2025/2026	Final Approved Budget FY 2025/2026	Actual on Comparable Basis	% Budget Utilization
3012: COUNTY ASSEMBLY					
General Administration and Planning	RECURRENT	630,903,132	711,714,692	711,714,069	100.0
	DEVELOPMENT	70,000,000	70,000,000	67,107,519	95.9
Legislation, Oversight and Representation	RECURRENT	109,942,762	159,131,202	159,131,202	100.0
	DEVELOPMENT	0	0	0	0.0
		810,845,894	940,845,894	937,952,790	99.7
3013: COUNTY PUBLIC SERVICE BOARD					
General Administration and Human Resource Policies	RECURRENT	120,942,827	115,881,944	93,300,887	80.5
	DEVELOPMENT	10,000,000	10,000,000	0	0.0
		130,942,827	125,881,944	93,300,887	74.1
3014: FINANCE AND ECONOMIC PLANNING					
General Administration, Planning and Support Services	RECURRENT	543,911,903	592,149,731	584,601,478	98.7
	DEVELOPMENT	-	-	3,250,896	0.0
Digital Transformation	RECURRENT	71,557,300	68,213,806	57,121,007	83.7
	DEVELOPMENT	88,050,000	69,755,000	19,451,461	27.9
Economic Planning and Policy formulation	RECURRENT	53,064,625	108,561,625	99,502,241	91.7
	DEVELOPMENT	-	-	0	0.0
Financial Management Services	RECURRENT	211,950,613	267,569,728	182,052,022	68.0
	DEVELOPMENT	294,463,000	312,616,429	229,343,142	73.4
		1,262,997,441	1,418,866,320	1,175,322,246	82.8
3017: HEALTH SERVICES					
Administration Unit	RECURRENT	3,459,178,098	3,781,665,202	3,751,076,332	99.2
	DEVELOPMENT	178,374,932	24,510,170	24,510,170	100.0
Clinical and Curative Health Services	RECURRENT	121,210,011	296,307,011	284,792,112	96.1
	DEVELOPMENT	59,625,068	388,206,570	0	0.0
Preventive and Promotive Health services	RECURRENT	93,908,325	208,007,664	165,352,491	79.5
	DEVELOPMENT	27,000,000	53,093,318	20,000,000	37.7
Special Programs	RECURRENT	10,042,261	25,905,563	0	0.0
	DEVELOPMENT	0	0	0	0.0
Coast General Teaching and Referral Hospital	RECURRENT	500,496,799	834,348,106	453,456,361	54.4
	DEVELOPMENT	335,000,000	410,783,210	9,630,087	2.3
		4,784,835,493	6,022,826,813	4,708,817,553	78.18

Mombasa County Budget Review and Outlook Paper 2026

Department/Sector	Expenditure	Original Budget FY 2025/2026	Final Approved Budget FY 2025/2026	Actual on Comparable Basis	% Budget Utilization
3022: TRANSPORT & INFRASTRUCTURE					
General Administration and Support Services	RECURRENT	469,705,051	664,618,206	608,121,901	91.5
	DEVELOPMENT	-	-	-	0.0
Roads Infrastructure Development	RECURRENT	14,950,393	10,196,422	6,256,051	61.4
	DEVELOPMENT	534,280,000	726,381,067	498,303,717	68.6
Transportation Management	RECURRENT	168,100,000	281,524,500	249,466,035	88.6
	DEVELOPMENT	84,800,000	180,126,750	105,735,350	58.7
Mechanical and Electrical Services	RECURRENT	24,455,000	13,181,039	10,515,623	79.8
	DEVELOPMENT	63,105,000	119,105,000	101,543,260	85.3
Disaster Risk Management Services	RECURRENT	8,050,000	10,332,000	5,429,179	52.5
	DEVELOPMENT	6,357,752	90,350,000		0.0
Public Works	RECURRENT	1,310,000	859,096	706,080	82.2
	DEVELOPMENT	55,000,000	190,000,000	102,387,296	53.9
		1,430,113,196	2,286,674,080	1,688,464,492	73.8
3029: WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE					
Administration Planning and Support Services	RECURRENT	178,678,845	108,618,720	89,530,090	82.4
	DEVELOPMENT	569,500,000	538,500,000	345,000,000	64.1
Natural Resources Management	RECURRENT	5,790,000	3,918,830	2,044,459	52.2
	DEVELOPMENT	46,050,260	15,050,260	-	0.0
Water Supply and Management	RECURRENT	11,650,000	4,741,600	4,157,067	87.7
	DEVELOPMENT	93,000,000	85,000,000	64,972,460	76.4
Sanitation Services and Management	RECURRENT	6,650,000	1,700,000	1,046,646	61.6
	DEVELOPMENT	42,000,000	40,000,000	30,436,611	76.1
Renewable Energy	RECURRENT	8,500,000	3,000,000	1,792,369	59.7
	DEVELOPMENT	22,500,000	19,000,000		0.0
Climate Resilience	RECURRENT	5,950,000	3,850,000	2,333,676	60.6
	DEVELOPMENT	13,000,000	108,000,000	12,000,000	11.1
		1,003,269,105	931,379,410	553,313,378	59.4
3030: PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SPORTS & SOCIAL SERVICES					
General Administration and Support Services	RECURRENT	688,233,865	1,235,500,920	1,127,494,947	91.3
	DEVELOPMENT	7,300,000	11,600,000	4,047,156	34.9
Human Resource Management & Development	RECURRENT	28,150,000	24,540,458	18,142,619	73.9
	DEVELOPMENT	0	0	0	0.0
Public Service Reforms	RECURRENT	14,850,000	12,497,220	7,619,380	61.0
	DEVELOPMENT	0	0	0	0.0

Department/Sector	Expenditure	Original Budget FY 2025/2026	Final Approved Budget FY 2025/2026	Actual on Comparable Basis	% Budget Utilization
Youth Affairs & Sports Development	RECURRENT	18,834,991	19,295,000	14,933,289	77.4
	DEVELOPMENT	210,200,000	155,000,000	74,812,937	48.3
Gender Integration and Social Services	RECURRENT	23,949,100	22,258,200	13,530,382	60.8
	DEVELOPMENT	10,000,000	0	0	0.0
		1,001,517,956	1,480,691,799	1,260,580,711	85.1
3031: TOURISM, CULTURE & TRADE					
General Administration Planning & support services	RECURRENT	356,379,144	368,026,291	319,415,602	86.8
	DEVELOPMENT	0	0	0	0.0
Trade Development and Markets/ Consumer Protection	RECURRENT	34,550,000	24,716,500	15,373,064	62.2
	DEVELOPMENT	334,500,000	233,673,300	180,639,366	77.3
E-Licensing & Services	RECURRENT	0	0	0	0.0
	DEVELOPMENT	0	0	0	0.0
Tourism Marketing and Product Development	RECURRENT	16,780,517	71,680,017	8,607,719	12.0
	DEVELOPMENT	0	0	0	0.0
Cultural Affairs	RECURRENT	15,650,000	13,092,300	11,164,437	85.3
	DEVELOPMENT	0	0	0	0.0
Mombasa Tourism Council	RECURRENT	15,100,000	16,600,000	11,227,899	67.6
	DEVELOPMENT	0	0	0	0.0
		772,959,661	727,788,408	546,428,088	75.1
3034: THE COUNTY ATTORNEY					
General Administration & Legal Services	RECURRENT	98,014,783	98,855,606	88,836,951	89.9
	DEVELOPMENT	0	0	0	0
		98,014,783	98,855,606	88,836,951	89.9
3035: THE EXECUTIVE					
General Administration & Human Resource Planning Services	RECURRENT	162,498,066	166,629,764	146,522,663	87.9
	DEVELOPMENT	0	0	0	0.0
Governor's and Deputy Governor's Affairs	RECURRENT	30,500,000	35,590,258	30,433,963	85.5
	DEVELOPMENT	21,000,000	19,000,000	16,778,007	88.3
Protocol, Hospitality and Communication	RECURRENT	15,500,000	18,581,276	14,974,503	80.6
	DEVELOPMENT	12,000,000	12,000,000	6,939,000	57.8
Strategy, Advisory Council and Special Programs	RECURRENT	5,500,000	6,485,500	6,967,628	107.4
	DEVELOPMENT	2,000,000	2,000,000	0	0.0
County Secretary's Affairs	RECURRENT	5,361,997	7,489,484	6,833,556	91.2
	DEVELOPMENT	0	0	0	0.0

Department/Sector	Expenditure	Original Budget FY 2025/2026	Final Approved Budget FY 2025/2026	Actual on Comparable Basis	% Budget Utilization
Cabinet Affairs, Intergovernmental, Service Delivery Unit and Public Service Transformation	RECURRENT	4,100,000	4,711,185	5,372,115	114.0
	DEVELOPMENT	2,000,000	2,000,000	0	0.0
		260,460,063	274,487,467	234,821,436	85.5
3036: ENVIRONMENT & GOVERNANCE					
General Administration, Planning and Support Services	RECURRENT	776,837,672	1,006,311,147	880,721,765	88
	DEVELOPMENT	15,000,000	27,919,756	15,901,044	57
Solid Waste Management	RECURRENT	34,615,454	39,001,492	17,417,650	45
	DEVELOPMENT	102,800,000	75,784,649	38,940,313	51
Environment, Compliance and Enforcement	RECURRENT	26,000,000	35,109,496	25,126,371	72
	DEVELOPMENT	79,000,000	75,108,787	47,407,413	63
Public Affairs and Empowerment Programs	RECURRENT	8,250,000	4,469,000	1,319,000	30
	DEVELOPMENT	0	0	0	0
County Administration and Serikali Mitaani	RECURRENT	44,870,000	39,766,722	34,468,997	87
	DEVELOPMENT	362,500,000	20,000,000	0	0
Inspectorate, Enforcement and Compliance	RECURRENT	6,450,000	13,008,800	4,602,179	35
	DEVELOPMENT	11,000,000	6,989,480	4,982,890	71
		1,467,323,126	1,343,469,328	1,070,887,621	79.7
3037: EDUCATION					
General Administration, Planning and Support Services	RECURRENT	368,610,662	412,236,815	360,900,307	87.5
	DEVELOPMENT	5,000,000	5,000,000	3,053,459	61.1
Early Childhood Education	RECURRENT	19,765,363	21,603,995	13,163,215	60.9
	DEVELOPMENT	126,000,000	160,200,000	87,627,399	54.7
Vocational Training & Education	RECURRENT	6,000,000	6,142,700	-	-
	DEVELOPMENT	-	20,000,000	-	-
Child Care	RECURRENT	5,500,000	5,978,000	11,343,554	189.8
	DEVELOPMENT	20,000,000	20,000,000	8,280,402	41.4
Elimu Fund	RECURRENT	154,500,000	542,394,587	541,565,209	99.8
	DEVELOPMENT	-	-	-	-
		705,376,025	1,193,556,097	1,025,933,545	86.0
3038: LANDS, URBAN RENEWAL AND HOUSING					
Administration Planning and Support Services	RECURRENT	181,073,556	347,682,746	223,343,520	64.2
	DEVELOPMENT	39,000,000	547,500,000	161,998,600	29.6

Department/Sector	Expenditure	Original Budget FY 2025/2026	Final Approved Budget FY 2025/2026	Actual on Comparable Basis	% Budget Utilization
Land Administration and Valuation	RECURRENT	2,500,000	2,500,000	966,000	38.6
	DEVELOPMENT	270,000,000	425,000,000	90,083,189	21.2
Urban Planning	RECURRENT	1,500,000	1,596,329	6,000,000	375.9
	DEVELOPMENT	121,000,000	70,000,000	6,201,724	8.9
Housing Management	RECURRENT	0	1,987,622	1,875,500	94.4
	DEVELOPMENT	15,000,000	20,000,000	10,387,250	51.9
Urban Renewal & Redevelopment	RECURRENT	0	12,600,000	1,592,400	12.6
	DEVELOPMENT	15,000,000	25,000,000	22,499,285	90.0
		645,073,556	1,453,866,697	524,947,468	36.1
3039: BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK					
Administrative Services	RECURRENT	142,819,026	162,402,217	143,963,807	88.6
	DEVELOPMENT	3,500,000	4,500,000	0	0.0
Crops Development	RECURRENT	9,046,664	8,470,667	3,862,425	45.6
	DEVELOPMENT	16,000,000	170,762,000	140,577,790	82.3
Livestock Production	RECURRENT	7,575,457	7,087,061	2,622,361	37.0
	DEVELOPMENT	3,800,000	3,800,000	0	0.0
Fisheries Development	RECURRENT	6,774,437	3,782,500	2,121,313	56.1
	DEVELOPMENT	10,000,000	10,000,000	1,500,000	15.0
Veterinary Services	RECURRENT	8,151,561	6,805,742	3,595,290	52.8
	DEVELOPMENT	40,000,000	40,000,000	11,535,845	28.8
Cooperative Development	RECURRENT	3,603,729	3,199,950	1,393,238	43.5
	DEVELOPMENT	5,000,000	5,000,000	2,654,212	53.1
		256,270,874	425,810,137	313,826,281	73.7
		14,630,000,000	18,725,000,000	14,223,433,447	76.0

Source; County Treasury August, 2026

16. From the expenditure analysis above, no department absorbed 100% of their budget. The overall absorption was at 76.0%, with the County Assembly's having the highest expenditure at (99.7%), followed by the County Attorney (89.9%) and Education coming third at (86.0%). The lowest absorption rates which was way below average was from the Departments of Water, Natural Resources and Climate Change Resilience (59.4%) and the Lands, Urban Renewal and Housing having the lowest absorption at 36.1%. The under absorption was mainly due and under realization of the targeted own source revenue coupled with the undisbursed development conditional grants.

Detailed Analysis of Realized Revenue 2025/2026 FY

Table 17: Total Exchequer Issues Disbursed 2025/2026 FY

Revenue Item	Annual Budgeted	Total Receipt	%
Opening Balance: Unspent Balance from FY 2024/25	219,299,025	219,299,025	100
Equitable share	8,383,385,281	8,383,385,281	100
GRANTS			
Allocation for court fines	1,398,424	1,398,424	100
Allocations for 20% Share of Mineral Royalties	18,830	18,830	100
Community Health Promoters Program	71,610,000	-	0
Basis Salary Arrears for County Government Health Workers	108,971,914	-	0
Primary Health Care in Devolved Context (PHDC) Programme	11,373,000	11,373,000	100
World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	245,000,000	120,882,538	49%
County Aggregation and Industrial Parks (CAIP) Programme	133,368,421	133,368,421	100
Allocations for 0.5 % of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	1,987,622	-	0
Financing of FLLoCA County Climate Institutional Support (CCIS) Grant	33,000,000	33,000,000	0
Kenya Devolution Support Programme (KDSP II) Level I Grant	72,909,500	70,503,589	97
Kenya Devolution Support Programme (KDSP II) Level 2 Grant	352,500,000	103,939,269	29
National Agricultural Value Chain Development Project (NAVCDP)	150,000,000	130,315,790	87
Water & Sanitation Development Program - World Bank Fund	500,000,000	345,000,000	69
Bloomberg Philanthropies Grant	52,000,000	52,000,000	100
Total Grants	1,734,137,711	1,001,799,861	58
Total Exchequer Issues	10,336,822,017	9,604,484,167	93

Source; County Treasury August, 2026

Table 18: Total OSR Budgeted & Collected 2025/2026 vis-à-vis Actual Comparative 2024/2025 FYs

Description	Budgeted 2025/2026	Actual: Period ended 30 June 2026	Comparative period prior year* 30 June 2025
County Own Source Revenue	Kshs	Kshs	Kshs
Cess	920,878,000	506,926,312	519,805,289
Land Rate	1,812,326,490	909,555,223	883,096,534
Single/Business Permits	1,499,809,100	510,312,300	598,894,521
Property Rent	15,700,000	22,475,622	22,551,818
Parking Fees	1,420,087,000	573,332,253	612,963,194
Market Fees	69,988,000	49,231,117	10,916,974
Advertising	250,000,000	178,982,103	182,121,925
Physical Planning and Development	450,617,066	299,640,065	384,652,016
Hire of County Assets	60,502,000	79,777,000	2,938,750
Conservancy Administration	30,050,000	600,607,280	145,367,856
Administration Control Fees and Charges	83,630,000	68,861,238	66,164,700
Other Fines, Penalties, And Forfeiture Fees	-	-	515,000
Total Ordinary Revenue	6,664,567,655	3,799,700,513	3,429,988,577
Facility Improvement Fund/Financing (FIF)	1,723,610,328	2,414,889,970	1,450,841,375
Total County Own Source Revenue	8,388,177,983	6,214,590,483	4,880,829,952

Source; County Treasury August, 2026

Table 19: Own Source Revenue Collected by Stream 2025/2026 FY

S. No	Revenue Stream	Amount Realized 2025/26
1	Facility Improvement Fund/Financing (FIF)	2,414,889,970
2	Land Rate	909,555,223
3	Conservancy Administration	600,607,280
4	Parking Fees	573,332,253
5	Single/Business Permits	510,312,300
6	Cess	506,926,312
7	Physical Planning and Development	299,640,065
8	Advertising	178,982,103
9	Hire of County Assets	79,777,000
10	Administration Control Fees and Charges	68,861,238
11	Market Fees	49,231,117
12	Property Rent	22,475,622
	Total	6,214,590,483

Source; County Treasury August, 2026

Figure 9: Own Source Revenue Collected by Stream 2025/2026 FY

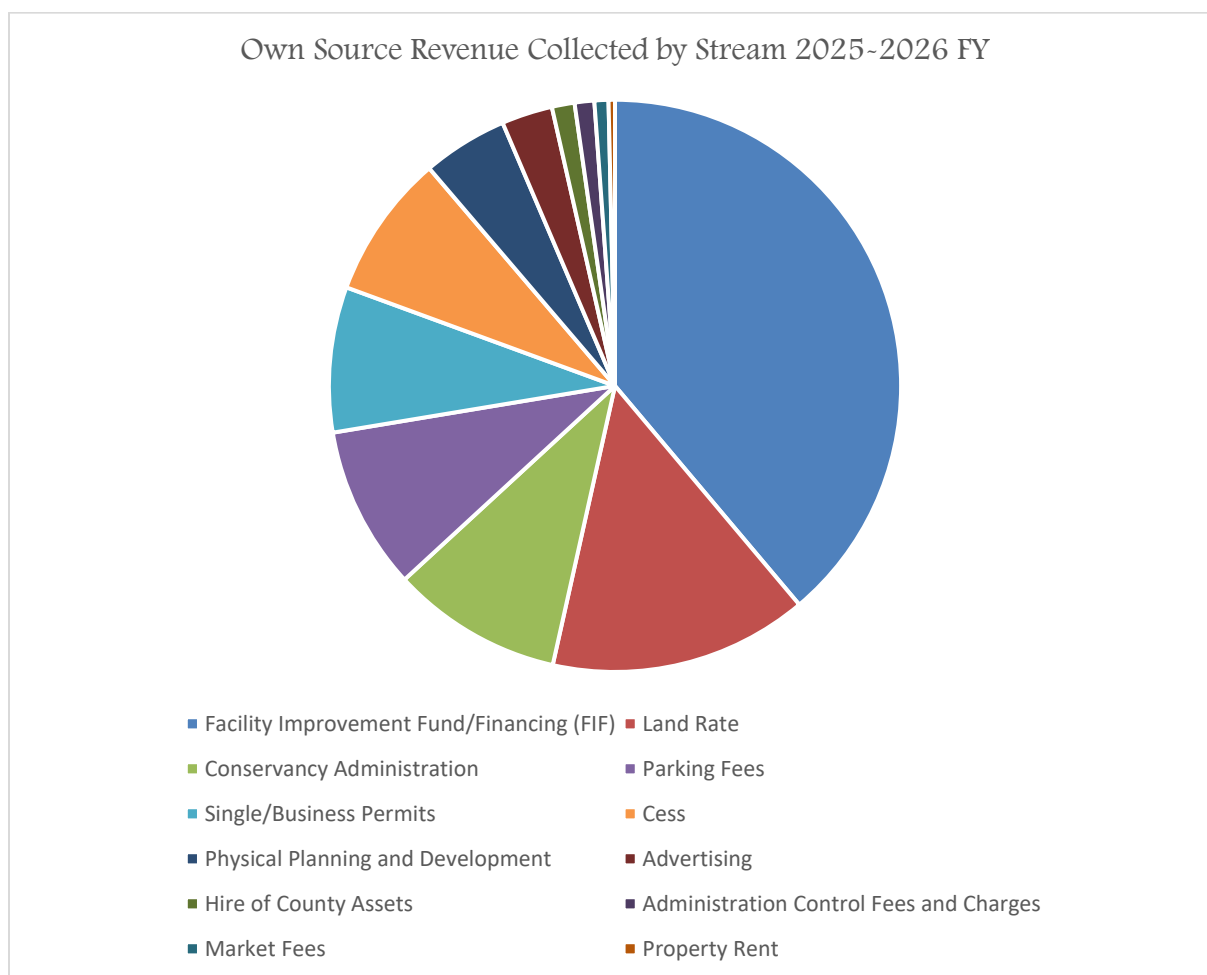


Table 20: Detailed Realized OSR Analysis 2025/2026 & Comparative Period 2024/2025 FYs

