



**COUNTY GOVERNMENT OF MOMBASA  
COUNTY TREASURY**

**MEDIUM TERM**

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**FISCAL STRATEGY PAPER  
2025**

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## Foreword

The 2025 Mombasa County Fiscal Strategy Paper (CFSP) is the third to be prepared under the new Administration. It is based on the framework of the Bottom-up Economic Transformation Agenda (BETA) of the Kenya Kwanza Government and anchored on the Fourth Medium Term Plan of the Vision 2030. It sets out the Administration's priority programs, policies and reforms to be implemented in the Medium-Term Expenditure Framework (MTEF). BETA is the Government's transformation agenda geared towards economic turnaround through a value chain approach. It is based on investing the limited capital available where it will create the most jobs at the bottom of the pyramid.

The CFSP is framed against a backdrop of stable global and domestic economic outlook. Global growth is projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023. The outlook reflects economic recovery in China, Euro area and UK, despite a slowdown in activity in the USA and Japan. On the domestic front, the Kenyan economy has remained resilient despite the challenging domestic and external environment. The focused interventions and structural reforms of the Government under BETA have stabilized the economy and supported economic recovery to 5.6 percent in 2023 from 4.9 percent in 2022 following a strong rebound in agriculture after two years of severe drought. Additionally, macroeconomic fundamentals have strongly rebounded and are projected to continue on an upward trajectory.

Economic growth is estimated to have slowed down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy. Growth is expected to pick up to 5.3 percent in 2025 and retain the same momentum over the medium term largely driven by: enhanced agricultural productivity; resilient services sector, and ongoing implementation of priorities under BETA.

This CFSP identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year (FY) 2025/2026 and the Medium Term in accordance with the Public Finance Management Act 2012, section 117(1) which stipulates that the County Treasury should prepare the Fiscal Strategy Paper for the County.

The strategy covers the following broad areas: review of the fiscal performance of the first half of FY 2024/2025; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2025/2026 as indicated in the Medium-Term Fiscal Framework and as outlined in the Mombasa County Integrated Development Plan (CIDP) 2023-2027.

The following are the Governor's ten key pillars aimed at transforming the lives of Mombasa residents in the Manifesto;

- Revitalizing Mombasa's blue economy
- Providing all citizens with access to clean water, sewer & drainage services
- Solving public transport challenges
- Prioritizing social welfare; improving quality of life for our people
- Entrenching good governance
- Reforming county government finance
- Investing in education
- Promoting cohesion, eliminating criminal gangs and battling drug addiction
- Modernizing solid waste disposal
- Leveraging Technology for development; Mombasa as a Smart City

The County Government is inclined to revamp social programmes so as to spur the economy and improve the quality of life of its citizens. To achieve this, the Government endeavors to prioritize expenditure in the following sectors as we continue to take decisive steps to harness the implementation of various policies and programmes within the key priorities in the CFSP 2025 as was captured in the Annual Development Plan 2025 (ADP) Ward Based Public Participation Fora: -

- Transport and Infrastructure development
- Provision of quality and affordable health services
- Youth and Women Empowerment
- Enhancement of Education and Training
- Upgrading of Water and Sanitation Systems
- Streamlined Waste Management Services

This strategy will also compliment the National Government's Bottom-Up Economic Transformation Agenda (BETA) development agenda, the Fourth Medium Term Plan, the Mombasa Vision 2035 and all other development blueprints. The critical programmes to be implemented are expected to stimulate the County's socio-economic development and revamp the economy.



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## Acknowledgement

The Mombasa County Fiscal Strategy Paper 2025 has been prepared in compliance with the provisions of the Public Finance Management Act, 2012. It outlines the current state of the economy, provides a macro-fiscal outlook over the medium term and specifies the set strategic priorities and policy goals the County has as a consolidation of departmental priorities and public views together with a summary of Government spending plans, as a basis of the FY 2025/26 budget.

This Strategy Paper sets out broad strategic priorities and policy goals that will guide the Mombasa County Government in preparing its budget for the Financial Year 2025/2026 and over the medium term is expected to improve the public's understanding of Kenya's and Mombasa County's finances and guide the public debate and inquiry on economic and development matters.