REVENUE.	GRAND TOTALS 2024- 2025 KSHS.	GRAND TOTALS 2025- 2026 KSHS.	% Increase
DEVOLUTION & PUBLIC SERVICE ADMINISTRATION			
Court Fines	0	0	0
Cash Bail	0	0	0
TOTAL	0	0	0
FINANCE & ECONOMIC PLANNING			
Document Search Fee	2,000	3,000	50.0
Cess Fees	519,803,289	506,191,198	-2.6
TOTAL	519,805,289	506,194,198	-2.6
TRADE, TOURISM & INVESTMENT			
Liquor	37,398,000	57,607,143	54.0
Weights and Measure	7,378,400	8,813,800	19.5
Market Entrance /Gate Fee	10,916,974	8,075,934	-26.0
Market Stalls Rent	22,551,818	24,056,133	6.7
Market Shelters Fee	0	0	0.0
Offloading	422,980	342,540	-19.0
Hawking Fee	25,372,076	16,756,510	-34.0
Business Subletting/Transfer Fee	75,000	0	-100.0
Renewal Form (SBP)	4,216,600	5,177,800	22.8
Single Business Permit	490,562,673	505,134,500	3.0
TOTAL	598,894,521	625,964,360	4.5
YOUTH, GENDER AND SPORTS			
Social Halls	2,802,750	2,313,000	-17.5
Hire of Council Grounds	136,000	0	-100.0
TOTAL	2,938,750	2,313,000	-21.3
EDUCATION & DIGITAL TRANSFORMATION			
Registration of Educational Facilities	2,982,000	2,159,500	-27.6
TOTAL	2,982,000	2,159,500	-27.6
ENVIRONMENT, WASTE MANAGEMENT & ENERGY			
Cemeteries Charges	1,578,500	1,427,000	-9.6
Incidental charges-Tree Cutting-Environment	222,000	186,500	-16.0
Solid Waste -Ships & Vessels	94,379,856	567,017,109	500.8
Solid Waste (Water)		11,113,217	0.0
Solid Waste (SBP)	44,706,000	17,558,454	-60.7
Drainage Certificate Charges	60,000	345,000	475.0
Garbage dumping Fee	4,421,500	2,190,000	-50.5
TOTAL	145,367,856	599,837,280	312.6
AGRICULTURE, LIVESTOCK & FISHERIES			
Poultry & Meat Inspection	427,209	458,640	7.4
Horticulture Consultation fees	262,500	342,900	30.6
Livestock Certificates	95,100	144,996	52.5
Slaughter House Charges	116,548	192,834	65.5
Livestock Permits	0	500	0.0
Dog Licenses	55,000	109,000	98.2
Cooperatives Audit Charges (Auditing of SACCO)	143,180	280,795	96.1
TOTAL	1,099,537	1,529,665	39.1

REVENUE.	GRAND TOTALS 2024- 2025 KSHS.	GRAND TOTALS 2025- 2026 KSHS.	% Increase
LANDS, PLANNING & HOUSING			
Valuation & Survey Fees	0	0	0.0
Ground Rent	699,067	440,219	-37.0
Beacon Search Pointing Fee	30,000	0	-100.0
Change of User	0	0	0.0
Subdivision & Consolidation Fees	0	0	0.0
Survey Fee	768,750	1,650,000	114.6
Other Property Charges	60,000	0	-100.0
Buildings Plan Preparation Fee	2,613,674	2,499,190	-4.4
Building Plan Approval Fee	283,147,786	286,446,567	1.2
Demolition of Structures	455,000	695,500	52.9
Land Rates	883,096,534	909,555,223	3.0
Hoarding & Scaffolding	0	0	0
Document search Fee -HDD	21,000	8,000	-61.9
Instalment Fee (HDD Scheme)	0	0	0.0
Annual Ground Rent (HDD Scheme)	1,508,821	1,839,119	21.9
Plot Transfer Fee	163,200	210,800	29.2
Plots Charges (HDD Scheme)	5,035,462	5,548,892	10.2
Dumping of Building Materials	975,000	2,175,000	123.1
Allottees Documents	2,000	3,000	50.0
Housing Estates Monthly Rent-Mzizima, Changanwe, Buxton	17,729,444	20,196,284	13.9
TOTAL	1,196,305,738	1,231,267,794	2.9
TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS			
Sign Boards & Advertisement Fee	134,315,258	99,317,384	-26.1
Signage Fee (SBP)	47,806,667	79,664,719	66.6
Fire - Fighting Services/Tankers Inspection Fee	4,877,000	4,414,000	-9.5
Fire Inspection Fees	61,287,700	73,050,000	19.2
Road Cutting Application Fees	0	0	0.0
Other Vehicles Enclosed Park Fees (Cars, Lorries, etc.)	9,200	9,200	0.0
Street Parking Fees	448,432,511	296,127,893	-34.0
PSV Parking Levy	148,933,483	142,700,437	-4.2
Reserved Parking (Loading/Offloading)	0	0	0.0
Reserved Parking	15,588,000	20,264,002	30.0
Right - of - Way/ Way- Leave Fee (KPLC, Telcom, etc.)	100,830,067	114,230,721	13.3
TOTAL	962,079,886	829,778,356	-13.8
MISCELLANEOUS			
Council Vehicle Hire	0	0	0.0
Debts Clearance Certificate Fee	0	0	0.0
Sale of Council Maps	0	0	0.0
Hearse services	0	0	0.0
Noise Permit	515,000	1,115,000	116.5
TOTAL	515,000	1,115,000	116.5
HEALTH: Facility Improvement Fund/Financing (FIF)			
Fumigation (SBP)	22,348,100	26,621,000	19.1
PH Form B (SBP)	26,752,000	33,337,000	24.6
Premises Inspection Fees (Medical services/Health facilities /Public health)	1,401,741,275	2,354,473,330	68.0
TOTAL	1,450,841,375	2,414,431,330	66.4
GRAND TOTAL COLLECTION	4,880,829,952	6,214,590,483	27.3

Source; County Treasury August, 2026

Table 21: Budgeted Revenue Projections 2025/2026 FY

Department/ Sector	Revenue Stream	Amount (Kshs)
	OWN SOURCE REVENUE	
TRANSPORT& INFRASTRUCTURE	Sign Boards & Advertisement Fee	250,000,000
	Fire - Fighting Services/Tankers Inspection Fee	7,000,000
	Road Cutting Application Fees	150,000
	Other Vehicles Enclosed Park Fees (Cars, Lorries, etc)	20,000
	Street Parking Fees	1,220,000,000
	PSV Parking Levy	180,000,000
	Reserved Parking	55,000,000
	Right - of - Way/ Way- Leave Fee (KPLC, Telcom, etc)	100,000,000
	Hearse services	2,000
TOTAL REVENUE		1,812,172,000
LANDS, URBAN RENEWAL AND HOUSING	Document search Fee -HDD	20,000
	Survey Fee	4,000,000
	Other Property Charges- Beacon searching fee	15,000
	Sale of Council Maps	5,000
	Land Rates Clearance Certificate Fee	70,000
	Buildings Plan Preparation Fee	4,000,000
	Building Plan Approval Fee	437,952,066
	Demolition of Structures	1,000,000
	Land Rates	1,812,326,490
	Ground Rent	30,000
	Annual Ground Rent (HDD Scheme)	5,000,000
	Plot Transfer Fee	300,000
	Plots Charges (HDD Scheme)	3,200,000
	Allottees Documents	50,000
	Housing Estates Monthly Rent	10,000,000
TOTAL REVENUE		2,277,968,556
PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SPORTS & SOCIAL SERVICES	Social Halls	3,000,000
	Hire of Council Grounds	500,000
TOTAL REVENUE		3,500,000
ENVIRONMENT & GOVERNANCE	Cemeteries Charges	2,300,000
	Incidental charges-Tree Cutting-Environment	250,000
	Drainage Certificate Charges	100,000
	Garbage dumping Fee	8,500,000
TOTAL REVENUE		11,150,000
TOURISM, CULTURE & TRADE	Liquor	55,000,000
	Market Entrance /Gate Fee	12,000,000
	Market Stalls Rent	24,000,000
	Market Shelters Fee	12,000

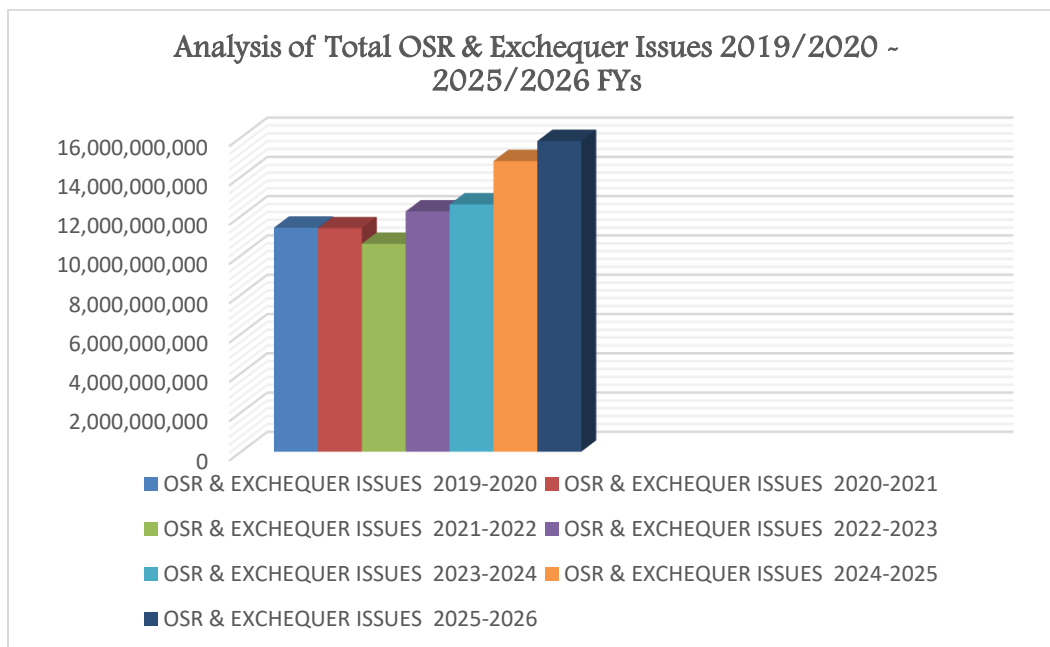
Department/ Sector	Revenue Stream	Amount (Kshs)
	Offloading	500,000
	Hawking Fee	28,488,000
	Business Subletting/Transfer Fee	500,000
	Single Business Permit	1,499,309,100
TOTAL REVENUE		1,619,809,100
EDUCATION (Care, Education)	Registration of Child Care Facilities	3,430,000
TOTAL REVENUE		3,430,000
BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK	Poultry & Meat Inspection	980,000
	Horticulture Consultation fees	325,000
	Livestock Certificates	80,000
	Slaughter House Charges	50,000
	Livestock Permits	3,000
	Dog Licenses	75,000
	Cooperatives Audit Charges (Auditing of SACCO)	20,000
TOTAL REVENUE		1,533,000
FINANCE AND ECONOMIC PLANNING	Document Search Fee	5,000
	Cess Fees	920,000,000
TOTAL REVENUE		920,005,000
WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE	Solid Waste Management Fees	15,000,000
TOTAL REVENUE		15,000,000
HEALTH	Clinic cost sharing charges & Other services	1,723,610,328
TOTAL REVENUE		1,723,610,328
	Total Local Revenue	8,388,177,983
	EQUITABLE SHARE	
FINANCE AND ECONOMIC PLANNING	Equitable share	8,383,385,281
	GRANTS	
TOURISM, CULTURE & TRADE	Aggregated Industrial Parks Programme	133,368,421
TOTAL		133,368,421
COUNTY ATTORNEY	Allocation for court fines	1,398,424
TOTAL		1,398,424
BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK	National Agricultural Value Chain Development Project (NAVCDP)	150,000,000
TOTAL		150,000,000
COUNTY HEALTH	DANIDA- Primary Health Care in Devolved Context (PHDC) Programme	11,373,000
	Community Health Promoters (CHPs) Programme	71,610,000
	Basis Salary Arrears for County Government Health Workers	108,971,914
TOTAL		191,954,914

Department/ Sector	Revenue Stream	Amount (Kshs)
LANDS, URBAN RENEWAL AND HOUSING	Kenya Informal Settlement Improvement Project (KISIP II) - AFD-France	240,000,000
	Kenya Informal Settlement Improvement Project (KISIP II) - IDA World Bank	5,000,000
	Housing Levy Fund (0.5%) to the County Rural and Urban Affordable Housing Committees	1,987,622
	Kenya Devolution Support Programme 2 (KDSP II)- Level I	72,909,500
	Kenya Devolution Support Programme 2 (KDSP II)- Level II	352,500,000
TOTAL		672,397,122
WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE	World Bank - Water and Sanitation Development Project	500,000,000
	Allocations for 20% Mineral Royalties	18,830
	Financing of FLLOCA - County Climate Institutional Support (CCIS) Grant	33,000,000
TOTAL		533,018,830
TRANSPORT & INFRASTRUCTURE	Bloomberg Philanthropies Grant	52,000,000
TOTAL REVENUE		52,000,000
SUB TOTAL	Total Grants	1,734,137,711
	Total Opening Balances	219,299,025
Total Exchequer Issues	Total Exchequer Issues	10,336,822,017
TOTAL REVENUE	Total Revenue	18,725,000,000

Table 22: Analysis of Monthly OSR & Exchequer Issues for the 2019/2020-2025/2026 FYs

Month	OSR & EXCHEQUER ISSUES 2019-2020	OSR & EXCHEQUER ISSUES 2020-2021	OSR & EXCHEQUER ISSUES 2021-2022	OSR & EXCHEQUER ISSUES 2022-2023	OSR & EXCHEQUER ISSUES 2023-2024	OSR & EXCHEQUER ISSUES 2024-2025	OSR & EXCHEQUER ISSUES 2025-2026
July	110,950,638	133,177,640	290,898,301	367,089,557	875,758,310	812,527,163	282,025,694
August	164,871,323	180,063,924	763,683,092	768,160,776	183,215,561	239,678,277	1,130,810,446
September	1,423,722,979	207,752,314	967,834,543	682,232,191	824,537,228	875,949,650	877,755,913
October	824,649,783	1,365,540,619	883,913,934	106,492,816	830,796,991	811,587,353	1,068,692,124
November	208,065,464	1,023,223,263	1,410,259,303	1,030,170,389	801,159,630	1,451,680,872	1,144,398,862
December	1,052,784,432	737,461,308	826,311,283	944,705,976	893,425,918	1,452,058,267	1,302,260,601
January	1,235,881,938	1,240,116,309	1,142,223,950	1,253,678,960	1,122,622,368	905,253,412	1,270,785,052
February	2,014,214,307	1,044,554,398	1,122,860,912	510,261,367	1,157,698,910	1,284,003,135	1,566,662,994
March	1,199,399,565	1,141,508,952	1,121,314,725	1,398,251,335	1,200,484,931	683,089,371	1,492,448,148
April	243,403,040	880,176,898	971,630,654	1,707,396,237	1,421,150,005	1,724,038,278	1,444,081,927
May	901,902,540	786,713,182	781,531,785	998,979,264	1,049,425,806	1,289,061,525	1,312,931,624
June	2,026,400,543	2,636,959,134	299,135,806	2,465,360,787	2,230,075,167	3,269,609,265	2,926,221,265
Total	11,406,246,551	11,377,247,941	10,581,598,288	12,232,779,655	12,590,350,825	14,798,536,568	15,819,074,650

Figure 10: Analysis Total Revenue 2019/2020 - 2025/2026 FYs



Revenue Analysis for 2025/2026 FY

17. The County realized Kshs 6,214,590,483 being 74 percent of the budgeted own source revenue of Kshs. 8,388,177,983. The total revenue collected was Kshs 15,819,074,650 being 84 percent of the total budgeted revenue of Kshs. 18,725,000,000 of which Kshs 9,604,484,167 was total exchequer issues comprising of Kshs 1,001,799,861 transfers from other National Government entities as grants and donor funding while Equitable Share amounted to Kshs 8,383,385,281 which was 100 percent of the County allocation in the FY and Unspent Balance from FY 2024/25 of Kshs 219,299,025.
18. Own Source Revenue (OSR) collection increased by Kshs 1.33 billion, continuing its upward trajectory. This reflects the County's strengthened and sustained revenue enhancement measures. The County collected Kshs 6.2 billion consisting of 3.8 billion as Ordinary Own Source Revenue and 2.4 billion Facility Improvement Fund/Financing (FIF) representing 74% of the projected Kshs 8.4 billion. There was an over projection in OSR due to an increase in the approved 2025/26 FY budget by Kshs 1,365,000,000 from a budget of Kshs 17,360,000,000 in 2024/25 FY to Kshs 18,725,000,000 which wasn't realized.
19. The County's kitty for the Donor and conditional grants was Kshs 1,001,799,861 comprising of Unconditional Additional Allocations to County Governments for Allocations for Court Fines of Kshs 1,398,424, Allocations for 20% Share of Mineral Royalties Kshs 18,830; Conditional Additional Allocations from the National Governments for County Aggregation and Industrial Parks (CAIPs) Programme of Kshs 133,368,421; Conditional Allocations from Loans and Grants Financing of Kshs 33,000,000 for FLoCA County Climate Institutional Support (CCIS) Grant, Kshs 70,503,589 for Kenya Devolution Support Programme (KDSP II) Level I Grant, Kshs 103,939,269 for Kenya

Devolution Support Programme (KDSP II) Level II Grant, Kshs 345,000,000, Water & Sanitation Development Program -World Bank Fund, Kshs 11,373,000, Primary Health Care in Devolved Context (PHDC) Programme, Kshs 130,315,790, National Agricultural Value Chain Development Project (NAVCDP), Kenya Informal Settlement Improvement Project (KISIP II) grant of Kshs. 120,882,538 as well as Kshs 52,000,000 Bloomberg Philanthropies Grant.

County Expenditure 2025/2026 FY

20. Total expenditure amounted to Kshs. 14,223,433,447 against a target of Ksh 18,725,000,000 representing an under spending of Kshs. 4,501,566,552 which is 24 percent deviation from the revised budget. The shortfall was attributed to lower absorption in both recurrent and development expenditures due to unrealized own source revenues as well as the undisbursed conditional and donor grants.
21. The County had a 76.0% absorption rate which is a 2.0% decrease from 78.0% in the previous FY though there was a Kshs. 676,563,087 increase in absolute figures. The deficit in absorption of realized revenue should be noted as largely a reporting/accounting variance rather than a reflection of actual utilization. Actual absorption of realized revenue is higher, particularly on account of Facility Improvement Fund (FIF) collection under the health sector having collected Kshs 2,414,889,970, most of which the expenditure was not captured within the IFMIS system during the period under review. It is this gap in system level recording rather than a shortfall in actual expenditure that accounts for the reduced absorption rate reflected above.
22. Recurrent expenditure amounted to 11.7 billion which comprised of personnel emoluments of 7.5 billion, 4.2 billion for operations and maintenance for all the departments.
23. Development expenditure was 2.6 billion compared to a target of 5.6 billion. This represented an under-spending of approximately 3.0 billion which translates to 53.6 percent deviation from the approved development expenditure. The underperformance in development expenditure was majorly contributed by unrealized own source revenue, late disbursement of grants and partial disbursement of donor funded Grants to adequately finance the budget.
24. In arriving at the revenues and expenditures above, the cash basis was used to be able to capture the actual expenditure incurred the financial year's budget and therefore uncollected revenues, commitments and pending bills were excluded.

Overall, Balance and Financing 2025/2026 FY

25. Reflecting the above performance in revenue and expenditure, the County had an absorption rate of 76.0 percent of the overall budget.
26. The County had a 24.0 percent budget absorption deficit of Kshs. 4.5 billion and a 16 percent fiscal deficit to finance of Kshs. 2.9 billion which has been attributed to unrealized revenues.

Implication of 2025/2026 fiscal performance on the set financial objectives

27. The fiscal performance in FY 2025/26 has informed the financial objectives outlined in the latest County Fiscal Strategy Paper (CFSP) and the FY 2026/27 Budget in the following ways:
28. Revenue Mobilization and Expenditure Efficiency: The CG will continue strengthening OSR mobilization through enhanced revenue administration and compliance measures.
29. Wage Bill Management: The County will maintain a prudent approach to human resource management by limiting recruitment to critical and essential staff. This will help contain the wage bill, enhance fiscal sustainability, and free up resources for priority social and economic development programmes, while preserving adequate fiscal buffers to respond to future economic shocks.
30. Fiscal Consolidation and Development Financing: The CG remains committed to fiscal consolidation by rationalizing recurrent expenditure and directing a larger share of resources towards development spending. In line with the Public Finance Management Act, at least 30 percent of total County expenditure will be allocated to development programmes to promote inclusive and sustainable economic growth.
31. Leveraging Alternative Financing: The County will continue to leverage Public-Private Partnerships (PPPs), strategic collaborations with development partners, and private sector investments to bridge infrastructure and financing gaps. The operationalization of the Multi-Year Financing Act provides a strong foundation for mobilizing sustainable long-term financing for priority development initiatives.
32. Medium-Term Revenue Outlook: While the economic outlook remains subject to both domestic and external risks, the County expects the local economy to remain resilient. Consequently, own-source revenue is projected to maintain an upward trajectory over the medium term, supported by ongoing revenue enhancement reforms and improved economic activity, hence we expect the revenue growth to be on an upward trend in 2026/27 henceforth from all the revenue streams.
33. Enhancing Budget Credibility and Absorption: Departments are encouraged to continue strengthening project prioritization and implementation planning by focusing on programmes that are achievable within the budget cycle. This has contributed to improved budget absorption rates and sustained efforts will be made to further enhance implementation efficiency and value for money.
34. Expenditure Reporting and Absorption Efficiency: There will be strengthening of expenditure recording, reconciliation and reporting processes to ensure that all eligible expenditures, including those financed through the Facility Improvement Fund (FIF), are accurately and timely captured in the IFMIS system so as to improve the accuracy of reported absorption rates.
35. Strengthening Fiscal Sustainability: The CG remains committed to implementing prudent fiscal policies that will expand fiscal space while safeguarding the gains achieved in revenue mobilization, expenditure management, and service delivery. These measures will reinforce fiscal sustainability and support the achievement of the County's medium-term development objectives.

Table 23: Analysis of the Budgeted Revenue for the 2026/27, 2027/28 - 2029/30 FYs Projections

Revenue Stream	Budgeted 2026/27	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
TRANSPORT, INFRASTRUCTURE & GOVERNANCE				
Sign Boards & Advertisement Fee	150,000,000	150,000,000	153,750,000	157,593,750
Signage Fees (SBP)	75,000,000	77,000,000	78,925,000	80,898,125
Fire - Fighting Services	7,000,000	8,150,000	8,353,750	8,562,594
Fire Fees (SBP)	65,000,000	70,020,000	71,770,500	73,564,763
Other Vehicles Enclosed Park Fees (Cars, Lorries, etc)	172,000	2,000,000	2,050,000	2,101,250
Street Parking Fees	1,249,821,663	922,000,000	945,050,000	968,676,250
TLB Matatu Levy	180,000,000	115,000,000	117,875,000	120,821,875
Reserved Parking	55,000,000	60,000,000	61,500,000	63,037,500
Right - of - Way/ Way- Leave Fee (KPLC, Telcom, etc)	110,000,000	120,000,000	123,000,000	126,075,000
Sub Total	1,891,993,663	1,524,170,000	1,562,274,250	1,601,331,106
LANDS, URBAN PLANNING, HOUSING & SERIKALI MTAANI				
Document search Fee -HDD	25,000	20,000	20,500	21,013
Survey Fee	4,000,000	4,000,000	4,100,000	4,202,500
Other Property Charges- Beacon searching fee	105,000	15,000	15,375	15,759
Buildings Plan Preparation Fee	4,000,000	4,000,000	4,100,000	4,202,500
Building Plan Approval Fee	452,952,066	452,952,066	464,275,868	475,882,764
Demolition of Structures	1,000,000	1,000,000	1,025,000	1,050,625
Land Rates	1,759,719,783	1,389,709,783	1,424,452,528	1,460,063,841
Ground Rent	1,200,000	30,000	30,750	31,519
Annual Ground Rent (HDD Scheme)	5,000,000	5,000,000	5,125,000	5,253,125
Plot Transfer Fee	300,000	300,000	307,500	315,188
Plots Charges (HDD Scheme)	5,200,000	3,200,000	3,280,000	3,362,000
Allottees Documents	50,000	50,000	51,250	52,531
Housing Estates Monthly Rent	20,000,000	10,000,000	10,250,000	10,506,250
Technical Division Charges	50,000	200,000	205,000	210,125
Dumping of Building Materials	1,250,000	1,800,000	1,845,000	1,891,125
Sub Total	2,254,851,849	1,872,276,849	1,917,033,770	1,964,959,614
PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER & SPORTS				
Social Halls	3,000,000	3,000,000	3,075,000	3,151,875
Hire of Council Grounds	500,000	500,000	512,500	525,313
Sub Total	3,500,000	3,500,000	3,587,500	3,677,188

Revenue Stream	Budgeted 2026/27	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
ENVIRONMENT & WATER				
Cemeteries Charges	2,300,000	2,300,000	2,357,500	2,416,438
Incidental charges-Tree Cutting-Environment	250,000	250,000	256,250	262,656
Noise Permits	1,500,000	1,800,000	1,845,000	1,891,125
Garbage dumping Fee	8,500,000	100,000	102,500	105,063
Solid Waste (SBP)	50,000,000	58,500,000	59,962,500	61,461,563
Solid Waste (Ships Vessels)	100,000,000	110,000,000	112,750,000	115,568,750
Solid Waste Management Fees (MOWASCO)	150,000,000	165,000,000	169,125,000	173,353,125
Sub Total	312,550,000	337,950,000	346,398,750	355,058,719
TOURISM, CULTURE & TRADE				
Liquor	55,000,000	66,000,000	67,650,000	69,341,250
Market Entrance /Gate Fee	12,000,000	18,000,000	18,450,000	18,911,250
Market Stalls Rent	24,000,000	36,000,000	36,900,000	37,822,500
Weights and Measures	8,062,000	12,093,000	12,395,325	12,705,208
Offloading	500,000	500,000	512,500	525,313
Hawking Fee	28,488,000	28,488,000	29,200,200	29,930,205
Business Subletting/Transfer Fee	500,000	550,000	563,750	577,844
Single Business Permit	1,145,370,676	949,820,676	973,566,193	997,905,348
Single Business Permit Renewal Form	5,000,000	5,500,000	5,637,500	5,778,438
Hotel Levy	40,000,000	44,000,000	45,100,000	46,227,500
Sub Total	1,318,920,676	1,160,951,676	1,189,975,468	1,219,724,855
EDUCATION (Care, Education)				
Registration of Child Care Facilities	3,430,000	3,430,000	3,515,750	3,603,644
Sub Total	3,430,000	3,430,000	3,515,750	3,603,644
BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK				
Poultry & Meat Inspection	753,000	980,000	1,033,900	1,090,765
Horticulture Consultation fees	305,000	325,000	342,875	361,733
Livestock Certificates	100,000	80,000	84,400	89,042
Slaughter House Licenses	130,000	50,000	52,750	55,651
Dog Licenses	75,000	3,000	3,165	3,339
Cooperatives Audit Charges (Auditing of SACCO)	170,000	75,000	79,125	83,477
Sub Total	1,533,000	1,513,000	1,596,215	1,684,007

Revenue Stream	Budgeted 2026/27	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
FINANCE, ECONOMIC PLANNING & DIGITAL TRANSFORMATION				
Other Property Charges	100,000	5,000	5,275	5,565
Sand, Gravel and Ballast extraction fees (Cess Fees)	767,942,627	700,000,000	717,500,000	735,437,500
Sub Total	768,042,627	700,005,000	717,505,275	735,443,065
COUNTY ATTORNEY				
Document Search Fee	442,255	464,368	487,586	511,966
Sub Total	442,255	464,368	487,586	511,966
HEALTH				
PH Form B (SBP)	30,000,000	51,000,000	58,650,000	67,447,500
Public Health Charges	30,000,000	51,000,000	58,650,000	67,447,500
Clinic cost sharing charges & Other services	1,673,082,535	2,844,240,310	3,128,664,340	3,441,530,774
Fumigation (SBP)	25,000,000	42,500,000	48,875,000	56,206,250
Sub Total	1,758,082,535	2,988,740,310	3,294,839,340	3,632,632,024
Total Local Revenue	8,313,346,606	8,593,001,203	9,037,213,905	9,518,626,188

Updated Expenditure Projections against CFSP' 26 Projections, 2027/2028- 2029/2030 FYs

36. In view of the foregoing variations, the County Government will align its revenue and expenditure projections with the updated macroeconomic and fiscal assumptions presented in this CBROP, which will subsequently be refined during the preparation of the next County Fiscal Strategy Paper (CFSP). While these adjustments are necessary to respond to prevailing circumstances, the County Government remains committed to upholding the fiscal responsibility principles and will revise the financial objectives contained in the CFSP 2026 where necessary to reflect the current fiscal outlook.
37. The County Government will continue to strengthen its own-source revenue collection through the continuous enhancement of automated revenue management systems across key revenue streams. These improvements are expected to minimize revenue leakages, enhance operational efficiency, and improve revenue performance. The fiscal outlook also assumes a stable macroeconomic environment, characterized by relatively stable interest and exchange rates, supported by National Government policies aimed at expanding access to credit, encouraging private sector investment and stimulating economic activity within the County.
38. Revenue projections will continue to be guided by realistic forecasting methodologies, historical performance trends and prevailing macroeconomic conditions to improve budget credibility and fiscal planning.
39. The County Government will also strengthen resource mobilization through enhanced engagement with development partners, the National Government, and other stakeholders to leverage grants and technical support for priority development programmes.

40. Nevertheless, fiscal risks remain, particularly from growing expenditure demands on recurrent spending. A key concern is the implementation of Collective Bargaining Agreements (CBAs), especially within the health sector, which is expected to exert additional pressure on the personnel emoluments budget and overall recurrent expenditure.
41. In enshrining fiscal discipline and expenditure efficiency, the County Government will continue to strengthen expenditure controls through enhanced budget monitoring, commitment control, and expenditure rationalization measures. This will ensure that available resources are utilized efficiently, economically and effectively while improving service delivery and achieving value for money.
42. The County Government will continue implementing measures aimed at containing the accumulation of pending bills while progressively settling verified outstanding obligations, subject to the availability of resources. This is expected to enhance fiscal credibility and improve the business environment for suppliers and contractors.
43. The County remains exposed to emerging risks such as climate change, drought, floods, public health emergencies, and other unforeseen shocks that may disrupt revenue performance and increase expenditure pressures. Appropriate mitigation measures will continue to be integrated into fiscal planning.
44. The implementation of the fiscal framework will continue to be guided by the provisions of the Public Finance Management Act, 2012, and other relevant legal and policy frameworks governing public financial management.
45. The County Government will continue to strengthen programme-based budgeting and performance monitoring to ensure that public resources are aligned with measurable outputs, outcomes, and the priorities outlined in the County Integrated Development Plan (CIDP).
46. Over the medium term, the fiscal framework for FY 2026/27 and the subsequent years will continue to emphasize prudent public financial management. The County Government will pursue measures aimed at containing fiscal risks, reducing the fiscal deficit over time and enforcing expenditure rationalization to curb the growth of recurrent spending while directing more resources towards development and productive capital investments.
47. The County Government will continue implementing expenditure rationalization measures by prioritizing high-impact programmes, strengthening budget execution, and enhancing monitoring and evaluation. These interventions are intended to improve efficiency in resource utilization, enhance fiscal sustainability and ensure that public investments generate the intended socio-economic benefits.
48. To achieve this, the Government endeavors to prioritize expenditure in the priority programmes in Provision of Quality and Affordable Health Services, Upgrading of Water and Sanitation Systems, Transport and Infrastructure Development, Enhancement of Education and Training, Streamlined Solid Waste Management Services, Youth and Women Empowerment under the Medium-Term Expenditure Framework (MTEF). The overall objective is to realize sustainable, shared and equitable growth that will in turn accelerate job creation and improve the livelihoods of the citizenry.

C. COUNTY'S COMPLIANCE WITH FISCAL RESPONSIBILITY PRINCIPLES

Recurrent Expenditure as a Percentage of Total Revenue

49. Section 107(2) of the PFM Act 2012 provides that the County Government's recurrent expenditure shall not exceed the County Government's total revenue. In the FY 2025/26, the county's final supplementary budget allocation for recurrent expenditure was 13.1 billion out of the total budget of 18.7 billion which translated to 70%.
50. The recurrent expenditure at the end of the FY was 11.7 billion which translated to 89% of the recurrent budget, of which 7.5 billion was spent on personnel emoluments, with 7.0 billion being from the County Executive and 479 million from the County Assembly with the balance 4.2 billion servicing the operations and maintenance costs for the County Executive and the Assembly.

Development Budget as a Percentage of the Total Budget

51. PFM Act 2012, requires that a minimum of thirty percent of the National and County Governments' budget shall be allocated to the development expenditure over the medium term. The County Governments' approved development budget for the FY 2025/26 accounted for 30 percent of the total budget which was 5.6 billion hence conforming to the requirement as per Section 107 (2) (b) of the Public Finance Management (PFM) Act, 2012.
52. The actual development expenditure for the FY 2025/26 accounted for 46 % of the total development budget which was 2.6 billion. The County is committed to ensuring that we reach and surpass the 30% development budget execution in the medium term.
53. The underperformance in development was occasioned by the inability of the County Government to fully realize the projected OSR and delays in transfer of disbursements by the National Government especially the donor grants which comprise a huge percentage of the development budget, which negatively impacts execution of development projects implementation.

Expenditure on Wage Bill as a Percentage of Total Revenue

54. Regulation 25 (1) (a) and (b) of the PFM (County Governments) Regulations 2015 provides that the County Governments' expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) percent of the County Government's total revenue. The budget allocation for personnel emolument in the 2025/26 FY was 8.4 billion translating to 45% of the total budget of 18.7 billion out of which 90% was absorbed.
55. The County continues to face the challenge of a wage bill that remains above the statutory threshold of 35 percent, with the FY 2025/26 budget recording a wage bill ratio of 45 percent. To progressively address this challenge, the County has sustained measures aimed at containing personnel costs, including restricting non-essential staff recruitment, undertaking staff rationalization, redesignation and implementing strategies to enhance own-source revenue collection so as to expand the fiscal

space. These interventions are intended to improve compliance with the statutory wage bill requirement over the medium term.

Prudent Management of Fiscal Risks

56. Section 107 (2) (f) of the PFM Act, 2012 require County Treasuries to manage their fiscal risks prudently. During the review period, a number of fiscal risks in the county were identified in revenue and expenditure performance; These are:
- i. A persistently high wage bill, which constrains the County's fiscal space and limits its ability to adequately finance operations and maintenance as well as development programmes;
 - ii. Below-target own source revenue (OSR) performance, which creates financing gaps, undermines budget implementation, and contributes to the accumulation of pending bills;
 - iii. A growing stock of pending bills, which adversely affects service delivery, disrupts cash flow, and hampers the growth and sustainability of local businesses; and
 - iv. Delays in the disbursement of the equitable share and non-remittance of donor-funded grants, which slow down the implementation of development projects and negatively impact the timely delivery of planned interventions.
57. The County Government remains committed to addressing the challenge of accumulated pending bills through a structured and progressive settlement of all verified obligations, which currently stand at Ksh 3.8 billion. To support this commitment and ensure compliance with the relevant fiscal guidelines, the County has undertaken the following measures:
- i. Developed and submitted a pending bills payment plan to the Controller of Budget, outlining the prioritization and phased settlement of verified pending bills.
 - ii. Continued engagement with the Controller of Budget and the National Treasury to provide guidance on appropriate modalities and resource mobilization strategies for the clearance of inherited pending bills.
 - iii. Made budgetary provisions for the settlement of recurrent and development pending bills in line with the approved procurement plans and available fiscal resources.
 - iv. Prepared supplementary budgets, where necessary during the third or fourth quarter of the financial year, to facilitate budget realignments and minimize arbitrary reallocations from the approved budget estimates.
58. The County Government will continue implementing prudent fiscal policies aimed at safeguarding macro-fiscal stability and ensuring sustainable public finance management. Fiscal policy will remain focused on supporting economic growth while maintaining fiscal discipline. To enhance fiscal sustainability, the County will continue implementing the approved pending bills settlement plan with the objective of progressively clearing all verified obligations. In addition, expenditure commitments will strictly be aligned to available resources and realistic cash flow projections to minimize the accumulation of new pending bills.

59. Over the medium term, fiscal policy will continue to support the County's socio-economic transformation through sustained investment in priority programmes and projects. The County Government will also strengthen collaboration with the private sector by promoting Public-Private Partnerships (PPPs) and other innovative financing mechanisms to mobilize additional resources for infrastructure development and improved service delivery.
60. The medium-term economic outlook for FY 2026/27 and beyond is expected to remain positive, supported by a stable macroeconomic environment, continued implementation of strategic investments under the Mombasa Vision 2035, alignment with the Bottom-Up Economic Transformation Agenda (BETA), and increased investment in infrastructure and other catalytic projects through Public-Private Partnerships and development partners.
61. The tail end implementation of the Third Generation County Integrated Development Plan (CIDP III) 2023-2027 will continue to guide the County's development agenda. The County Government will build on the gains realized during implementation while addressing emerging challenges that have constrained effective and efficient service delivery. Emphasis will remain on improving governance, strengthening institutional capacity, enhancing accountability and ensuring value for public resources.
62. On the revenue front, the County Government will sustain efforts aimed at achieving an average annual growth in own-source revenue over the medium term. This will be realized through modernization of revenue administration systems, automation and digitization of revenue collection processes, enhanced interdepartmental coordination, effective implementation and enforcement of the Finance Act 2026, rationalization of fees and charges, broadening of the revenue base and sealing revenue leakages in line with the Constitution and the Public Finance Management framework.
63. On the expenditure side, the County Government will continue pursuing expenditure rationalization to enhance efficiency, improve value for money, and eliminate non-priority spending. Expenditure controls will be strengthened through full utilization of the Integrated Financial Management Information System (IFMIS), enhanced commitment control, strengthened procurement planning and continuous monitoring of budget implementation to ensure compliance with fiscal responsibility principles.
64. The County Government will further strengthen public financial management by enhancing internal controls, improving transparency and accountability, strengthening monitoring and evaluation systems, and leveraging digital technologies to improve planning, budgeting, revenue administration, procurement, and service delivery. These measures are expected to improve efficiency, enhance public confidence, and support sustainable economic development.
65. In addition, the County will continue integrating climate change adaptation and disaster risk management into planning and budgeting processes, while strengthening partnerships with development partners, the private sector, and other stakeholders to mobilize resources and build resilience against emerging fiscal and environmental risks.