The preparation of this fiscal strategy paper continues to be a collaborative effort from an array of experts, professionals and key stakeholders in the County. We are grateful for their input and the comments from the Commission for Revenue Allocation and other internal and external stakeholders.

Immense appreciation goes to the Executive Member for Finance and Economic Planning for his impactful input, good will and guidance bestowed throughout the entire period and process of the Fiscal Strategy Paper's development. Remarkable time was utilized by the Budget and Economic Planning Directorate aligning, consolidating and enriching this policy document.

We are particularly grateful to Ms. Jane Githui the Director Budget & Economic Planning and Ms. Shamsa Mohamed (Principal Economist) for their twin consistent industry, dedication, and commitment that ensured the realization of the document.



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FINANCE & INVESTMENT

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## Abbreviations and Acronyms

<b>ADP</b>	Annual Development Plan
<b>BBB</b>	Building Back Better
<b>BETA</b>	Bottom-Up Economic Transformation Agenda
<b>BPS</b>	Budget Policy Statement
<b>CAPEX</b>	Capital Expenditure
<b>CBEF</b>	County Budget and Economic Forum
<b>CIDP</b>	County Integrated Development Plan
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CGM</b>	County Government of Mombasa
<b>COB</b>	Controller of Budget
<b>COVID -19</b>	Corona Virus Disease of 2019
<b>CRA</b>	Commission on Revenue Allocation
<b>ECDE</b>	Early Childhood Development Education
<b>EPZ</b>	Economic Processing Zone
<b>ERS</b>	Economic Recovery Strategy
<b>FDI</b>	Foreign Direct Investments
<b>FY</b>	Financial Year
<b>GCP</b>	Gross County Product
<b>G-Pay</b>	Government Pay System
<b>NHIF</b>	National Health Insurance Fund
<b>ICT</b>	Information Communication Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KIHBS</b>	Kenya Integrated Household and Budget Survey
<b>KIRDI</b>	Kenya Industrial Research and Development Institute
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium Term Plan
<b>NMT</b>	Non-Motorized Transport
<b>OSR</b>	Own Source Revenue
<b>PFM</b>	Public Finance Management
<b>SEZ</b>	Special Economic Zone

## Executive Summary

The fiscal strategy of the County Government of Mombasa for the year 2025/2026 is set out in this paper. The CFSP is prepared in accordance to PFM Act section 117 which states that, the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper (CFSP) for approval and then shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th of February each year. The contents of the CFSP are largely informed by the PFM Act section 117(2) which provides for the aligning of the CFSP with the national objectives in the Budget Policy Statement (BPS).

The fiscal framework is guided by various principles which are in line with the medium-term expenditure framework, the County Integrated Development Plan (CIDP) 2023-2027 which is aligned to the National Government's development agenda of the Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV) which will augment economic transformation by complimenting key programs under the BETA geared towards economic turnaround and inclusive growth. The focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings.

The County will initiate a restored revenue strategy that will ensure increased and efficient own source revenue mobilization and collection which will result in a balanced budget with an overall objective of being self-reliant in budget financing. The County will purpose to ensure that the budget expenditures are consistent with the agreed county sectoral priorities with an increased allocation to capital expenditures, ensuring resources for operation and maintenance of capital stock are adequately provided for while at the same time providing sufficient fiscal space for social programmes necessary to implement the Fiscal Strategy and the CIDP 2023-2027 in the long term.

The critical programmes to be implemented are expected to accelerate economic activities and improve socio-economic welfare and economic growth. To achieve this, the County Government endeavors to prioritize expenditure in focus on ten key pillars aimed at transforming the lives of Mombasa residents which are: Revitalizing Mombasa's economy; Providing all citizens with access to clean water, sewer & drainage services; Solving public transport challenges; Prioritizing social welfare; improving quality of life for our people; Entrenching good governance; Reforming county government finance; Investing in education; Promoting cohesion, eliminating criminal gangs and battling drug addiction; Modernizing solid waste disposal and Leveraging Technology for development; Mombasa as a Smart City.