66. The County Government will continue prioritizing expenditure towards programmes and projects identified through public participation and aligned with the third generation CIDP, Annual Development Plan (ADP) and Sector Plans. Priority investments will focus on sectors that stimulate economic growth, create employment opportunities, improve infrastructure, strengthen social services and enhance the overall welfare of residents.

D. EMERGING ISSUES

Reforms in the Management of Intergovernmental Fiscal Transfers

67. The Constitution of Kenya, the Public Finance Management (PFM) Act, 2012, and the attendant Regulations provide the legal framework for the prudent management of intergovernmental fiscal transfers. To strengthen fiscal discipline, transparency and accountability in the management of public resources, the National Treasury, in collaboration with other intergovernmental institutions, has continued implementing reforms aimed at improving the management of intergovernmental fiscal transfers.
68. The National government in FY 2025/26 developed the draft National Policy on Management of Intergovernmental Fiscal Transfers in Kenya. The policy has been subjected to targeted stakeholder consultations. The main objective of the policy is to establish a unified, transparent, and coherent framework for the management of intergovernmental fiscal transfers in Kenya, thereby enhancing predictability, equity, accountability, efficiency and alignment with constitutional functions, national development priorities and strengthening the effectiveness of fiscal decentralization.
69. These reforms include strengthening the predictability and timeliness of transfers, harmonizing transfer management frameworks and enhancing financial autonomy of County Assemblies through direct requisition of approved funds from the Controller of Budget. The reforms are expected to improve efficiency in fund disbursement, enhance institutional independence, promote accountability and ensure that resources are transferred in line with assigned functions and approved budgets.

Public Finance (Amendment) Bill, 2025 National Assembly Bill No.17 of 2025

70. The National Treasury has developed the draft Public Finance Management (Amendment) Bill, 2025 (National Assembly Bill No. 17 of 2025) that proposes to introduce two bills to govern additional allocations in a bid to separate additional allocations financed by the National Government's share of revenue and those by Development Partners as contained in the CGAAA 2025 by amending Section 42 and Section 191 of the PFM Act, CAP 412A. This will ensure timely disbursement for additional allocations to County Governments.

Revenue Forecasting Tool for County Governments

71. The National Treasury, in collaboration with other stakeholders, developed and validated the County Revenue Forecasting Tool to support County Governments in improving the accuracy and reliability of their own-source revenue (OSR) forecasts. The Tool provides a standardized and data-driven approach to revenue forecasting, addressing weaknesses arising from inconsistent forecasting methodologies, that affects OSR performance. The Tool will be operationalized and adopted by the County Government.

Human Resource for Health: Absorption of Universal Health Coverage (UHC) Staff into Permanent and Pensionable Terms

72. The National Government has continued to implement reforms aimed at transitioning Universal Health Coverage (UHC) staff to Permanent and Pensionable (PnP) terms by the County Governments. While

significant progress has been made in transferring payroll responsibilities and developing the implementation framework, the absorption process remains a key intergovernmental fiscal issue due to the substantial financial implications that will be shouldered by the county governments. The National Government, the Council of Governors and County Governments continue to engage on sustainable financing arrangements to facilitate the absorption of UHC staff while safeguarding the delivery of health services and maintaining fiscal sustainability.

Capacity Building County Governments on Public Finance Management

73. Section 12 (1) (j) of PFMA, 2012 mandates the National Treasury to assist county governments to develop their capacity for efficient, effective and transparent financial management. In this regard, the County Government personnel have benefited in a number of trainings conducted by the National Government among them; county budgeting process; Government Financial Statistics; financial reporting; public procurement; and audit and compliance with fiscal responsibility principles.
74. The County Government continues to benefit from technical and institutional support from Development Partners (DPs) and National Government institutions aimed at strengthening own source revenue (OSR) mobilization and public financial management. Key interventions include:
- Continuous support in identifying and operationalizing new revenue streams, including revenue opportunities within the waste management sector at the Port of Mombasa and other emerging revenue sources.
 - Ongoing technical assistance in revenue forecasting, with the County continuing to leverage the Commission on Revenue Allocation (CRA) revenue forecasts as a benchmark for projecting selected own source revenue streams.
 - Support in automation and digitization of revenue collection systems to improve efficiency, reduce leakages and enhance accountability.
 - Capacity building on revenue administration, compliance and enforcement to strengthen institutional capacity and improve own source revenue performance.
 - Capacity building and technical support from the Commission on Revenue Allocation (CRA) and the National Treasury to strengthen budgeting, fiscal planning, financial reporting and overall public financial management.
 - Continued issuance of policy guidelines and advisory support by the National Treasury to enhance the County's budgeting, planning and fiscal management processes.
 - Sustained collaboration with the Central Bank of Kenya (CBK) in facilitating efficient financial transactions and cash management to support timely service delivery.
 - Ongoing technical support from the Kenya Revenue Authority (KRA) on taxation matters, revenue administration and strengthening tax compliance mechanisms.
 - Continuous support from the IFMIS Directorate at the National Treasury to ensure system availability, enhance functionality, build user capacity and improve the efficiency of financial management operations.

III. MACROECONOMIC DEVELOPMENTS AND OUTLOOK

Recent Economic Developments

A. World Economic Outlook

75. The Global economic growth is projected to slow to 3.0 percent in 2026 from 3.5 percent in 2025, before recovering to 3.4 percent in 2027. The slowdown in 2026 reflects the adverse effects of the Middle East conflict, including higher energy prices, elevated inflationary pressures, supply chain disruptions, and increased geopolitical uncertainty. Growth is expected to recover in 2027 as energy market conditions gradually normalize, geopolitical tensions ease, and continued investment and productivity gains from AI-driven technological advancements provide stronger support to global economic activity. However, the recovery is expected to remain uneven, with energy exporters and technology-linked economies generally performing better than energy-importing countries with limited participation in the technology-driven expansion.

Table 24: Global Economic Performance

Economy	Growth (%)			
	Actual		Projection	
	2024	2025	2026	2027
World	3.5	3.5	3.0	3.4
Advanced Economies	1.9	1.9	1.7	1.8
Of which: <i>USA</i>	2.8	2.1	2.3	2.2
<i>Euro Area</i>	1.0	1.4	0.9	1.2
Emerging Market and Developing Economies	4.5	4.5	3.8	4.5
Of which: <i>China</i>	5.0	5.0	4.6	4.1
<i>India</i>	7.1	7.7	6.4	6.7
Middle East and Central Asia	3.1	3.7	0.7	6.5
Of which: <i>Saudia Arabia</i>	2.6	4.6	1.7	5.5
Sub-Saharan Africa	4.2	4.5	4.3	4.5
Of which: <i>South Africa</i>	0.5	1.1	1.1	1.3
<i>Nigeria</i>	4.1	4.0	4.1	4.3

Source: IMF World Economic Outlook, July 2026

76. Growth in advanced economies is projected to remain subdued, with growth rising slightly from 1.7 percent in 2026 to 1.8 percent in 2027. The outlook reflects divergent effects of the Middle East conflict and the technology-driven investment cycle. Net energy exporters are partly cushioned by favourable terms-of-trade effects, while net energy importers face greater pressure from higher energy prices, although economies benefiting from technology-related activity are expected to perform better. Within the group, growth in the United States is projected at 2.3 percent in 2026 and 2.2 percent in 2027, supported by fiscal policy, accommodative financial conditions, and continued technology-related investment, while growth in the Euro Area and United Kingdom remains weaker before recovering in 2027 as the energy shock fades.

77. Growth in Emerging Market and Developing Economies is projected to slow to 3.8 percent in 2026 from 4.5 percent in 2025, before recovering to 4.5 percent in 2027, reflecting significant variation in risk and exposure across regions. The sharpest slowdown is expected in the Middle East and Central Asia, where growth is projected to fall to 0.7 percent in 2026 from 3.7 percent in 2025 before rebounding strongly to 6.5 percent in 2027, as disruptions to energy production and transport ease. Growth in Emerging and Developing Asia is expected to remain relatively resilient, supported by strong technology-related investment and external demand.
78. Growth in Sub-Saharan Africa is projected to moderate to 4.3 percent in 2026 from 4.5 percent in 2025, before recovering to 4.5 percent in 2027. The slowdown in 2026 reflects higher energy and food prices arising from the Middle East conflict and reduced official development assistance, with the impact varying across economies. Growth is expected to strengthen in 2027 as external conditions improve, although structural and financing constraints and limited participation in the AI-driven technology expansion will continue to weigh on the region's outlook.

B. Kenya's Economic Performance

79. The Kenyan economy has remained resilient despite the challenging global environment, growing at an average rate of 5.0 percent over the period 2022 to 2025, compared with average global growth of 3.4 percent and 4.1 percent in Sub-Saharan Africa. This resilience reflects sound macroeconomic management, including prudent monetary and fiscal policies, sustained structural reforms, and increasing economic diversification, which have strengthened the economy's capacity to withstand adverse shocks. The economy's resilience continued in the first quarter of 2026, with real GDP growth accelerating to 5.3 percent compared to 4.9 percent in the corresponding quarter of 2025. The growth was broad-based, with all sectors recording positive performance, and was supported largely by stronger activity in manufacturing; agriculture, forestry and fishing; accommodation and food services; financial and insurance services; and real estate.

Table 25: Sectoral GDP Performance

Sectors/Sub-sectors	Annual Growth Rates		Quarterly Growth Rates	
	2024	2025	2025 Q1	2026 Q1
1. Primary Sector	3.7	3.7	5.7	5.1
1.1. Agriculture, Forestry and Fishing	4.4	3.1	5.3	4.9
1.2. Mining and Quarrying	(7.8)	14.9	12.7	9.1
2. Secondary Sector (Industry)	1.6	4.1	3.6	5.1
2.1. Manufacturing	3.0	2.0	2.8	4.4
2.2. Electricity and Water Supply	2.7	5.2	4.1	4.3
2.3. Construction	(0.7)	6.8	4.5	6.6
3. Tertiary Sector (Services)	6.2	5.0	4.8	5.0
3.1. Wholesale and Retail Trade	4.0	3.6	4.3	4.0
3.2. Accommodation and Food Service	25.9	15.6	8.0	14.7
3.3. Transport and Storage	4.3	3.7	3.6	3.6
3.4. Information and Communication	7.1	4.8	5.5	5.0
3.5. Financial and Insurance	7.5	6.5	5.3	6.3
3.6. Public Administration	8.7	8.3	9.5	5.7
3.7. Others	5.3	3.8	3.7	4.6
of which: Professional, Admin & Support Services	6.4	5.0	4.1	2.4
Real Estate	5.3	3.9	4.6	5.0
Education	4.8	2.8	1.8	6.2
Health	6.0	5.5	4.7	4.3
Taxes less subsidies	3.3	3.1	4.1	4.3
Real GDP	4.7	4.6	4.9	5.3

Source of Data: Kenya National Bureau of Statistics, 2026

80. The Primary Sector grew by 5.1 percent in the first quarter of 2026, compared to a growth of 5.7 percent in the corresponding quarter of 2025 (Table 24). Growth in the sector was supported by positive performance in both the agriculture, forestry and fishing and mining and quarrying sub-sectors. However, the overall growth of the primary sector moderated compared to the corresponding quarter of 2025, reflecting slower expansion in these key sub-sectors.
81. The Agriculture, Forestry and Fishing sub-sector expanded by 4.9 percent in the first quarter of 2026, compared to 5.3 percent in the corresponding quarter of 2025. Growth was supported by improved output in tea, sugarcane and dairy, as well as stronger horticultural exports, reflecting favourable weather conditions, improved productivity and sustained export demand. However, overall growth moderated due to lower coffee production associated with the biennial production cycle and reduced fruit exports resulting from lower production and weaker demand in key export markets.
82. The Mining and Quarrying sub-sector grew by 9.1 percent in the first quarter of 2026, compared to 12.7 percent in the corresponding quarter of 2025. The sub-sector's performance was supported by increased production of key minerals, particularly soda ash, construction materials, and other quarry products, reflecting sustained demand from the construction and manufacturing sectors. However, growth moderated compared to the corresponding quarter of 2025, partly reflecting a higher base effect and slower expansion in mineral production.
83. The Industry Sector grew by 5.1 percent in the first quarter of 2026 compared to a growth of 3.6 percent in the first quarter of 2025, supported by improved growth in Manufacturing, construction, and electricity and water supply sub- sectors.

84. The Manufacturing sub-sector grew by 4.4 percent in the first quarter of 2026, compared to 2.8 percent in the corresponding quarter of 2025. The improved performance was driven by increased production in both the food and non-food manufacturing. Growth in food manufacturing was supported by higher production of sugar, soft drinks and dairy products, while non-food manufacturing benefited from increased production of assembled vehicles, galvanized sheets and cement. The sub-sector's performance was further supported by increased credit to manufacturing enterprises.
85. The Construction sub-sector grew by 6.6 percent in the first quarter of 2026, compared to 4.5 percent in the corresponding quarter of 2025. The improved performance reflected increased demand for key construction materials, including cement, bitumen, iron and steel, indicating sustained activity in infrastructure development and private sector construction. Additionally, clearance of verified pending bills helped to restart stalled projects and improved liquidity of contractors further increasing demand for construction materials. Continued implementation of public infrastructure projects and resilient private sector investment also supported the sub-sector's growth.
86. The Electricity and Water Supply sub-sector grew by 4.3 percent in the first quarter of 2026, compared to 4.1 percent in the corresponding quarter of 2025. The improved performance was supported by increased electricity generation, driven mainly by higher output from geothermal and hydro sources following improved water availability and continued investment in renewable energy. However, the growth in the sub-sector was partly moderated by lower generation from thermal, wind and solar sources.
87. The Services Sector recorded a growth of 5.0 percent in the first quarter of 2026 compared to a growth of 4.8 percent in the same period in 2025. The Transportation and Storage sub-sector grew by 3.6 percent in the first quarter of 2026, the same rate as in the corresponding quarter of 2025. The sub-sector's performance was supported by increased road transport activity, higher cargo throughput at the Port of Mombasa, and continued growth in freight and passenger traffic on the Standard Gauge Railway (SGR), reflecting sustained trade and logistics activity.
88. The Accommodation and Food Service sub-sector grew by 14.7 percent in the first quarter of 2026, compared to 8.0 percent in the corresponding quarter of 2025. The strong performance was supported by increased international visitor arrivals through the country's major airports, reflecting sustained recovery in tourism, improved air connectivity, and stronger demand for hospitality services.
89. The Information and Communication sub-sector grew by 5.0 percent in the first quarter of 2026, compared to 5.5 percent in the corresponding quarter of 2025. The sub-sector's performance was supported by increased mobile voice traffic and higher international bandwidth utilization, reflecting continued growth in digital connectivity and communication services. However, overall growth

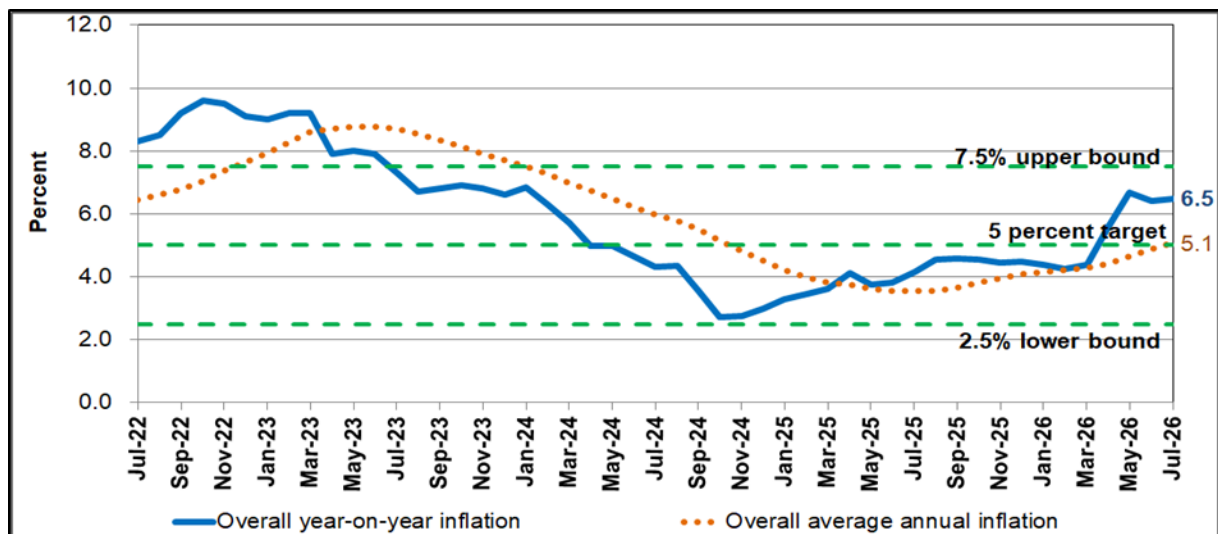
moderated due to a decline in the use of SMS services and mobile money transactions, indicating evolving consumer preferences and payment patterns.

90. The Financial and Insurance sub-sector grew by 6.3 percent in the first quarter of 2026, compared to 5.3 percent in the corresponding quarter of 2025. The improved performance was supported by an accommodative monetary policy stance, reflected in lower policy and market interest rates, which reduced the cost of credit, improved liquidity conditions, and supported increased lending to the private sector.

Inflation Development

91. Overall inflation increased to 6.5 percent in July 2026 from 4.1 percent in July 2025 due to higher energy prices arising from the elevated global oil prices but remained within the target range of 5 ± 2.5 percent. Core inflation remained stable at 3.2 percent in July 2026, compared to 3.1 percent in July 2025, supported by lower prices of selected manufactured food items, alongside stable prices in other non-volatile components. In contrast, non-core inflation rose to 15.0 percent from 7.2 percent over the same period, largely driven by relatively higher energy prices, transport costs and food prices.

Figure 11: Inflation Rate, Percent



Source: Kenya National Bureau of Statistics, 2026

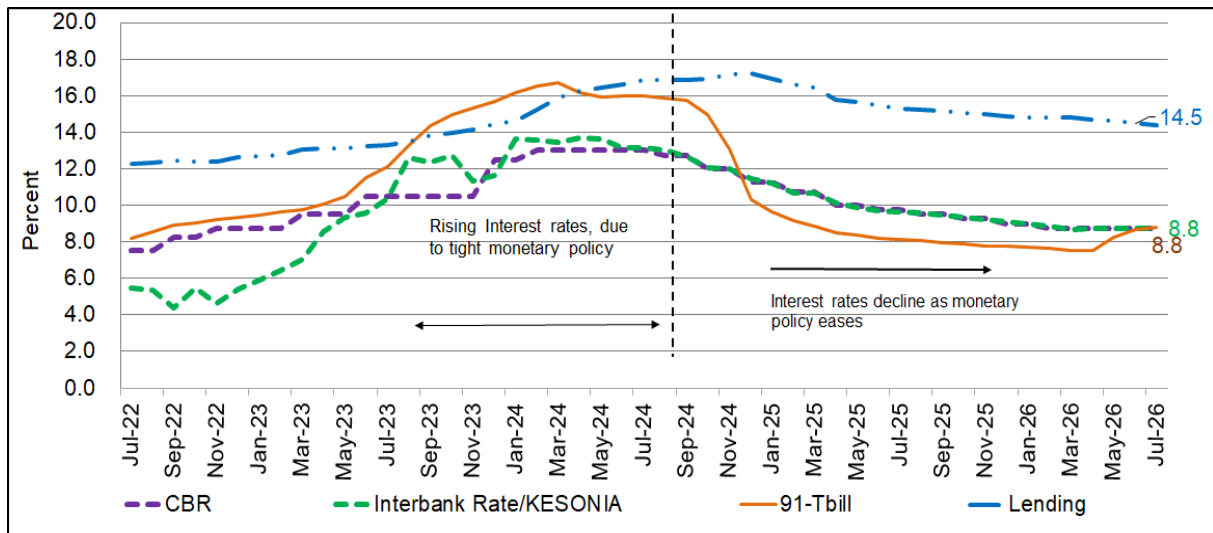
92. In April 2026, the Government implemented targeted stabilization measures to cushion consumers from the full impact of rising global fuel prices. These interventions included the use of resources from the Petroleum Development Levy Fund to subsidize fuel pump prices. In addition, through Legal Notice No. 70 of 2026, the Government reduced the VAT rate on specific petroleum products from 16 percent to 8 percent for an initial period of three months. In July 2026, the Cabinet Secretary extended the application of the reduced 8 percent VAT rate for a further three months through a Legal Notice No. 128 of 2026.

93. Subsequently, global oil prices eased following the 18th June 2026 interim ceasefire agreement between the United States and Iran, which reduced geopolitical tensions and improved confidence in global energy markets. The agreement supported the phased reopening of commercial shipping through the Strait of Hormuz, easing concerns over oil supply disruptions despite continued operational uncertainties. Consequently, Murban crude oil prices declined by approximately 31.1 percent, from US\$ 100.2 per barrel at the height of the conflict in April 2026 to US\$ 69.0 per barrel by June 2026, reflecting improved supply expectations and lower geopolitical risk premiums. The decline in global oil prices, together with the Government's fuel stabilization measures, partly moderated domestic fuel prices and contributed to the easing of overall inflation from 6.7 percent in May to 6.4 percent in June 2026.

Interest Rates Developments

94. The Central Bank of Kenya, through the Monetary Policy Committee (MPC), has progressively eased monetary policy, lowering the Central Bank Rate (CBR) from 12.75 percent in August 2024 to 8.75 percent by July 2026. This stance is intended to reinforce measures aimed at stimulating bank lending to the private sector and supporting economic activities, while ensuring inflation expectations remain well anchored and the exchange rate stable.
95. Short-term interest rates have declined. KESONIA (the Overnight Interbank Rate) declined to 8.8 percent in July 2026 from 9.6 percent in July 2025. The decline signaled improved liquidity conditions in the interbank money market and lowering of banks' short-term funding costs, which supports credit expansion. Treasury bill rates remained relatively stable across maturities in the year to July 2026, although movements varied by tenor. The 91-day Treasury bill rate increased to 8.8 percent in July 2026 from 8.1 percent in July 2025, while the 182-day Treasury bill rate rose to 9.0 percent from 8.4 percent over the same period. In contrast, the 364-day Treasury bill rate declined to 9.0 percent from 9.7 percent over the same period. The mixed movement across maturities reflects prevailing market liquidity conditions and investor demand across the different maturities.
96. In line with the easing in monetary conditions, average commercial bank lending rates declined to 14.4 percent in June 2026 from 15.3 percent in June 2025, while average deposit rates also declined to 6.8 percent from 8.4 percent over the same period. As a result, the interest rate spread widened to 7.5 percent from 6.9 percent, reflecting the faster adjustment in deposit rates relative to lending rates.

Figure 12: Kenya Shillings Exchange Rate

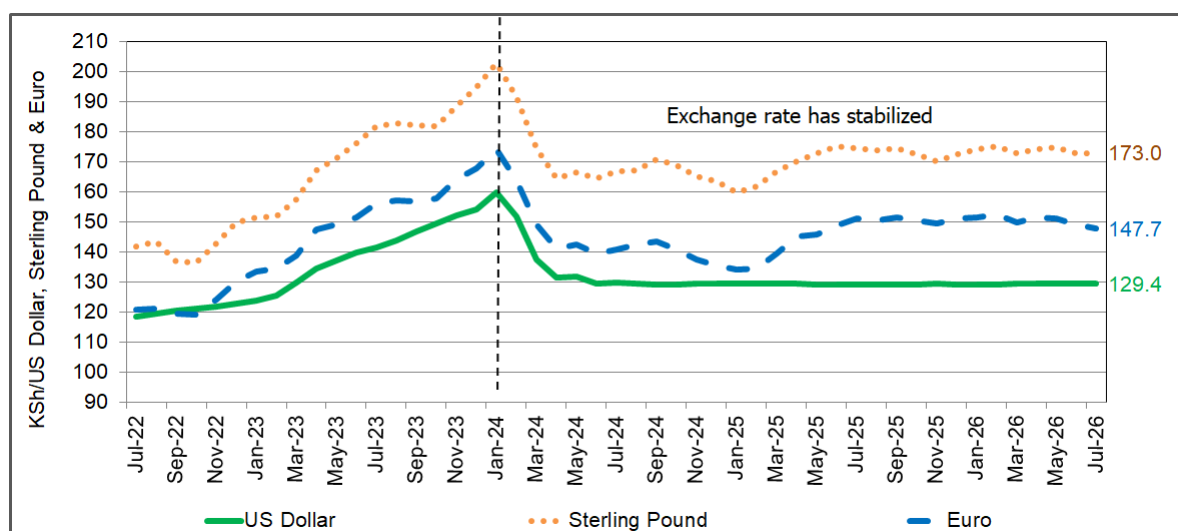


Source: Central Bank of Kenya, 2026

Exchange Rate Developments

97. The Kenya Shilling remained relatively stable against the US Dollar, averaging KSh 129.4 per US dollar in July 2026 compared to KSh 129.2 per US dollar in July 2025 and showing a marked appreciation from a peak of KSh 160.8 in January 2024. The Shilling strengthened against the Sterling Pound, averaging KSh 173.0 per Pound in July 2026, down from KSh 174.6 per Pound in July 2025. Against the Euro, the Shilling also strengthened and averaged KSh 147.7 per Euro in July 2026 compared to KSh 151.0 per Euro in July 2025. The stability was supported by strong foreign exchange reserves, steady remittance and export inflows, and improved market confidence, which helped cushion the Shilling against excessive volatility.

Figure 13: Kenya Shillings Exchange Rate



Source of Data: Central Bank of Kenya, 2025

C. Kenya's Macroeconomic Outlook

98. Kenya's economic growth outlook for 2026 has been revised downward to 5.0 percent from the earlier projection of 5.3 percent, reflecting the adverse effects of the ongoing Middle East conflict on domestic economic activity. The economy is, however, projected to maintain momentum in 2027, with growth expected at 5.1 percent as external pressures ease and global supply chains normalize.
99. In 2026, agricultural activity is expected to moderate in the second and third quarters due to mixed weather conditions, but is expected to strengthen in the fourth quarter and beyond on account of the expected El Niño induced above average rainfall. Industrial sector is expected to remain robust, supported by the Affordable Housing Programme, ongoing infrastructure projects, increased investment through Public-Private Partnerships (PPPs) such as the expansion of Nairobi-Nakuru-Mau Summit Highway and continued settlement of pending bills. The Services sector is also expected to remain resilient, supported by continued digitization, sustained activity in key sub-sectors, and the lagged effects of monetary policy easing.
100. Despite the external shock, domestic demand is expected to remain resilient, supported by moderating inflation, monetary easing, strong remittance inflows and a relatively stable exchange rate. Lower borrowing costs are expected to support private sector credit, household consumption and investment, while easing production costs and improving investor confidence. However, higher fuel prices associated with the Middle East conflict are expected to exert upward pressure on inflation, although it is projected to remain within the 5 ± 2.5 percent target range.
101. Private investment is expected to be further supported by reforms aimed at improving the business environment, reducing regulatory bottlenecks and enhancing market efficiency. Improved investor confidence and greater access to international markets, together with the strong performance of the Nairobi Securities Exchange (NSE), are expected to support capital mobilization and private sector investment. Public-Private Partnerships (PPPs) will continue to support infrastructure development and mobilize private capital. Additionally, ongoing reforms in State-Owned Enterprises, including strategic privatization and divestiture, are also expected to improve efficiency, attract private capital and create fiscal space for priority development programmes.
102. Growth in public consumption is projected to moderate over the medium term, in line with the Government's fiscal consolidation efforts and measures to contain recurrent expenditure. In contrast, public investment is projected to increase, with resources increasingly directed towards high-impact development projects and priority Government programmes. Continued settlement of verified pending bills will further improve liquidity in the private sector, particularly in the roads sector, supporting business activity and investment.
103. The current account deficit is projected to widen from 2.1 percent of GDP in 2025 to 3.0 percent in 2026 before improving to 2.8 percent in 2027 amid heightened geopolitical tensions and higher

energy-related import costs. Stronger import demand, associated with recovering investment activity and rising fuel costs, is expected to continue exerting pressure on external balances. Nevertheless, export performance is expected to remain supported by agriculture, tourism, and manufactured goods exports, while remittance inflows remain an important source of foreign exchange. External financing conditions and reserves are expected to remain adequate, supported by a combination of official financing, portfolio inflows, and foreign direct investment, including inflows linked to ongoing privatization initiatives.

Table 26: Kenya's Macroeconomic Indicators and Projections

	2023	2024	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Est.	Proj.	Proj.	Proj.	Proj.
<i>annual percentage change, unless otherwise indicated</i>								
National Account and Prices								
Real GDP	5.7	4.7	4.6	5.0	5.1	5.2	5.3	5.3
Primary Sector	5.7	3.8	3.7	3.4	3.7	3.7	3.8	3.9
- of which: Agriculture	6.6	4.6	3.1	3.0	3.2	3.2	3.2	3.2
Secondary Sector	2.6	1.5	4.1	4.5	4.6	4.9	5.3	5.4
Tertiary Sector	6.8	6.1	5.0	5.5	5.9	5.9	6.1	6.1
GDP deflator	5.4	3.2	3.5	6.6	5.3	5.2	5.2	4.0
CPI Index (eop)	6.6	4.5	4.4	5.6	5.1	5.0	4.5	4.5
CPI Index (avg)	7.7	4.5	4.1	5.9	5.2	5.0	5.0	4.0
Terms of trade (-deterioration)	-1.7	-0.6	-0.2	4.3	4.0	3.7	3.8	3.8
Exchange Rate (Ksh/US\$, average)								
Money and Credit (end of period)								
Net domestic assets	3.1	8.5	10.6	9.5	9.0	8.8	8.9	7.9
Net domestic credit to the Government	14.2	14.3	8.8	7.8	7.3	6.8	6.3	2.9
Credit to the rest of the economy	3.1	2.9	6.5	9.0	8.9	9.1	9.8	1.5
Broad Money, M3 (percent change)	7.2	8.9	10.8	11.0	10.7	10.4	10.2	7.5
Reserve money (percent change)	7.9	3.2	9.5	10.9	10.6	10.3	10.0	7.4
<i>in percentage of GDP, unless otherwise indicated</i>								
Investment and Saving								
Consumption	88.7	88.5	88.2	88.2	87.9	87.4	87.0	86.7
Central Government	11.8	11.2	11.2	11.4	11.1	10.6	10.3	10.0
Private	76.2	76.6	76.3	76.3	76.3	76.3	76.3	76.3
Final consumption expenditure by NPISH	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4
Gross Fixed Capital Investment	16.6	16.5	17.0	17.7	17.7	17.9	18.4	18.3
Central Government	4.2	4.2	4.3	4.3	4.4	4.6	4.6	4.7
Private	12.4	12.3	12.7	13.3	13.3	13.3	13.8	13.6
Gross National Saving	12.4	13.6	15.5	15.5	14.6	14.9	15.4	15.2
Central Government	0.4	0.1	-0.1	-0.4	-0.1	-0.1	0.3	0.7
Private	12.0	13.4	15.6	16.0	14.7	15.0	15.1	14.5
Exports value, goods and services	16.7	16.9	15.6	14.9	14.5	14.2	14.0	13.7
Imports value, goods and services	24.4	23.1	22.0	21.6	20.7	20.2	19.5	19.0
Current Account Balance	-4.2	-2.9	-1.5	-2.1	-3.1	-3.0	-3.0	-3.1
Gross reserves in months of next yr's imports	3.2	4.0	4.2	4.5	4.5	4.6	4.7	4.9
Gross reserves in months of this yr's imports	3.4	4.3	4.6	4.7	4.8	4.9	5.0	5.1
Central Government Budget in Fiscal Years								
Total revenue	16.6	17.3	17.3	17.2	17.4	17.4	17.6	18.0
Total Expenditure and Net Lending	22.6	23.1	23.5	24.1	23.2	23.6	23.3	23.4
Overall Fiscal Balance excl. Grants	-6.0	-5.8	-6.2	-6.9	-5.7	-6.2	-5.7	-5.3
Overall Fiscal Balance, incl. Grants	-5.9	-5.6	-6.0	-6.8	-5.5	-5.9	-5.4	-5.1
Statistical discrepancy	-0.2	-0.1	0.1	-0.1	0.0	0.0	0.0	0.0
Overall Fiscal Balance, incl. Grants, Cash Basis	-5.6	-5.3	-6.0	-6.8	-5.5	-5.9	-5.4	-5.1
Primary Budget Balance	-0.8	0.1	-0.2	-1.0	0.5	0.5	1.0	1.4
Net domestic borrowing	3.2	3.8	5.1	5.3	4.3	4.0	3.6	3.3
Public debt in Fiscal years								
Nominal Government Public Debt (eop), Gross	72.1	67.7	69.9	69.9	68.8	68.0	66.8	65.7
Nominal Public Debt (eop), Net of Deposits	68.7	64.3	67.9	67.9	65.9	66.4	65.4	64.4
Domestic (Gross) Debt	33.9	34.6	37.4	39.3	39.4	39.9	39.6	39.2
Domestic (Net) Debt	30.5	31.2	35.4	37.4	36.5	38.3	38.2	37.9
External Debt	38.2	33.1	32.5	30.5	29.4	28.1	27.2	26.5
Memorandum Items:								
Nominal GDP (in Ksh Billion) in calendar years*	15,034	16,232	17,578	19,677	21,780	24,108	26,703	29,251
Per capita income (Ksh) in calendar years	291,770	309,609	329,594	361,775	392,484	425,930	462,642	497,096
Nominal GDP (in US\$ Million) in calendar years	107,499	120,400	135,944	151,320	167,039	183,847	203,054	224,494
* Nominal GDP in Fiscal Years in Annex Table 2								

Source: The National Treasury, 2026

Assumptions Underpinning the Fiscal Framework

104. The macroeconomic assumptions for FY 2027/28 and medium-term Budget are outlined below:
- (i) Heightened global uncertainty increasing risks to global growth;
 - (ii) Real GDP growth accelerating to 5.3 percent in 2026 and is expected to remain resilience, supported largely by stronger activity in manufacturing; agriculture, forestry and fishing; accommodation and food services; financial and insurance services; and real estate ongoing implementation of priorities under BETA;
 - (iii) Overall growth in 2026 is projected at 5.0 percent;
 - (iv) Sound macroeconomic management, including prudent monetary and fiscal policies, sustained structural reforms, and increasing economic diversification, which have strengthened the economy's capacity to withstand adverse shocks;
 - (v) Inflation is projected to remain within the 5 ± 2.5 percent target range;
 - (vi) Interest rates are expected to continue declining in 2026 signaled by improved liquidity conditions in the interbank money market and lowering of banks' short-term funding costs, which supports credit expansion; and
 - (vii) Exchange rate is expected to remain stable.

Risks to the economic outlook

105. The economic outlook remains subject to a range of downside risks, both domestic and external. Domestically, adverse weather conditions, including droughts, floods and erratic rainfall, could weaken agricultural production, disrupt food supply and increase inflationary pressures, with implications for household purchasing power and economic activity. Climate-related damage to infrastructure could also increase public expenditure requirements and constrain resources available for development.
106. External risks remain significant, particularly from prolonged geopolitical tensions and disruptions to global energy and commodity markets. A sustained increase in international oil prices could raise domestic fuel and transport costs, widen the import bill and place upward pressure on inflation and the current account. Further disruptions to global supply chains or trade could increase the cost and availability of imported inputs, while tighter global financial conditions could raise external financing costs, weaken capital inflows and increase exchange rate pressures.
107. A sharper-than-expected slowdown in global economic activity could also reduce demand for Kenya's exports, tourism receipts and remittances, while weaker commodity prices could affect export earnings from key agricultural products. Financial market volatility and changes in global investor sentiment could further affect portfolio flows and domestic financial conditions. Domestically, weaker private investment, slower credit growth or delays in the implementation of key infrastructure and structural reform programmes could moderate the pace of economic expansion.

108. The Government will continue to monitor emerging risks closely and respond through timely and targeted policy measures, while maintaining fiscal discipline and advancing reforms that strengthen the economy's capacity to absorb shocks and sustain inclusive growth.

D. Recent Economic Developments in the County

109. The County's economic performance remained resilient, with Mombasa accounting for 4.8 per cent of Kenya's Gross Value Added (GVA) in 2024, making it the fourth-largest contributor to the national economy after Nairobi City, Kiambu and Nakuru, according to the Kenya National Bureau of Statistics (KNBS) Gross County Product Report, 2025. The four counties collectively accounted for approximately 42.9 per cent of the national GVA. Over the period 2020-2024, Mombasa recorded an average GVA growth rate of 4.6 per cent, slightly above the national average of 4.5 per cent. Mombasa also continued to record a GCP per capita above the national average of KSh 309,460 in 2024, reflecting the County's relatively diversified economic base and strong urban economic infrastructure.
110. The County's gross county product as at 2025 remained constant at 4.8%, with a 5-year average of 4.8 % as well and was the fourth highest county according to the KNBS Gross County Product Report (GCP), 2025.
111. On the Gross County Product per capita which is calculated by dividing the GCP by the respective county population, Mombasa was amongst the top 4 counties as it recorded GCP per capita above the national average of KSh 309,460 in 2024. Higher per capita in these counties was associated with diversified economic activities and strong urban infrastructure.
112. The County Government recorded strong performance in Own Source Revenue (OSR) mobilization during FY 2025/26, with the collection increasing from KSh 4.8 billion in FY 2024/25 to KSh 6.2 billion, representing a 29.2 per cent increase. The improved performance reflects continued efforts to strengthen revenue administration, enhance collection efficiency and expand the County's revenue base. The increased OSR mobilization has strengthened the County's fiscal capacity and enhanced its ability to finance priority programmes and service delivery while reducing reliance on transfers from the National Government.
113. The County continues to put up efforts of strengthening the Own Source Revenue collection through exploration and implementation of new unexploited revenue streams in order to increase our revenue base. This includes the strengthening of waste management at the port which proved to be a lucrative revenue stream having realized over half a billion Kenya Shillings in the FY 2025/26. The County will also continue to put in efforts to capacity build the revenue staff so as to ensure we have a vibrant workforce that is dedicated to revenue collection, oversight and enforcement. The Mombasa County Finance Act, 2025 provides a legal framework and institutional framework for revenue administration to ensure effectiveness, efficiency and transparency in revenue matters.
114. The county continues to diversify its economic activities and position itself to becoming a preferred destination for investors both local and foreign so as to improve the quality of life for its citizens, through establishment of onsite infrastructure especially in the special economic zone area. This is will stimulate economic development by wooing investors hence providing an enabling environment for investment and delivery of services by acting as a catalyst that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination.