The overall objective of the fiscal paper is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved livelihoods of citizenry. The Paper serves as the basis for the preparation of the annual estimates of revenue and expenditure for the County of Mombasa Budget Financial Year 2025/26.

## Legal Context

The Mombasa County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Finance Management Act, 2012. It states that;

- (1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28<sup>th</sup> February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

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

- (a) The Commission on Revenue Allocation;
- (b) The public;
- (c) Any interested persons or groups; and
- (d) Any other forum that is established by legislation.

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

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

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

## Fiscal Responsibility Principle

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the responsibility principles to ensure prudence and transparency in the management of public resources.

The PFM law (Section 15) states that:

- ❖ Over the medium term, a minimum of 30 percent of the national budget shall be allocated to development expenditure
- ❖ The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
- ❖ Over the medium term, the national government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- ❖ Public debt and obligations shall be maintained at a sustainable level as approved by Parliament and county assembly.
- ❖ Fiscal risks shall be managed prudently.
- ❖ 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.

## Objective

The objective of the 2025 County Fiscal Strategy Paper is to lay down the frame work for the preparation of the County Budget FY 2025/2026. It is a requirement under section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28<sup>th</sup> February of each year.

This Fiscal Strategy Paper contains the following:

- The principles that will guide the FY 2025/2026 budgetary process;
- The broad fiscal parameters for the FY 2025/2026 budget and the key strategies and policies for management of revenues and expenditures;
- The broad strategic priorities and policy goals that will guide the preparation of the budget over the medium term;
- A discussion of risks to the budget parameters and Budget Strategies;
- The medium–term outlook for county government revenues and expenditures;
- A discussion of how the Budget Strategies relates to the County priorities as drawn from the third generation County Integrated Development Plan (CIDP) 2023-2027; and
- A framework for the preparation of departmental budget estimates and the development of detailed budget policies.

## **Outline of the 2025/2026 County Fiscal Strategy Paper**

The Fiscal Strategy Paper is presented in Five Chapters.

The introduction presented in Chapter One, outlines Mombasa County's efforts in Consolidating Gains Under Bottom-Up Economic Transformation Agenda for Inclusive Green Growth.

Chapter Two, presents the Recent Economic Developments and Medium-Term Outlook which gives an overview of the global, national, regional and county economic development outlook.

In chapter Three, the paper outlines the Budget for Financial Year 2025/2026 and the Medium Term.

Meanwhile, Chapter Four contains the County Financial Management and Comparative Fiscal Performance.

Finally, Chapter Five presents, the Statement of Specific Fiscal Risks.

## CHAPTER ONE

### 1.0: CONSOLIDATING GAINS UNDER BOTTOM–UP ECONOMIC TRANSFORMATION AGENDA FOR INCLUSIVE GREEN GROWTH

#### 1.1 Overview

1. The 2025 County Fiscal Strategy Paper is the third to be prepared under the Kenya Kwanza Government and sets out the priority programs, policies and reforms of the Administration that will be implemented in the Medium-Term Expenditure Framework (MTEF). It presents the Bottom–Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth. The document is framed against a stable economic backdrop despite the global environment occasioned by the Israeli-Palestinian war, the effects of the Russia-Ukraine conflict, elevated global inflation, lingering effects of the COVID-19 pandemic, persistent supply chain disruptions, food insecurity and climate change effects.
2. Despite the challenging domestic and external environment, significant success have been registered following the various interventions rolled out by the Government during the past two years. The focused interventions and structural reforms of the Government under BETA have stabilized the economy and supported economic recovery to 5.6 percent in 2023 from 4.9 percent in 2022 following a strong rebound in agriculture after two years of severe drought. Growth is estimated to have slowed down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy.
3. Growth is expected to pick up to 5.3 percent in 2025 and retain the same momentum over the medium term largely driven by: enhanced agricultural productivity; resilient services sector, and ongoing implementation of priorities under BETA. The need to address these challenges, bolster resilience while building on successes realized overtime forms the basis of the Kenya Kwanza Government’s Bottom-Up Economic Transformation Agenda. The agenda is geared towards economic turnaround and inclusive growth. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings.
4. The Budget Policy Statement (BPS) priority programmes are classified under two categories; core pillars and the enablers which aim at creation of a conducive business environment for socio economic transformation. Under the core pillars, the Government

seeks to increase investments in five sectors envisaged to have the biggest impact on the economy as well as on household welfare. These include: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry. To make these programmes feasible, the Government will implement strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; the Services Economy, Environment and Climate Change; Education and Training; Women Agenda; Youth Empowerment and Development Agenda; Social Protection; Sports, Culture and Arts; and Governance.