115. Mombasa County's position as the county with the highest number of Export Processing Zones (EPZs) in the country is a positive indicator of its attractiveness as an investment and industrial development destination. The 26 EPZs located in the County provide an important platform for promoting manufacturing, trade, exports and employment opportunities, while also supporting the diversification of the local economy. This position is further strengthened by Mombasa's strategic location as a major regional port and gateway to international markets. The County Government will continue to support an enabling environment for investment and enterprise development, including improved infrastructure, efficient service delivery and collaboration with relevant national government agencies and private sector actors, in order to maximize the economic and employment benefits arising from these investments.
116. In infrastructure development, the main interventions continue to be improvement of access roads, installation of high mast security lights, establishment and maintenance of the drainage system, non-motorized transport, beautification and aesthesis of the County. To empower the SMES the county will continue to improve and set up trading infrastructure within the county.
117. The County Government, in partnership with Bloomberg Philanthropies and other stakeholders, has advanced cycling infrastructure through the Bloomberg Initiative for Cycling Infrastructure (BICI), under which Mombasa was selected among 10 cities globally to develop safer and more connected cycling networks. The initiative has supported the development of Mombasa's first dedicated cycling lane along Nyali Links Road, enhancing road safety for cyclists and promoting safe, sustainable and inclusive urban mobility.
118. In Mombasa County, the services sector remains a key driver of economic activity, reflecting the County's strategic position as a major commercial, tourism and logistics hub. The County also has a significant role in manufacturing, contributing 9.8 per cent of the national manufacturing Gross Value Added (GVA), second only to Nairobi City County at 36.4 per cent. In secondary sector economic activities, comprising mining and quarrying, electricity and water supply, and construction, Mombasa contributed 7.5 per cent of the national GVA. The County also accounted for 5.6 per cent of GVA from services, underscoring its continued importance as a major services and commercial centre. Mombasa's economic potential is anchored by the Port of Mombasa, manufacturing, tourism, trade and related logistics activities, supported by its strategic location along the Indian Ocean and its role as a gateway to the wider East African region.
119. On the exploitation of the Blue Economy; the County Government has plans for; continuous procurement of fishing gears and boat accessories, establishment an integrated value addition Centre with both agriculture and fisheries components, Construction of a 110-tonne capacity cold storage as well as branding of the OO1 products, establishment of a county abattoir, as well as promotion of urban farming. The County undertook procurement of cold storage facilities in support of six BMUs.
120. The Mombasa Investment Corporation (MIC) has continued to strengthen investment promotion, resource mobilization and strategic partnerships to support the County's economic transformation. A

major milestone has been the commitment by DP World of KSh 12 billion towards the development of the Mombasa Industrial Park Special Economic Zone (MIP SEZ) in Jomvu, which is expected to create over 10,000 employment and business opportunities while strengthening Mombasa's position as a regional hub for trade, logistics and manufacturing. MIC has also strengthened partnerships with key institutions, including the Kenya National Chamber of Commerce and Industry (KNCCI) and KenInvest, to promote trade, enterprise development and investment within the County, while collaboration with the Jumuiya ya Kaunti za Pwani (JKP) continues to support the acceleration of investments across the Coast region.

121. In addition, MIC has partnered with Georgetown University to enhance the bankability of priority County projects and with GIZ to support sustainable energy infrastructure initiatives. The Corporation has further pursued strategic international partnerships and cooperation in areas including fisheries, the Blue Economy, tourism, culture and trade. Through resource mobilization and Corporate Social Responsibility initiatives, MIC has also facilitated development support from the Government of France towards a school feeding programme valued at approximately KSh 68 million and from the Kingdom of Saudi Arabia towards the development of the Port Reitz Level Four Hospital, estimated at USD 4.2 million. These initiatives demonstrate MIC's growing role in mobilizing investment, partnerships and resources to support economic development and improve the socio-economic well-being of Mombasa residents.
122. The County Government has prioritized social protection and economic empowerment initiatives aimed at improving the quality of life, expanding opportunities and strengthening the socio-economic resilience of residents. Key interventions include the continued provision of bursaries, the Serikali Mtaani initiative and the School Feeding Programme. The County has also introduced the 'Stawisha' Revolving Fund as an economic empowerment initiative to provide accessible and affordable financing to youth, women, small enterprises and other organized groups, supporting business growth, job creation and increased household incomes. Through these interventions, the County continues to strengthen social protection while creating pathways for residents to improve their livelihoods and participate more actively in the local economy.
123. The County Government of Mombasa continues to prioritize Universal Health Coverage (UHC) by investing in accessible, affordable and quality healthcare services. The County has achieved a 68.4 per cent enrolment rate under the Social Health Authority (SHA), one of the highest rates nationally. Key achievements include the provision of free healthcare services for children under five years, digitization of health services and the adoption of a fee-for-service model to improve access to medical equipment and reduce the financial burden on public health facilities. The County has also initiated processes towards the establishment of additional Level IV health facilities. In addition, there have been engagements with the national government on the construction of two new medical facilities under the GKSD and AMSONS programmes, the County has commenced the necessary processes for

inclusion of the projects in the County. These investments are expected to expand healthcare infrastructure and improve access to quality health services across the County.

124. The County Government has enhanced public service delivery through the establishment of a 24-Hour Call Centre comprising the Public Health Emergency Operations Centre, Dispatch Centre and County Call Centre. The initiative has strengthened coordination of emergency response, improved access to County services and information, and enhanced the County's responsiveness to public inquiries, complaints and service requests.
125. The County Government has made significant progress in improving access to water through the completion of a county-wide hydrogeological survey to guide the sustainable development and management of groundwater resources. The County also procured and distributed 30 water storage tanks to enhance water availability and storage capacity in water-stressed areas and extended 7 km of water supply pipelines to previously unserved areas, thereby expanding access to reliable and safe water for residents.
126. On waste management, in 2024, Mombasa and Nakuru Counties recorded the highest waste collection rates, with 62.1 per cent and 59.3 per cent, respectively, of the solid waste generated being collected. In 2025, Mombasa collected approximately 52 per cent of the waste generated. Efforts to improve solid waste management continue to be prioritized, guided by citizens identified priorities and reflected in the County's budgetary allocations.
127. There was also household waste segregation which is a pilot program supported by World Wide Fund (WWF) and the European Investment Bank, which was launched in the Mvita and Likoni Sub Counties to encourage residents to sort waste at home. To support recycling enterprises, the county is actively partnering with community-based organizations (CBOs) and private enterprises to bolster recycling efforts.
128. The County Government has continued to strengthen climate change resilience and environmental management by mainstreaming climate considerations into County development planning and supporting the implementation of Ward Climate Change Committees. The County has undertaken Participatory Climate Risk Assessments and supported the development of Community Climate Action Plans to enhance community-level preparedness and adaptive capacity. Other interventions include expansion of urban tree-planting initiatives, support for mangrove restoration programmes, promotion of renewable energy technologies and increased environmental awareness among communities. The County has also strengthened environmental compliance through inspections and enhanced collaboration with development partners and civil society organizations.
129. In stride, the County has undertaken mapping and documentation of artisanal mining sites and promoted environmentally sustainable mining practices. The County has further strengthened collaboration with the State Department for Mining on the regulation of artisanal mining, initiated consultations towards the development of a County Mining Bill, and assessed abandoned quarry sites requiring rehabilitation. Community awareness on occupational health and safety in artisanal mining

has also been enhanced. In addition, the County has engaged relevant stakeholders on the utilization of mineral royalty funds to support environmental conservation and community development initiatives.

130. Mombasa County continues to make history as the first sub-national government in Africa to secure EDGE (Excellence in Design for Greater Efficiencies) certification for a portfolio of public buildings, marking a significant milestone in sustainable infrastructure and climate leadership. On energy, the county has an Urban Smart Energy (USE) Program in partnership with Covenant of Mayors in Sub-Saharan Africa (CoM SSA) and GIZ, to assess and plan for cleaner, more efficient energy in public buildings in Mombasa. On Natural Resource management, there are initiatives on Solar Water Farms in partnership with GivePower Foundation to help supply potable water, especially in underserved areas.
131. The formulation of the Mombasa Tourism Council has proven to be a game changer for the County's tourism industry. They continue to carry out activities to show case Mombasa's beauty and rich culture. The continued rehabilitation of the CBD and all public beaches will give the tourism sector a major boost and see Mombasa reclaiming its glory as a major tourism destination both locally and internationally.
132. Mombasa's tourism sector has contributed to Kenya's national success through the increased visitor numbers. Arrivals through Mombasa International Airport and Jomo Kenyatta International Airport were higher in most of the months of 2025 compared to 2024. In 2025, the nation welcomed a record 2.6 million international visitors, and Mombasa's Moi International Airport (MIA) recorded 235,184 arrivals, primarily holiday/leisure travelers.
133. On enhanced cruise tourism, Mombasa Port is experiencing a resurgence in cruise tourism. The arrival of ships, like the Crystal Symphony in April 2025, signals growing appeal in the global cruise market. Increased cruise ship arrivals contribute to the local economy through port services, tours, and passenger spending.
134. The county has worked with stakeholders and the Kenya Coast Tourist Association (KCTA) on beach management improvements to enhance visitor experience. Initiatives have included training hundreds of beach operators to reduce harassment and improve customer satisfaction. To support and promote small businesses and the tourism ecosystem, the county has helped by providing modern kiosks and facilitating fairs and exhibition.
135. The County Government has made significant progress in youth empowerment and skills development through the implementation of the second cohort of the County Internship Programme, the Driving License Programme for youth, including boda boda and delivery riders, and the facilitation of professional accreditation for young engineers. The County has also recruited Community Disaster Volunteers and implemented the Recognition of Prior Learning (RPL) Programme in partnership with NITA, enabling youth with informally acquired skills to obtain nationally recognized qualifications. In addition, the County has expanded access to higher education through fully sponsored scholarships

for deserving students pursuing Bachelor of Medicine and Bachelor of Surgery degrees at the Technical University of Mombasa, as well as scholarship opportunities facilitated through partnerships with other governments and organizations.

136. The County Government has made significant progress in strengthening land administration, physical planning and informal settlement upgrading. Through the operationalization of the Ardhi Fund, a number of informal settlements have been planned and approved, while infrastructure upgrading has commenced under the Kenya Informal Settlements Improvement Project (KISIP). The County has also prepared and approved Local Physical and Land Use Development Plans for informal settlements under KISIP, providing a framework for orderly development and improved access to infrastructure and basic services.
137. The County has further strengthened spatial planning and development control through the preparation and approval of Advisory Plans. In addition, the County has enhanced its Geographic Information System (GIS) capacity through the continued revamping of the GIS Laboratory and establishment of a centralized departmental GIS portal. The development of a real-time development control and inspection application has also enhanced the efficiency of development monitoring, inspection and enforcement of planning standards.
138. The implementation of the Kenya Devolution Support Programme II (KDSP II) has continued to strengthen the County Government's institutional capacity and improve the delivery of devolved functions. The Programme seeks to strengthen county performance in financial management, institutional capacity, intergovernmental coordination, accountability and service delivery. The implementation focused on strengthening programme management structures, improving public financial management and own-source revenue systems, pending bills management, enhancing human resource and institutional performance, and strengthening monitoring, accountability and citizen participation in development projects. The programme also supported the use of project management and monitoring systems to improve transparency and efficiency in the implementation of County investments.
139. Mombasa County has exhibited notable progress in the timely preparation and dissemination of its economic planning and budget documents, underscoring its commitment to fiscal responsibility, transparency and good governance. Key instruments such as the County Fiscal Strategy Paper, the Programme-Based Budget and the County Budget Review and Outlook Paper are prepared in accordance with statutory timelines and systematically published to facilitate public access and participation. This consistency has strengthened the County's performance in budget transparency assessments, reflecting a deliberate effort to institutionalize openness and accountability in public finance management. The County is also at the final stages of developing its County Statistical Abstract, which will provide a consolidated source of reliable and up-to-date county-level data to support evidence-based planning, budgeting, monitoring and decision-making.

140. Furthermore, the county has progressively enhanced the inclusivity of its processes through structured public participation, thereby aligning its planning frameworks with both national legislation and international principles of participatory governance. By embedding transparency and timeliness into its policy and budgeting cycle, Mombasa sets a positive precedent for subnational governments, demonstrating how economic planning documents can serve as tools for both accountability and citizen engagement.
141. On Fiscal prudence and transparency, the county was praised for increasing budgetary transparency, with significant improvements noted in the Kenya County Budget Transparency Survey between 2020 and 2024. The administration is focused on entrenching good governance and reforming county finances to build public trust. The County was also recognized through the County Budget Transparency Survey (CBTS) Awards for having the most comprehensive County Budget Review and Outlook Paper (CBROP), demonstrating the quality and comprehensiveness of its fiscal reporting. In addition, the County has enhanced public access to budget information through the preparation and dissemination of a Mwananchi Budget, providing simplified information on County plans, programmes and resource allocation.
142. In improving the road network connectivity, the Mombasa-Mtwapa Dual Carriageway which is a 13.5 km section from Nyali Bridge to Mtwapa Bridge is being dualled into four lanes with service roads, six footbridges, six grade-separated junctions and non-motorized traffic facilities. Furthermore, the Mombasa Port Access Road (30.4 km from Kwa Jomvu interchange up to Mariakani weighbridge) is under construction/upgrade, aiming to reduce travel time in the northern corridor. Expected to be a dual carriageway, with service lanes, climbing lanes, improved intersections, non-motorized user facilities, weighbridges, drainage etc.
143. The replacement of old single-arm lights with brighter, double-arm fixtures has greatly improved visibility at night, enhancing safety for pedestrians and motorists. The county's proactive role was paramount not only in funding and implementation but also in aligning the project with broader goals of security and economic growth. By enabling safer, well-lit streets, the county is actively fostering a 24/7 economy and creating a more attractive environment for business and community life.
144. As we continue to revamp and expand the economic activities within the county so as to create employment and self-sustainability for the citizens the county has already embarked on the process of rehabilitating and construction of markets and trading areas within the County.
145. The County Government will continue to scale up investments in the priority areas identified in the CFSP 2026, with a focus on improving the quality of life and socio-economic well-being of Mombasa residents. The priority areas include the provision of quality and affordable health services; upgrading of water and sanitation systems; transport and infrastructure development; enhancement of education and training; strengthening of solid waste management services; and empowerment of youth and women. These priorities will guide resource allocation and implementation of programmes.

and projects aimed at improving service delivery, promoting inclusive economic development and enhancing the resilience and livelihoods of County residents.

Risks to the economic and fiscal outlook for Mombasa County

146. The risks to the economic and fiscal outlook for Mombasa County over the medium term emanate from both external and domestic factors. The County remains vulnerable to macroeconomic and other unforeseen shocks that may affect revenue performance, expenditure pressures and the implementation of planned programmes. In line with the requirements of the Public Finance Management Act, 2012, the County will prepare and maintain a Statement of Fiscal Risks to support prudent fiscal management.
147. The ‘Statement of Specific Fiscal Risks’ outlines the County’s exposure to key fiscal risks arising from macroeconomic assumptions underpinning fiscal projections, public debt dynamics, contingent liabilities, financial sector vulnerabilities and risks associated with natural and other unforeseen events.
148. An upside risk to the economic outlook is a faster-than-anticipated recovery in economic activity, which could result in higher revenue collections and create additional fiscal space to support service delivery and fiscal consolidation. The County Government will continue to monitor domestic and external developments and implement appropriate measures to mitigate adverse effects should identified risks materialize.
149. In the medium term, revenue shortfalls remain a significant fiscal risk, particularly given the pressures arising from pending bills and the wage bill. The County Government will continue to strengthen Own Source Revenue (OSR) administration and collection through ongoing revenue reforms, while implementing measures to contain recurrent expenditure and improve the efficiency of resource utilization. These measures are expected to strengthen the County’s revenue base and overall fiscal position.
150. The County Government will continuously monitor and mitigate identified fiscal risks and take appropriate corrective measures to safeguard fiscal and macroeconomic stability. Where necessary, supplementary budgets will be prepared to regularize expenditure and align the budget with emerging fiscal developments and priorities.
151. The County Government will continue implementing the Governor’s development agenda, aligned with the broader national economic transformation agenda, with a focus on stimulating economic activity, improving service delivery, creating employment opportunities and enhancing the welfare of Mombasa residents.
152. Key fiscal challenges continue to include delays in the disbursement of equitable share, underperformance of projected Own Source Revenue, pressures arising from the wage bill and the accumulation of pending bills, including statutory obligations. These challenges may constrain the County’s fiscal space and affect the timely implementation of planned programmes and projects.

153. The high wage bill remains a significant fiscal pressure and continues to constrain the resources available for development and other priority expenditures. The wage bill is affected by recruitment of essential staff, salary adjustments and implementation of Collective Bargaining Agreements (CBAs), particularly in the health sector. The County will therefore continue to rationalize its workforce, strengthen human resource planning and manage personnel expenditure within the available fiscal space.
154. Uncertainty surrounding the parameters used in the allocation of the equitable share to county governments remains a fiscal risk. In addition, delays in the disbursement of funds by the National Government, particularly during the fourth quarter, may affect cash flow and delay the implementation of planned programmes and projects, with potential implications for service delivery.
155. The accumulation of pending bills, coupled with revenue shortfalls and pressures from the wage bill, continues to pose a risk to the County's fiscal position. The County Government will strengthen expenditure controls, improve revenue mobilization and implement measures to prioritize the settlement of verified pending obligations while safeguarding resources for priority programmes.
156. The fiscal framework from FY 2026/27 onwards will continue to emphasize prudent public expenditure management, fiscal discipline and containment of fiscal risks. The County Government will pursue measures to moderate recurrent expenditure and protect resources for productive development and priority social and economic sectors. Expenditure will be aligned with available resources and prioritized towards interventions that promote sustainable and inclusive economic growth, employment creation and improved living standards.
157. The County Government remains committed to fiscal consolidation and the long-term sustainability of public finances. The Government will continue to monitor emerging fiscal and macroeconomic risks and implement appropriate measures to safeguard fiscal stability and ensure effective management of public resources.
158. The County Government recognizes the need to further strengthen revenue mobilization and resource management, enhance expenditure efficiency and improve the effectiveness of service delivery in support of the implementation of the Third Generation County Integrated Development Plan (CIDP) 2023-2027.
159. The County Government will continue to monitor the identified fiscal risks and implement appropriate mitigation measures to safeguard fiscal stability. This will include strengthening revenue administration, controlling recurrent expenditure, improving cash-flow management, prioritizing expenditure and, where necessary, preparing supplementary budgets to regularize and realign emerging fiscal requirements.

Proposed Measures to address the risks

160. There is need for continued strengthening of the public financial management and planning framework at both levels of government. Key areas include the development of national legislation on planning to guide and harmonize planning across the two levels of government; integration of national and county planning; development of a national resource mobilization strategy; full operationalization of IFMIS modules, including those relating to pending bills, accounts receivable, monitoring and evaluation; development of a standardized framework for asset valuation by county governments; and expediting the processing of Auditor-General's reports by County Assemblies and the Senate to strengthen oversight of public financial management. There is also need for continued review and strengthening of human resource policies in consultation with relevant national institutions, amendment of relevant provisions of the PFM Act, 2012, and continuous capacity building of County Government officials in public financial management.
161. The County Government will continue to pursue prudent fiscal policies aimed at maintaining fiscal stability while supporting economic activity and sustainable service delivery. The County will continue implementing the established repayment plan for pending bills with the objective of progressively clearing verified obligations within the available fiscal space. Going forward, expenditure will be strictly aligned with available resources and guided by approved priorities and prudent expenditure management principles.
162. Fiscal policy will continue to support economic development and the implementation of priority programmes and projects within a framework of sustainable public financing. The County Government will strengthen engagement with the private sector and other strategic partners to promote Public-Private Partnerships (PPPs), mobilize additional resources and unlock new investment and economic opportunities during FY 2026/27 and over the medium term.
163. The economic outlook for 2026, FY 2026/27 and the medium term is expected to be supported by a stable macroeconomic environment, continued investment in the County's strategic priorities under Mombasa Vision 2035 and the Third Generation CIDP 2023–2027 and ongoing investment in infrastructure and other development projects. The County Government will also pursue opportunities for private-sector participation and Public-Private Partnerships to complement public investment and accelerate the implementation of strategic projects.
164. Through the implementation of the Third Generation CIDP 2023–2027, the County Government will build on the gains already achieved while implementing strategic measures to address identified challenges affecting effective service delivery. Resource allocation and programme implementation will continue to be guided by County priorities, public participation outcomes and the need to improve the efficiency, accessibility and quality of services provided to residents.
165. With respect to revenue, the County Government will continue to strengthen Own Source Revenue (OSR) mobilization and administration, with a target of achieving sustained revenue growth over the medium term. Key measures will include upgrading automated revenue management systems,

exploring and developing new revenue streams, strengthening interdepartmental collaboration in revenue collection, enhancing enforcement mechanisms and implementing the Finance Act, 2026. The County will also rationalize existing fees, charges and incentives, broaden the revenue base and strengthen compliance in order to improve revenue performance and minimize revenue leakages.