5. Great progress has also been realized in the core pillars of the Bottom-Up Economic Transformation Agenda. Key achievements include:

- i. To ensure food security in the country and reduce the cost of living, the Government has continued to roll out fertilizer and seeds subsidies to farmers across the country enabling them to increase the key food value chains and revamp underperforming/collapsed export crops. Since February 2024, the Government has distributed subsidized fertilizer to 6.45 million registered farmers in 45 counties, from the Fertilizer Subsidy Programme, as well as animal feed and certified seeds more easily and affordably, enabling them to increase their yields. Additionally, maize production doubled to 61 million bags of maize in 2023 compared to the 30 million bags that was harvested in 2022. The achievement was made possible through leveraging on technology, utilizing an integrated digital platform that registered over 6 million farmers;
- ii. To support livelihood and businesses, the Government disbursed Ksh 60.0 billion through the Financial Inclusion Fund, or the 'Hustler Fund' by end of November 2024 providing access to affordable credit to over 24.6 million customers with a repeat customers' base of 8.5 million beneficiaries and a repayment rate of 79 percent. Additionally, in keeping up with the BETA policy to inculcate a culture of saving for posterity, the Fund has successfully mobilized Ksh 3.3 billion in savings;
- iii. To promote achievement of the universal health coverage, the Government has replaced the National Health Insurance Fund with Taifa Care and established the Social Health Authority (SHA), which administer three essential funds primary healthcare funds including the Social Health Insurance Fund (SHIF in a way that ensures every Kenyan, especially the most vulnerable, can access quality healthcare services when they need them most). The newly established SHIF empowers citizens to contribute towards accessing a broad range of healthcare benefits;

- iv. To facilitate delivery of affordable houses and enable low-cost housing mortgages, the Government has facilitated construction of 124,000 housing units which are at different stages of completion across 75 sites in 37 counties. Already, 4,888 housing units are set for completion across 21 social housing projects and will soon be launched; and
  - v. To foster digital transformation, the Government has expanded last-mile fibre-optic connectivity using the extensive Kenya Power transmission lines network to the most remote and underserved areas of our country, and made significant strides to establish digital and ICT hubs. In 2023, the Government had laid 13,712 kilometers of fibre cable and increased the number of Public-Wi-Fi hot spots from 40 in 2022 to 1,222 in 2023, giving a total of 1,262 public Wi-Fi spots.
6. Over the medium term, the Government will consolidate the gains realized under the BETA for inclusive green growth with a special focus on the following six (6) objectives: bringing down the cost of living; eradicating hunger; creating jobs; expanding the tax base; improving foreign exchange balances; and inclusive growth. Emphasis will be placed on promoting investment in BETA core pillars and enablers and harnessing implementation of the targeted interventions through a value chain approach. The five core pillars are: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.
7. A value chain describes the production-to-market linkages generating added benefit for the customer. The value chain approach targets to enhance production, value addition and market access, and attract local and foreign investments. The priority BETA value chains are: (i) Leather and leather products; (ii) Textile and apparel; (iii) Dairy; (iv) Edible oils (sunflower, canola, palm oil, coconut, soya); (v) Tea; (vi) Rice; (vii) Blue economy; (viii) Minerals including forestry; and (ix) Construction/building materials. Other value chains include: (i) Maize; (ii) Potatoes; (iii) Pyrethrum; (iv) Beef; (v) Coffee; (vi) Apiculture (bees); and (vii) Indigenous poultry.
8. The Government will also build on the solid foundation already built over the last two years by entrenching structural reforms, enhancing governance, transparency and accountability, and promoting responsibility for the use of public resources. Key reforms will include: entrenching of the zero-based budgeting to re-orient the budgeting and expenditure framework of the Government; migrating from cash basis to accrual basis of accounting; implementing the Treasury Single Account to improve cash management; implementing a unified Personal Identification system for all personnel working across

all the arms of Government; and exploiting the power of Information and Communication Technology to radically diminish opportunities for corruption, conflict of interest, and abuse of office by digitizing procurement and making it open and transparent.

## 1.2 Core Thematic Areas

### **Kenya Kwanza Government's Bottom-Up Economic Transformation Agenda (BETA)**

9. The County Government will align with the Bottom –Up Economic Transformation Agenda (BETA) through implementation of policies, structural reforms and promotion of investment in five core thematic areas that are expected to have the highest impact at the bottom of the economy. These are: Agricultural Transformation for Inclusive Green Growth; Transforming the Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.
10. BETA is geared towards economic turnaround and inclusive growth, and aims to increase investments in at least five sectors envisaged to have the largest impact and linkages to the economy as well as on household welfare. The sectors include those mentioned previously. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base and increased foreign exchange earnings.
11. On Agricultural Transformation for Inclusive Green Growth the county intends to;
  - Establish value additional centers that will ensure innovative, commercially oriented, and modern agriculture and livestock sector
  - Adoption of modern technology into agricultural practices
  - Increase youth and women participation in integrated agricultural value chains by coming up with relevant loan products
  - Promotion of agri-business and cottage industries
  - Increase agricultural production and productivity through sustainable land management, employment of modern farming and fishing technologies
  - Offer input subsidies and fruit trees supplied for planting
  - Farmers capacity building on farming methods and post-harvest management
  - Promotion of high-value crops, water harvesting and drought resistant crops
  - Revamping of Blue Economy: fish cold storage facility and Mari culture
  - Undertake crop pest and disease surveillance
  - Promotion of adoption of modern livestock and fisheries and marketing of produce

- Promotion of value-chains for fruits (mangoes & avocados), coconut processing plant, nuts/ cashew nuts

12. In addressing the Micro, Small and Medium Enterprise (MSME) Economy the County will;

- Restructure the county fees and charges based on the economic strength of the businesses in Mombasa
- Encourage sub-contracting arrangements between SMEs and large enterprises with certification for local informal skilled laborers
- Allocate a considerable portion of the county government procurement contracts to the local industry
- Improve Ease of Doing Business
- Refurbish existing county markets and construct new modern markets with cold storage facilities.

13. Under Housing and Settlement, the County Government plans will undertake the following initiatives;

- Provision of security of tenure to squatters
- Redevelopment of county housing estates
- Informal settlements servicing
- Establishment of an “Ardhi” fund to settle squatters within the county
- The county planning authorities to inform and educate members of the public on values and principles of compact urban planning and development to preserve drainage facilities;
- Ensure that no registration and titling of urban land takes place outside the framework of approved urban development plans
- County zoning and county spatial planning
- Mainstream environmental concerns in urban and city planning and development

14. In revitalizing Healthcare, the county will ensure that it;

- Resource the devolved healthcare infrastructure at sub-county and ward levels so that there is adequate healthcare staff, medication and equipment to serve the needs of the people
- Ensure increased uptake of SHIF to reduce out of pocket spending
- Acquire a second cancer treatment centre
- Address mental health issues by equipping and expanding the existing facility

- Recruitment, continuous and progressive training for healthcare workers and promotions
- Ensure Universal Health Care for all citizens
- Ensure the Operationalization and working of the Mombasa County Community Health Service Bill,2023
- Provide disaster relief services

15. On Digital Superhighway and Creative Industry, the county will;

- Develop a comprehensive digitization of public services strategic plan focused on investing in systems and building internal capacity
- Establish free public ICT hubs at ward level to promote ICT innovation
- Seek out PPP frameworks to establish technology training centers
- Provide ICT infrastructure that meets the set acceptable universal standards
- Review of prohibitive by-laws that limit ICT innovation
- Promote small holder ICT startup culture
- Provide free Wi-Fi for residents at the ICT hubs
- Installation of learning institution with ICT infrastructure, internet and e-learning tools
- Establishment of ICT training centers
- Setting up of ICT Hubs in Ward Offices
- Set up of centres and programmes that enrich the Kenyan and Mombasa County cultural values, heritage, and national identity.