166. On expenditure, the County Government will continue to rationalize spending, improve efficiency and minimize wastage. Expenditure management and financial controls will be strengthened through the continued implementation and effective utilization of the Integrated Financial Management Information System (IFMIS) across all County departments. Greater emphasis will be placed on expenditure prioritization, commitment control and value for money in the utilization of public resources.
167. The County Government will continue to redirect expenditure towards priority programmes identified through public participation and other consultative processes, including equitable ward-based development initiatives. Critical programmes will focus on addressing key service delivery needs, stimulating economic activity, improving socio-economic welfare and promoting inclusive and sustainable development across the County.

IV. RESOURCE ALLOCATION FRAMEWORK

A. Implementation of the 2026/2027 FY Budget

168. Given the fiscal performance in 2025/26 and the updated fiscal outlook, the risks to the FY 2026/27 budget include lack of realization of the projected local revenue, undisbursed equitable share and grants which will hinder the full implementation of the budget as well as expenditure pressures with respect to increased personnel emoluments.
169. The County Allocation of Revenue Act 2026, the Kenya Gazette Supplement No. 168 (Acts No. 22), gazetted on 3rd July 2026, the shareable revenue county governments increased from 387.4 billion to 428 billion. The baseline figure is 387.4 billion, the affirmative action allocation of 4.46 billion, hence an additional equitable share of 36.12 billion to be shared by the counties hence the total equitable revenue to be shared amongst the counties being 428 billion.
170. The County Government of Mombasa's allocation has increased by 272 million in the 26/27 Fy culminating from the above increase in the shareable revenue to the counties since in the Fy 2025/26 the county's allocation was 8.4 billion and in the FY 2026/27 is 8.7 billion.
171. In addition, the pace of implementation by spending units remains a concern, particularly with regard to development expenditure and the implementation of donor-funded, grant-oriented projects. These risks will continue to be closely monitored, and the CG will take appropriate measures through the Supplementary Budget(s), where necessary.
172. Adjustments to the 2026/27 budget will take into account actual expenditure performance to date and the absorption capacity of spending units during the remainder of the financial year. In view of the prevailing resource constraints, the Government will rationalize expenditure by shelving non-priority activities. This may include slowing down or reprioritizing development expenditures and increasing budgetary allocations towards the resolution of outstanding debts.
173. Any review of salaries and benefits for personnel will continue to be undertaken by the Salaries and Remuneration Commission (SRC) in accordance with Article 230 of the Constitution and the relevant regulations.
174. With respect to revenue, the CG will maintain a strong revenue effort, targeting 12 percent revenue growth over the medium term. Measures to achieve this target will include upgrading the County's automated revenue management systems, strengthening interdepartmental collaboration in revenue collection, and implementing the Finance Act, 2025, supported by a strengthened enforcement mechanism. In addition, the CG will rationalize existing fees, charges and incentives while expanding the revenue base as envisaged under the Constitution.
175. On Own Source Revenue (OSR) Enhancement, the County continues to implement the following measures:
- *Enforcement of the Finance Act and Regulations:* The County Government will ensure that all fees and charges are collected in accordance with the Finance Act, 2025.

- *Expansion of the Revenue Base:* The County will identify and develop unexploited revenue streams in accordance with the provisions of the Public Finance Management Act.
 - *Upgrading of the Automated Revenue Collection System:* The County will continuously upgrade its revenue collection systems to respond to emerging technological and operational requirements.
 - *Business Process Re-engineering:* The County Government will review and streamline revenue collection processes to enhance efficiency, effectiveness and accountability.
 - *Review of Fees and Charges:* The County will periodically review existing fees and charges to ensure that they remain responsive to prevailing economic conditions and revenue objectives.
 - *Resource Mobilization Strategy:* In the medium and long term, the Sector will develop and implement a resource mobilization strategy aligned with the establishment and operationalization of the Mombasa Revenue Services.
 - *Strengthening the Revenue Collection Directorate:* The County will progressively identify, redesignate and undertake capacity building for revenue collectors and enforcement officers to strengthen their technical competencies and improve revenue collection.
 - *Decentralization of Revenue Collection:* Revenue collection will be decentralized to the sub-county and ward levels to maximize revenue collection across the County and enhance accessibility and oversight.
 - *Plugging Revenue Leakages:* The County will strengthen controls to minimize revenue leakages by training revenue collectors, ensuring that all revenue collected is deposited in designated banks before the close of business, and regularly rotating collectors across revenue stations to minimize familiarity and related risks.
 - *Strengthening Supervision and Enforcement:* The County will enhance supervision and enforcement at revenue collection points to strengthen accountability and minimize opportunities for corruption and revenue loss.
176. On the expenditure side, the CG will continue with rationalization of expenditure to improve efficiency and reduce wastage. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.
177. The county will continue redirecting expenditure towards those priority programmes as identified in public consultative forums. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic welfare.

B. Fiscal Policy for 2027/2028 FY and Medium-Term Budget

178. Progressively, and in view of the limited resources, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. In the Meantime, the resource allocation will be based on the Annual Development Plan 2026 and the Fiscal Strategy Paper 2026.
179. The Mombasa County 2027 Medium-Term Fiscal Framework aims to stimulate economic growth and development, reduce vulnerabilities, maintain a balanced budget, ensure effective service delivery and support sustainable economic growth in the County. The Framework underscores the need to prioritize critical recurrent expenditure, socio-economic initiatives and high-impact capital investments to enhance economic growth. The 2026 CBROP will be anchored on the following:
- *Enhancing Own Source Revenue:* The County will strengthen revenue mobilization to increase own source revenue while enhancing efficiency and achieving cost savings on non-critical expenditure, thereby creating fiscal space for priority programmes.
 - *Maintaining a Lean Workforce:* The County will maintain a lean and efficient workforce to contain the wage bill and create fiscal space for key County priorities, particularly in the social and development sectors. This will also provide room for future counter-cyclical fiscal measures in response to economic shocks.
 - *Fiscal Consolidation:* The County Government will pursue fiscal consolidation while ensuring adequate resources are available to support economic growth. Efforts will focus on containing recurrent expenditure and allocating more resources to development, with at least 30 percent of total County revenue devoted to development projects.
 - *Public-Private Partnerships:* The County will continue to leverage public-private partnerships, local and foreign investment, and support from development partners to finance and accelerate priority development programmes.
180. There are various strategies that the County is employing to strengthen compliance with the fiscal responsibility principles, enhance fiscal sustainability and ensure prudent use of public resources. These include:
- *Advocating for Increased Allocation to the County:* The County will continue to engage the National Government and relevant stakeholders to advocate for increased and equitable resource allocation that is commensurate with the County's functions, population and service delivery needs.
 - *Reclassification of Budget Items:* The County will continue to pursue the appropriate reclassification of development and recurrent expenditure items to ensure accurate budgeting, reporting and compliance with the applicable fiscal requirements.
 - *Multi-Year Project Financing:* The County has developed a Multi-Year Project Financing Act to provide a structured framework for mobilizing resources for priority development projects and promoting predictable and sustainable project financing.

- *Advocating for Increased Allocation to City Counties:* The County will continue to petition for enhanced resource allocation to city counties to address the unique structural, demographic and service delivery pressures that place additional demands on available resources.
- *Domestication of National Government Laws:* The County will continue to domesticate and operationalize relevant National Government legislation to strengthen compliance, improve revenue administration and facilitate the identification and collection of additional revenue streams.
- *Strengthening Own Source Revenue Mobilization:* The County will enhance revenue administration, strengthen enforcement and broaden the revenue base to improve OSR performance and reduce reliance on transfers from the National Government.
- *Expenditure Rationalization and Prioritization:* The County will continuously review expenditure to eliminate non-essential spending, improve efficiency and ensure that available resources are directed towards priority programmes and projects.
- *Strengthening Development Expenditure:* The County will prioritize high-impact development projects and improve project implementation and absorption to ensure that resources allocated for development translate into tangible benefits to residents.
- *Enhancing Public Financial Management and Accountability:* The County will strengthen financial controls, budget implementation monitoring, reporting and accountability mechanisms to promote prudent management and efficient utilization of public resources.
- *Management of Pending Bills and Liabilities:* The County will continue to prioritize the verification, clearance and management of pending bills and other outstanding obligations to improve fiscal sustainability and prevent the accumulation of new arrears.
- *Strengthening Project Appraisal and Monitoring:* The County will enhance the appraisal, prioritization and monitoring of projects to ensure that resources are allocated to viable, high-impact investments and that projects are implemented within approved budgets and timelines.
- *Leveraging Partnerships and Alternative Financing:* The County will continue to explore public-private partnerships, development partner support and other appropriate financing mechanisms to complement available public resources and support priority development programmes.

C. Criteria for Resource Allocation

181. The Government continues to operate within a constrained fiscal environment. In response, it has adopted a Zero-Based Budgeting (ZBB) approach to guide the prioritization and allocation of scarce resources to programmes and projects. Departments and Agencies will therefore be required to critically re-evaluate existing and planned activities, projects and programmes proposed for funding in FY 2027/28 and the Medium-Term Budget. Accordingly, the principles of efficiency, effectiveness and economy in public spending will be strictly upheld, with low-priority expenditures giving way to high-priority service delivery programmes.
182. Priority social sectors will continue to receive adequate resources and will be required to utilize allocated funds efficiently to create fiscal space for other strategic interventions. Sectors will be expected to eliminate wasteful expenditure and focus resources on interventions that safeguard livelihoods, create employment, support business recovery and promote economic growth. Departments and Agencies will also be required to justify all expenditure items proposed in the FY 2027/28 Budget, with resource allocation guided by programme efficiency, effectiveness and actual requirements rather than incremental budgeting.
183. The following criteria will guide the prioritization and final allocation of resources:
- Alignment with County Plans and Policy Priorities: Projects and programmes that contribute to the implementation of the CIDP 2023–2027 and other approved County policy documents will be prioritized, within the context of sustainable public financing and available resources.
 - Priority Sector Programmes: In the medium term, the County Government will continue to direct resources towards priority programmes in transport and infrastructure development, provision of quality and affordable healthcare services, youth and women empowerment, education and training, improvement of water and sanitation systems, and strengthening of waste management services under the Medium-Term Expenditure Framework (MTEF).
 - Alignment with the Governor’s Priorities and Executive Resolutions: Priority will be given to programmes and projects that directly support the Governor’s key deliverables, as well as resolutions and strategic decisions of the County Executive Committee.
 - Completion of Ongoing and Stalled Projects: Priority will be accorded to the completion of ongoing and stalled projects, particularly those with significant financial commitments and potential to deliver immediate benefits to residents. Verified pending bills will also be prioritized for settlement, subject to availability of resources.
 - Job Creation and Poverty Reduction: Programmes with a strong potential to create employment opportunities, support livelihoods, reduce poverty and improve household incomes will receive greater consideration.
 - Linkage with Departmental Mandates: Resources will be allocated to programmes that directly address the core functions and mandates of the respective departments and contribute to effective service delivery.

- **Climate Change Mitigation and Adaptation:** Priority will be given to programmes that strengthen climate resilience, promote environmental sustainability and address climate change mitigation and adaptation needs.
 - **Cost-Effectiveness, Efficiency and Sustainability:** Programmes will be assessed based on their value for money, efficient utilization of resources, expected outcomes and long-term financial and operational sustainability.
 - **Constitutional and Legal Obligations:** Priority will be given to programmes and interventions necessary for the fulfilment of constitutional requirements, statutory obligations and the effective implementation of devolved functions.
184. Based on the broad guidelines outlined above, Departments and Agencies are expected to develop and document sector-specific criteria to guide the prioritization and allocation of resources within the available resource envelope. To facilitate the timely finalization and approval of the 2026 CBROP and other policy documents, Departments are required to strictly adhere to the activities and timelines set out in the revised Budget Calendar.
185. The critical programmes identified for implementation are expected to stimulate economic activity and accelerate socio-economic development. The share of development expenditure is expected to account for not less than 30 percent of total expenditure. This approach will be further strengthened under the FY 2027/28 MTEF through enhanced engagement with the private sector to develop and implement viable Public-Private Partnerships (PPPs) and unlock new economic opportunities. In line with the medium-term expenditure framework, the tables below present the tentative projected baseline budget for the FY 2027/28 MTEF, classified by Department.

Table 27: Medium Term Sector Ceiling Budgeted 2026/27 FY, Projections 2027/28 - 2029/30 FYs

S. No	DEPARTMENTS	BUDGETED 2026/27	PROJECTED 2027/28	PROJECTED 2028/29	PROJECTED 2029/30
	TOTAL RECURRENT				
1	County Assembly	758,845,894	758,845,894	758,845,894	758,845,894
2	Public Service Board	86,267,082	86,898,319	89,505,268	92,190,426
3	Finance, Economic Planning & Digital Transformation	822,327,620	827,531,177	852,357,112	877,927,826
4	Health	5,380,858,346	5,495,844,336	5,660,719,666	5,830,541,256
5	Transport, Infrastructure & Governance	1,151,455,857	1,370,253,169	1,411,360,764	1,453,701,586
6	Climate Change, Energy & Natural Resources	159,433,382	160,541,485	165,357,730	170,318,461
7	Public Service Administration, Youth, Gender & Sports	686,288,869	688,403,795	709,055,909	730,327,586
8	Tourism, Culture & Trade	529,074,535	381,837,012	393,292,123	405,090,886
9	The County Attorney	90,224,792	93,907,662	96,724,892	99,626,639
10	The Executive	231,699,677	233,515,966	240,521,445	247,737,088
11	Environment & Water	646,072,873	651,690,821	671,241,545	691,378,792
12	Education	996,935,459	959,585,970	988,373,549	1,018,024,756
13	Lands, Urban Planning, Housing & Serikali Mtaani	361,378,942	512,823,050	528,207,741	544,053,974
14	Blue Economy, Cooperatives, Agriculture & Livestock	167,646,352	168,865,633	173,931,602	179,149,550
	TOTAL	12,068,509,680	12,390,544,288	12,739,495,240	13,098,914,720
		68	69	69	69
	TOTAL DEVELOPMENT				
S.No	DEPARTMENTS	BUDGETED 2026/27	PROJECTED 2027/28	PROJECTED 2028/29	PROJECTED 2029/30
1	County Assembly	70,000,000	70,000,000	50,000,000	50,000,000
2	Public Service Board	10,000,000	10,000,000	10,300,000	10,609,000
3	Finance, Economic Planning & Digital Transformation	588,131,000	810,015,712	839,181,560	864,357,007
4	Health	823,500,000	493,000,000	507,790,000	523,023,700
5	Transport, Infrastructure & Governance	971,500,000	981,215,000	1,010,651,450	1,010,236,371
6	Climate Change, Energy & Natural Resources	170,506,292	502,000,000	517,060,000	532,571,800
7	Public Service Administration, Youth, Gender & Sports	392,500,000	396,425,000	408,317,750	420,567,283
8	Tourism, Culture & Trade	319,600,000	334,500,000	344,535,000	354,871,050
9	The County Attorney	0	0	0	0
10	The Executive	37,000,000	37,000,000	38,110,000	39,253,300

S. No	DEPARTMENTS	BUDGETED 2026/27	PROJECTED 2027/28	PROJECTED 2028/29	PROJECTED 2029/30
11	Environment & Water	847,703,677	623,500,000	642,205,000	661,471,150
12	Education	272,100,000	351,000,000	361,530,000	372,375,900
13	Lands, Urban Planning, Housing & Serikali Mtaani	1,050,000,000	822,500,000	847,175,000	872,590,250
14	Blue Economy, Cooperatives, Agriculture & Livestock	178,949,351	178,300,000	183,649,000	189,158,470
	TOTAL	5,731,490,320	5,609,455,712	5,760,504,760	5,901,085,280
		32	31	31	31
TOTAL BUDGET					
S.No	DEPARTMENTS	BUDGETED 2026/27	PROJECTED 2027/28	PROJECTED 2028/29	PROJECTED 2029/30
1	County Assembly	828,845,894	828,845,894	808,845,894	808,845,894
2	Public Service Board	96,267,082	96,898,319	99,805,268	102,799,426
3	Finance, Economic Planning & Digital Transformation	1,410,458,620	1,637,546,889	1,691,538,672	1,742,284,832
4	Health	6,204,358,346	5,988,844,336	6,168,509,666	6,353,564,956
5	Transport, Infrastructure & Governance	2,122,955,857	2,351,468,169	2,422,012,214	2,463,937,957
6	Climate Change, Energy & Natural Resources	329,939,674	662,541,485	682,417,730	702,890,261
7	Public Service Administration, Youth, Gender & Sports	1,078,788,869	1,084,828,795	1,117,373,659	1,150,894,869
8	Tourism, Culture & Trade	848,674,535	716,337,012	737,827,123	759,961,936
9	The County Attorney	90,224,792	93,907,662	96,724,892	99,626,639
10	The Executive	268,699,677	270,515,966	278,631,445	286,990,388
11	Environment & Water	1,493,776,550	1,275,190,821	1,313,446,545	1,352,849,942
12	Education	1,269,035,459	1,310,585,970	1,349,903,549	1,390,400,656
13	Lands, Urban Planning, Housing & Serikali Mtaani	1,411,378,942	1,335,323,050	1,375,382,741	1,416,644,224
14	Blue Economy, Cooperatives, Agriculture & Livestock	346,595,703	347,165,633	357,580,602	368,308,020
	TOTAL	17,800,000,000	18,000,000,000	18,500,000,000	19,000,000,000

Projected Departmental Ceilings Analysis: Development & Recurrent 2027/2028 FY

Table 28: Summary of Projected Revenue and Expenditure 2027/2028 FY

DEPARTMENTS	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS & MAINTENANCE	TOTAL RECURRENT	TOTAL DEVELOPMENT	TOTAL EXPENDITURE	%
County Assembly		442,904,917	315,940,977	758,845,894	70,000,000	828,845,894	4.6
Public Service Board		63,754,933	23,143,386	86,898,319	10,000,000	96,898,319	0.5
Finance, Economic Planning & Digital Transformation		525,559,259	301,971,918	827,531,177	810,015,712	1,637,546,889	9.1
Health	18,000,000,000	3,795,569,055	1,700,275,281	5,495,844,336	493,000,000	5,988,844,336	33.3
Transport, Infrastructure & Governance		787,528,450	582,724,719	1,370,253,169	981,215,000	2,351,468,169	13.1
Climate Change, Energy & Natural Resources		111,918,416	48,623,069	160,541,485	502,000,000	662,541,485	3.7
Public Service Administration, Youth, Gender & Sports		213,607,585	474,796,210	688,403,795	396,425,000	1,084,828,795	6.0
Trade, Tourism & Culture		279,010,176	102,826,836	381,837,012	334,500,000	716,337,012	4.0
The County Attorney		34,601,688	59,305,974	93,907,662	0	93,907,662	0.5
The Executive		183,445,164	50,070,802	233,515,966	37,000,000	270,515,966	1.5
Environment & Water		567,412,685	84,278,136	651,690,821	623,500,000	1,275,190,821	7.1
Education & Vocational Training		429,301,610	530,284,360	959,585,970	351,000,000	1,310,585,970	7.3
Lands, Urban Planning, Housing & Serikali Mtaani		265,747,640	247,075,410	512,823,050	822,500,000	1,335,323,050	7.4
Blue Economy, Cooperatives, Agriculture & Livestock		123,147,367	45,718,266	168,865,633	178,300,000	347,165,633	1.9
TOTAL		7,823,508,944	4,567,035,344	12,390,544,288	5,609,455,712	18,000,000,000	100
SURPLUS / (DEFICIT)	-	43	25	69	31	100	
REVENUE SOURCES							
Local Revenue	8,593,001,203						
Exchequer Issues	9,406,998,797						
TOTAL REVENUE	18,000,000,000						

Departments Budgets and Programs Prioritization

186. A key consideration in the preparation of the FY 2027/28 MTEF budget will be the prioritization and allocation of available resources towards pending and ongoing projects. Greater emphasis will be placed on projects that are at advanced stages of implementation, have significant existing financial commitments, and have a direct impact on service delivery, while ensuring that new projects are aligned with identified priorities and available fiscal space.
187. Strengthening the institutional and technical capacity of County Government Departments will remain critical to the effective and efficient execution of their assigned functions and programmes. This will include ensuring the deployment, rationalization and optimal utilization of appropriately skilled technical staff to address capacity gaps, improve coordination and enhance the implementation of County programmes and activities.
188. The County Government has continued to strengthen budget preparation, implementation and reporting through the development and dissemination of standardized reporting templates and issuance of budget preparation and implementation guidelines. These measures are intended to promote consistency in departmental reporting, facilitate effective monitoring of budget performance and enhance accountability in the utilization of public resources.
189. Strengthening the Monitoring and Evaluation (M&E) Unit within the Department of Finance, Economic Planning and Digital Transformation will support the establishment of a coordinated and harmonized County-wide M&E framework. This will enhance the systematic tracking of programme and project implementation, facilitate timely identification of implementation challenges, strengthen reporting on results and outcomes, and support evidence-based decision-making and resource allocation.

Budget Ceilings Framework 2027/2028 FY

190. The 2027/28 budget framework is set against the background of the updated medium-term macro-fiscal framework outlined above.

Revenue Projections

191. The 2027/28 budget targets own source revenue of Kshs 8.6 billion and National Government exchequer issues of 9.4 billion. As noted above, this performance will be underpinned by on-going reforms in revenue policy and revenue administration. As such, total revenue including exchequer issues is expected to be Kshs 18 billion.

Expenditure Forecasts

192. In 2027/28, overall expenditures are projected to be 18 billion, out of which 31% which is 5.6 billion is projected to undertaken various development initiatives, while 12.4 billion budgeted for the

recurrent expenditure will be utilized for servicing the operation and maintenance costs at 4.6 billion and the personnel emolument cost projected at 7.8 billion.

Involvement of Stakeholders

193. In the spirit of ensuring there is participation and input from the various stakeholders so as to enrich the CBROP, the document was presented to the Finance Sub Committee of the County Executive Committee, the County Budget and Economic Forum (CBEF) for their comments and input and finally to the full house of the County Executive Committee for their consideration, adoption and approval before being presented to the County Assembly for adoption.

V. CONCLUSION AND WAY FORWARD

194. Kenya's economy has demonstrated resilience despite a challenging domestic and global environment. Real GDP growth strengthened to 5.3 percent in the first quarter of 2026 which is an improvement from 4.9 percent in the corresponding quarter of 2025. Overall growth in 2026 is projected at 5.0 percent, largely supported by recovery in industrial activity and sustained growth in services. However, significant downside risks remain, requiring continued prudent macroeconomic management and accelerated implementation of structural reforms under BETA and the Fourth Medium-Term Plan.
195. The FY 2025/26 fiscal outturn confirms that Kenya continues to operate within a constrained fiscal environment, with revenue falling below target and the fiscal deficit remaining elevated at 6.8 percent of GDP. The outcome reinforces the need to sustain fiscal consolidation while safeguarding economic recovery and essential public services. The Government will therefore continue to strengthen domestic revenue mobilization, enhance expenditure efficiency, mobilize private capital for infrastructure development, manage fiscal risks and advance public financial and debt management reforms to restore fiscal space and safeguard debt sustainability.
196. The FY 2026/27 fiscal framework remains anchored on the approved 2026 Budget Policy Statement. The FY 2027/28 and medium-term macroeconomic and fiscal projections have been updated to reflect the FY 2025/26 outturn and the available resource envelope. The fiscal framework provides for a gradual reduction in the fiscal deficit from 5.5 percent of GDP in FY 2026/27 to 4.9 percent by FY 2030/31, supported by stronger revenue mobilization and expenditure rationalization. Within the constrained resource envelope, the Government will strengthen expenditure prioritization and efficiency to ensure that scarce public resources are directed towards high-impact programmes that support economic growth, employment, private sector development and improved livelihoods, while maintaining essential public services.
197. At the County level, the fiscal outturn for FY 2025/26, together with the updated revenue and expenditure forecasts, has implications for the financial objectives set out in the 2026 CFSP. The updated fiscal position therefore provides the basis for reviewing and refining the financial objectives and projections presented in the previous CFSP.
198. The FY 2026/27 and Medium-Term Budget and Fiscal Framework projections presented in this CBROP have been informed by the prevailing economic outlook, including the continued recovery of the global economy and the various risks and pressures affecting the domestic economy. These include growing pressures on public expenditure and the need to implement austerity measures aimed at containing non-essential spending. The County will continue to prioritize the allocation of resources towards productive and development-oriented activities while ensuring that essential services are adequately funded. In addition, measures will be undertaken to enhance the availability of resources for development projects and minimize the accumulation of pending bills by aligning the engagement

and payment of suppliers and contractors with the County's cash-flow position rather than relying solely on budgetary allocations.

199. The updated projections indicate moderate growth in overall revenue collection, alongside a reduction in recurrent expenditure. This provides an opportunity to redirect a greater share of available resources towards the completion of ongoing development projects and the effective implementation of the 2023–2027 CIDP. The County will continue to strengthen fiscal discipline, improve expenditure efficiency and ensure that available public resources are utilized prudently and for their intended purposes, consistent with the fiscal responsibility principles at all levels of government.
200. The policy measures set out in this CBROP have been informed by the prevailing fiscal and economic circumstances and are aligned with the fiscal responsibility principles provided for under the PFM Act. The policy direction also remains consistent with the national Government's strategic priorities and provides a framework for guiding the allocation and utilization of public resources.
201. In the medium term, the County Government will pursue targeted interventions aimed at improving service delivery and promoting inclusive development. Key priorities will include the provision of quality and affordable health services; upgrading of water and sanitation systems; development and maintenance of transport and other infrastructure; enhancement of education and training; improvement of solid waste management services; and empowerment of youth and women. In addition, county-wide policy interventions will be implemented to promote social equity and ensure that development benefits reach all segments of the population.
202. These policy priorities will support continuity and greater predictability in resource allocation, with available resources directed towards programmes and projects that have been identified as priorities by the County Government in consultation with relevant stakeholders. The interventions are intended to accelerate economic growth, support employment creation and ultimately, contribute to improved standards of living and the well-being of the county's residents.
203. Maintaining fiscal discipline will remain critical to ensuring prudent management of public funds and the achievement of planned outputs and outcomes. The County Government will therefore continue to strengthen expenditure controls and promote the efficient and effective utilization of available resources. Particular attention will be given to capacity building across the various sectors of the County to strengthen institutional capacity, improve service delivery and enhance the County Government's ability to effectively discharge its functions.
204. In FY 2027/28 and over the medium term, the County Government will continue to strengthen its development planning framework, anchored on the Annual Development Plan (ADP) prepared in September 2026. The identification and prioritization of projects and programmes will be informed by three key sources: inputs received through public participation and stakeholder engagement forums; equitable ward development initiatives; and priorities identified by County Government departments. This approach will ensure that resource allocation is responsive to the needs and

aspirations of Mombasa residents, while prioritizing impactful interventions that address critical development needs across the County and contribute to improved socio-economic well-being of the citizenry.

205. The 2026 CBROP emphasizes the alignment of the FY 2026/27 fiscal strategy and the Medium-Term Budget Framework with the prevailing fiscal and economic environment. The County Government will continue to address the identified fiscal and development challenges through the following key objectives:

- ❖ Enhancing the efficiency, quality and value for money of development expenditure by exploring and promoting appropriate Public-Private Partnership (PPP) arrangements and other innovative financing mechanisms.
- ❖ Prioritizing critical and high-impact infrastructure development, particularly projects that address identified service delivery gaps and have the potential to support long-term economic growth and improve the livelihoods of Mombasa residents.
- ❖ Maintaining an appropriate fiscal stimulus over the medium term, within the limits of available resources, to support economic activity, while taking into account prevailing revenue constraints and their implications for the fiscal balance.
- ❖ Rationalizing recurrent expenditure through the identification and implementation of sustainable cost-saving measures, while safeguarding the delivery of essential public services.
- ❖ Strengthening expenditure planning and management through regular and timely expenditure reporting, realistic cash-flow projections and improved monitoring of budget execution.
- ❖ Aligning commitments and expenditure with actual cash-flow availability to minimize the accumulation of pending bills and strengthen the County's financial position.
- ❖ Linking procurement plans and commitments to realistic cash-flow projections, ensuring that procurement undertakings are consistent with available resources and the County's capacity to meet resulting obligations.
- ❖ Developing and implementing a sustainable personnel emoluments policy aimed at containing the growth of the wage bill, improving staff productivity and ensuring that personnel costs remain within sustainable levels.
- ❖ Enhancing Own Source Revenue (OSR) collection through the identification of new revenue streams, strengthening revenue administration, expanding automation, improving compliance and identifying and sealing revenue leakages.
- ❖ Strengthening internal audit oversight, insight and foresight to improve risk management, internal controls, accountability and the effectiveness of financial management systems.
- ❖ Strengthening the monitoring and evaluation of development projects and programmes through regular and timely monitoring to track physical and financial progress, identify implementation challenges and facilitate corrective action.

- ❖ Prioritizing the completion of ongoing projects before initiating new projects, particularly where existing projects have significant financial commitments and direct implications for service delivery.
 - ❖ Strengthening the management of pending bills and other financial obligations by improving commitment control, verification and reconciliation processes and ensuring that new commitments are supported by available resources.
 - ❖ Improving the link between planning, budgeting and implementation by ensuring that resource allocation is guided by approved plans, identified priorities and expected results.
 - ❖ Promoting value for money in public expenditure by strengthening procurement planning, contract management and expenditure controls and ensuring that public resources generate measurable outputs and outcomes.
 - ❖ Strengthening budget credibility and fiscal forecasting through the use of realistic revenue and expenditure projections based on actual performance trends and prevailing economic conditions.
 - ❖ Enhancing transparency, accountability and fiscal reporting through timely preparation and dissemination of financial and budget implementation reports in accordance with the applicable legal and regulatory framework.
206. The policies and sector ceilings annexed herewith will guide the Departments in preparation of the 2027/2028 budget. The medium term macroeconomic and fiscal projections in the 2026 CBROP have been revised from those of the 2026 CFSP estimates taking into account the macroeconomic and fiscal outcome of the FY 2025/26. The ceilings are also aligned to the Executive Order No.9 of 11th July, 2025 by H.E the Governor containing the reorganization of the County Government of Mombasa which changed the structure of the Government including creation of new departments and change of functional assignment within the Departments.
207. The 2026 CBROP provides the basis for preparation of the 2027 County Fiscal Strategy Paper and the FY 2027/28 and Medium-Term Budget. The next steps will focus on translating the resource envelope and sector ceilings into a credible and prioritized budget, informed by Sector working Groups and Departmental proposals and public participation, and aligned to the third generation CIDP 2023-2027, BETA and MTP IV. The CG should scale down its recurrent expenditure budget and then increase it gradually over the medium term as it expands its revenue base. The ceilings will form inputs into the next County Fiscal Strategy Paper (CFSP).
208. The revised Budget Calendar will facilitate completion of the budget process ahead of the 2027 General Elections, and MDAs, Sector Working Groups, Departmental proposals and other stakeholders will be required to strictly adhere to the approved ceilings and timelines to ensure timely preparation, approval and implementation of the Budget. The revised Budget calendar for FY 2027/28 has the following critical steps between September 2026 and April 2027:
- i) Preparation of the 2027/28 Annual Development Plan: This process commenced with issuance of the ADP template to the Departments, submission and compilation of the Departmental inputs, ward

based public participation exercise, submission of MOUs, equitable ward-based projects proposals, deliberation of the ADP with the County Budget and Economic Forum (CBEF), presented to the County Executive Committee for adoption then submission of the same to the County Assembly for approval on 31st August 2026.

- ii) Development of the County Budget Review and Outlook Paper (CBROP) 2026: Preparation of the 2026 CBROP commenced with the analysis of the departmental expenditure data and the collating of the macro data informed by the National Budget Review and Outlook Paper 2026 to come up with a consolidated CBROP 2026. The CBROP is then deliberated by the County Budget and Economic Forum (CBEF), presented to the County Executive Committee by 30th September, 2026 for approval before it is submitted to the County Assembly for adoption not later than seven days.
- iii) The County Fiscal Strategy Paper (CFSP) 2027: This process will commence with issuance of the CFSP template to the Departments, submission and compilation of the Departmental inputs, conducting public participation exercise, submission of MOUs, deliberation of the CFSP with the County Budget and Economic Forum (CBEF), adoption of the CFSP by the County Executive Committee and submission of the same to the County Assembly for approval by 30th November, 2026.
- iv) The County Debt Management Strategy Paper (DMSP) 2027: This process will commence with collection, submission and compilation of information on the County's existing and potential debt and other financial liabilities. The process will include analysis of the County's debt position, assessment of associated risks and debt sustainability, development of medium-term debt management measures and preparation of the DMSP. The draft DMSP will thereafter undergo internal review and validation, deliberation of the DMSP with the County Budget and Economic Forum (CBEF), before submission to the County Executive Committee for consideration and adoption, followed by submission to the County Assembly for consideration and approval by 30th November, 2026.
- v) Preparation of the Programme Based Budget (PBB) and Budget Estimates 2027/28: The PBB and Budget Estimates 2027 will undergo public participation exercise, submission of MOUs, deliberations with the County Budget and Economic Forum (CBEF), adoption by the County Executive Committee and submission to the County Assembly for approval by 31st January 2027;
- vi) Preparation of the annual cash flow projections by 15th March 2027; and
- vii) Preparation of the Assent, General Warrant and the Appropriation Bill, 2027 upon approval of the budget by the County Assembly by 31st March, 2027.

209. Taking into account the constrained fiscal environment, the Government has adopted Zero Based Budgeting Approach to guide the prioritization and allocation of the scarce resources to projects and programmes in the FY 2027/28. Departments will therefore be required to re-evaluate all the existing/planned activities, projects, and programmes to be funded in the FY 2027/28 and medium-term budget and should therefore eliminate wasteful expenditures and pursue priorities which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery. The sector ceilings provided for the FY 2026/27 budget and the Medium Term will form inputs into the 2026 CFSP.

ANNEXES

ANNEX 1. COMPARISON OF MONTHLY BASIS EXCHEQUER ISSUES AND OWN SOURCE REVENUE COLLECTION FY 2025-2026

Month	Local Revenue	Exchequer Issues
July	282,025,694	0
August	240,039,088	890,771,358
September	207,085,091	670,670,822
October	335,065,309	733,626,815
November	432,612,623	711,786,239
December	554,419,381	747,841,220
January	222,114,229	1,048,670,823
February	719,289,570	847,373,424
March	744,610,281	747,837,867
April	661,182,170	782,899,757
May	273,184,353	1,039,747,271
June	1,542,962,694	1,383,258,571
Total	6,214,590,483	9,604,484,167

To compare Revenue collection between two major sources

ANNEX 2: COMPARISON OF MONTHLY OWN SOURCE REVENUE COLLECTION BETWEEN FY 2019/2020 TO FY 2025/2026

MONTH	2019/2020	2020/2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
JULY	110,950,638	133,177,640	290,898,301	367,089,557	207,528,785	183,605,261	282,025,694
AUGUST	164,871,323	180,063,924	158,294,767	124,935,681	177,215,561	239,678,277	240,039,088
SEPTEMBER	195,639,679	207,752,314	324,609,448	76,843,866	181,775,384	155,088,546	207,085,091
OCTOBER	192,425,344	200,978,869	240,688,839	106,492,816	162,567,466	182,665,447	335,065,309
NOVEMBER	208,065,464	195,076,359	161,645,883	386,945,293	172,237,724	154,529,441	432,612,623
DECEMBER	228,108,277	162,790,308	220,922,958	339,317,651	215,196,393	767,996,208	554,419,381
JANUARY	286,649,313	441,650,127	498,998,855	270,132,327	493,700,462	273,279,451	222,114,229
FEBRUARY	421,483,469	415,598,494	479,635,817	510,261,367	489,469,385	612,530,802	719,289,570
MARCH	634,763,565	541,583,202	515,926,400	792,863,010	1,200,484,931	683,089,371	744,610,281
APRIL	203,268,450	280,251,148	290,568,789	420,946,047	265,269,807	420,591,984	661,182,170
MAY	160,817,790	211,868,868	138,306,690	393,590,939	358,003,900	578,090,819	273,184,353
JUNE	508,759,315	343,741,925	299,135,806	209,210,294	534,308,498	629,684,345	1,542,962,694
TOTAL	3,315,802,627	3,314,533,178	3,619,632,553	3,998,628,848	4,457,758,296	4,880,829,952	6,214,590,483

To Compare Local Revenue over the various fiscal years

ANNEX 3: COMPUTATION OF MONTHLY EXCHEQUER ISSUES BETWEEN FY 2019/2020 TO FY 2025/2026

MONTH	EXCHEQUER ISSUES 2019- 2020	EXCHEQUER ISSUES 2020- 2021	EXCHEQUER ISSUES 2021- 2022	EXCHEQUER ISSUES 2022- 2023	EXCHEQUER ISSUES 2023- 2024	EXCHEQUER ISSUES 2024- 2025	EXCHEQUER ISSUES 2025- 2026
JULY	0	0	0	0	668,229,525	628,921,902	0
AUGUST	0	0	605,388,325	643,225,095	6,000,000	0	890,771,358
SEPTEMBER	1,228,083,300	0	643,225,095	605,388,325	642,761,844	720,861,104	670,670,822
OCTOBER	632,224,439	1,164,561,750	643,225,095	0	668,229,525	628,921,906	733,626,815
NOVEMBER	0	828,146,904	1,248,613,420	643,225,096	628,921,906	1,297,151,431	711,786,239
DECEMBER	824,676,155	574,671,000	605,388,325	605,388,325	678,229,525	684,062,059	747,841,220
JANUARY	949,232,625	798,466,182	643,225,095	983,546,633	628,921,906	631,973,961	1,048,670,823
FEBRUARY	1,592,730,838	628,955,904	643,225,095	0	668,229,525	671,472,333	847,373,424
MARCH	564,636,000	599,925,750	605,388,325	605,388,325	0	0	747,837,867
APRIL	40,134,590	599,925,750	681,061,865	1,286,450,190	1,155,880,198	1,303,446,294	782,899,757
MAY	741,084,750	574,844,314	643,225,095	605,388,325	691,421,906	710,970,706	1,039,747,271
JUNE	1,517,641,228	2,293,217,209	0	2,256,150,493	1,695,766,669	2,639,924,920	1,383,258,571
TOTAL DISBURSED	8,090,443,924	8,062,714,763	6,961,965,735	8,234,150,807	8,132,592,529	9,917,706,616	9,604,484,167

ANNEX 4: COMPUTATION OF MONTHLY EQUITABLE SHARE FY 2025/2026

Month	Equitable Share
July	0
August	671,472,333
September	670,670,822
October	712,587,749
November	711,786,239
December	712,587,749
January	670,670,823
February	712,587,749
March	712,587,749
April	670,670,822
May	754,504,675
June	1,383,258,571
Total	8,383,385,281