### **1.3 Enablers**

16. The Government's BETA which the County Government will align itself to will be underpinned by sound and innovative policy and structural reforms targeted at all socio-economic sectors, building efficient infrastructure, climate-change mitigation mechanisms, as well as fostering strict compliance with the Constitution and the rule of law.

17. Infrastructure: Infrastructure remains a key enabler to the implementation of BETA through provision of cost-effective public utilities and essential services geared at promotion socio-economic transformation across the country. For this reason, the Government will intensify investments in: construction of water pans, small, large and mega dams and associated irrigation infrastructure; expansion of roads and transport network, clean energy generation and distribution capacity; exploration and commercialization of oil and gas; to foster an enabling environment for inclusive green growth, enhance Kenya's competitiveness, and

facilitate cross-border trade and regional integration.

18. **Public and onsite Infrastructure development:** As the county diversifies its economic activities and positions its self to becoming a preferred destination for investors both local and foreign so as to improve the quality of life for its citizens, it will establish onsite infrastructure. This is will stimulate the ailing economy by 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.
19. **In infrastructure development,** the main interventions continue to be improvement of access roads, drainage, non-motorized transport, beautification and aesthetics of the County. To empower the SMES the county will continue to improve and set up trading infrastructure within the county.
20. **Increased accessibility to safe potable water and sustained food security:** the Government will expedite the enactment of the Water (Amendment) Bill, 2023 to promote private investment in the water sector through the Public-Private Partnerships (PPPs) model. The amendments seek to expand the role of National Government entities such as the Water Works Development Agencies (WWDAs) and National Water Storage Authority (the NWSA) to provide water services by allowing them to enter into bulk water purchase agreements.
21. **To enhance access to safe water for domestic, irrigation and industrial use,** the Government has made significant progress over the last two years. Notably, the Government has increased access to improved water services by connecting an additional 5,843,258 people; improved access to sanitation services by connecting an additional 280,000 households; increased water storage per capita from 107 cubic metres to 108 cubic metres by completion of various water dams as well as and equipped 25 public schools with boreholes, greenhouses and irrigation kits.
22. **Potable water consumed in the County is managed by the Mombasa Water and Sewerage Company (MOWASCO).** This entity obtains its main water supply from Mzima Springs in Taita Taveta County, Marere in Kwale County, Sabaki/Baricho in Kilifi County and also Tiwi Boreholes in Kwale County.
23. **The projected water demand for the County is 186,000 cubic meters per day while the current supply is at 42,000 cubic meters.** The available supply can only meet about 25% of the demand and thus there is need for concerted efforts to address the water deficit. The establishment of desalination plants that will address the shortfall has been prioritized within the county development plans. A large population relies on borehole water that contains a high percentage of fecal contamination and not safe for domestic use.

24. There are 452 shallow wells spread across the entire county, three permanent springs, four water pans found in the remote areas of the county and a number of boreholes operated by private investors, NGOs and local CBO's. These sources are complemented by the piped water system. The rehabilitation and laying of new piping system is currently ongoing in phases with the support of the Water and Sanitation Development Project (WSDP) by the World Bank, as it is a capital-intensive project.
25. To address the issue of land degradation, the Government is finalizing the development of the Land Reclamation Policy 2024 in order to enhance reclamation of degraded lands, marginal lands, wastelands, and wastewater; establish a new legal and institutional framework to support land reclamation; and secure land neutrality.
26. Roads: Roads are the most important infrastructure in the country. Overtime, the Government has pursued ambitious projects that have doubled the number of paved roads. The Government will also: upgrade and maintain rural access roads to open up the rural areas to enable farmers to get their produce to markets faster and cheaply; and improve road infrastructure in urban informal settlement and critical national and regional trunk roads that have the highest immediate economic impact. To streamline transport and reduce traffic congestion, the Government will commence the construction of Bus Rapid Transport (BRT) Line 5; and Establish the National Intelligent Traffic System (ITS) and Junction Improvement.
27. However, the need for roads remains immense as one third of classified roads need either reconstruction or rehabilitation. The County Government will continue to invest in road infrastructure by completing all roads under construction, prioritizing upgrading and maintaining rural access roads as well as improving road infrastructure in urban informal settlement and critical national and regional trunk roads that have the highest immediate economic impact.
28. Electricity: Electricity is a vital economic and social good critical for production of consumer goods and provision of essential services such as health and security. While generation capacity and total electricity connections have increased considerably in the recent years, electricity in the country remains expensive and unreliable. Access to clean, sustainable and affordable energy remains a key enabler for inclusive green growth and transformation as envisioned by the Bottom-Up Economic Transformation Agenda.
29. Further, the County Government will invest in initiatives to harness renewable energy sources and directing their utilization for households, manufacturing, production so as to boost our energy sources. Green and clean energy has taken a major route towards priority status for the County of Mombasa including installation of solar street lighting not only on the streets and public spaces but also on all buildings and institutional projects henceforth.

30. Petroleum and E-mobility: BETA aims to promote clean, affordable, and quality alternative renewable energy sources for inclusive green growth and transformation. Towards this end, specific interventions include: expansion of energy centres from 16 to 47; installation of 4,350 solar PV systems; installation of 50,823 stand-alone systems; development of 10 small hydro's; installation of 80 wind masts and data loggers; development of two (2) bio fuel plants for value addition; construction of 300 biogas plants in counties; development of 195 energy efficient charcoal kilns; and promotion of clean cooking solutions; promotion of energy efficiency and conservation including E-mobility, green building and reduction of GHGs; electrification of institutions and community boreholes; development of Kenya green hydrogen; and promotion of energy production from municipal waste.
31. Petroleum: Over the medium term, the Government will prioritize the advancement of the oil and gas sector to strengthen energy security and foster inclusive green growth. Key initiatives will include: acquisition of Geo-Scientific data in 3,600 square kilometres to establish oil and gas potential; completion of evaluation of gas potential in Petroleum Blocks 9, L4 and L8 in Marsabit, Garissa & Lamu, and Kilifi Counties respectively; provision of clean cooking gas to 600 public learning institutions.
32. E-mobility: In order to promote local manufacturing and assembly of electronic vehicles and motorcycles, the Government has developed draft National E-Mobility Policy. Once finalized, the Policy will guide the development of electric mobility in all transportation modes – road, rail, air and maritime, by providing a transition framework from the use of conventional internal combustion engine (ICE) vehicles. The Policy will also support establishment of E-mobility charging infrastructure, reduction in emissions, lower operating costs, decrease reliance on imported fuels, and create green jobs. Additionally, the Government has partnered with.
33. The County Government is making strides in the e-mobility sector by anchoring on the draft E-mobility which aims to transition from Internal Combustion Engine Vehicles (ICEVs) to Electric Vehicles (EVs) to reduce greenhouse gas emissions and is working with various stakeholders in the sector to open up avenues for provision of rentals, sales, and maintenance for e-bicycles, motor cycles and tuktuks hence contributing to sustainable urban mobility and creating eco-friendly job opportunities.
34. Manufacturing Sector: The manufacturing sector in Kenya plays an important role in accelerating inclusive green growth and development, creating jobs directly and indirectly through backward and forward linkages with other sectors; and enhancing competitiveness of the country in export markets. Key value chains prioritized include: agro-processing; leather and leather products; building and construction materials; textiles and apparel; dairy

products; edible and crop oils; tea and coffee, and sugar. The Government has implemented and or plans to implement the following initiatives under each value chain.

35. On light manufacturing and industries development there are plans on reviving local industries and development of new industries through harnessing new skills and technology for growth in the County.
36. On the County's Contribution to the Growth of National GDP through manufacturing: Mombasa County contributed 9.9 percent of total GVA (Gross Value Added) of the manufacturing sector, between 2018-2023. The County Government will continue to support job creation by encouraging manufacturing industries to set up shop within the county through the improvement of the existing infrastructure and setting up of special economic zones. The County will additionally work with industry players to support innovation across the entire value chain – whether in buying new solutions, building their own or partnering with others to innovate.
37. Building and Construction Materials: The Government has continued to support building and construction value chains to boost job creation and foreign exchange earnings. In part, the Government has continued to develop production capability of jua kali MSMEs and attract investments in provision of affordable construction materials, especially green construction materials and products for local and international markets in the construction industry.
38. The County Government has put up mechanisms to streamline and control the operation of the existing quarries as well the transportation of the various construction materials to deter over exploitation. Efforts should be put in place for exploration and processing of minerals such as cement, coral rock harvesting, quarrying, ballast and sand harvesting for both domestic and export markets.
39. The County Government will continue to complement the development of industrial infrastructure by setting aside a catalyst fund to support the promulgation of the mega Vision 2030 projects such as the Export Processing Zones (EPZs), Special Economic Zones (SEZs) and industrial parks within the county and more specifically the establishment of the Dongo Kundu SEZs and prioritizing the completion of the County Aggregated Industrial Park (CAIP) currently underway in Bonje, Jomvu Sub County.
40. Garments and Textiles: Cotton is recognized as a strategic crop under MTP IV of Kenya's Vision 2030 and a priority value chain within the Bottom-Up Economic Transformation Agenda. To revitalize the textiles and apparel sub-sector, the Government has continued to implement measures geared towards enhancing local production of cotton. There is also

promotion of the use of alternative fibre (natural and artificial); sensitization and mobilization of MSMEs within cotton catchment areas; supply of subsidized fertilizer to farmers; establishment of aggregation centres in CIDCs within the catchment areas; and prioritization of financial inclusion funds for textile and apparels value chain.

41. The County Government will continue advocating for agro processing for value addition with important areas of focus including coconut, mango, fish, cassava, cotton, cashew nuts, leather production and processing. The Export Processing Zones in the County can be strengthened through the relevant authorities to revamp the crucial textile and wearing apparel sectors.
42. According to the KIPPRA report on Enhancing Productivity and Competitiveness of the Kenyan Economy through a Cluster Development Strategy (2012), Mombasa was identified as a strategic cluster with advantages in Transport and Logistics, Marine Fisheries, Textile and Garments, Tea Value Addition and Auction and Beach Tourism. The County also has unique advantages in the Blue Economy.
43. Edible and Crop Oils: Edible oils is the second import bill in Kenya after petroleum yet most edible oil crops are traditional food value chain. The population especially in western and the coastal Kenya have an existing practice and resilience on farming edible oil crops such as groundnuts, sunflower, soya beans, sesame, among others. For this reason, the Government has continued to implement measures targeted at enhancing local production and processing of edible oils including: supporting farmers to access certified oil crops seeds (canola, sunflower and soya bean) and seedlings; supporting the production of oil palm seedlings; sensitizing farmers on opportunities available in the edible oil value chain; and prioritization of financial inclusion for edible value chains.
44. The focus on edible oils value chain is expected to increase production of raw materials in Kenya, promote value addition, and significantly reduce the import bill. Groundnuts like other edible oils is a rich value chain offering smallholder farmers a commercial opportunity to transform subsistence farming and raise the household income levels which is an avenue the county government can explore and collaborate with other stakeholders to realize.
45. Building on the progress made, the Government will continue to support value addition in the edible and crop oils value chain through: promotion of cottage industries; providing small industries with processing machineries at Kenya Industrial Estate (KIE), Constituency Industrial Development Centres CIDCs, Rural Technology Development Centre; providing cooperatives with edible oil processing infrastructure; incubate, train, and facilitate oil crops SMEs with equipment for value addition at the Ward level; and fabricate 50 machinery and equipment for edible oils. Interventions to enhance market access entail: linking farmers with

oil processors through contract farming; stabilization of edible oil prices; establishment of aggregation centres; sensitization of exporters on market requirements and opportunities; strengthening commercial representation; and attracting both local and foreign investments through packaging and promotion of bankable investment projects in the edible oils value chain to the private sector for investments or co-investments.

46. Tea and coffee Sub-sector: It accounts for 23 percent of the country's total exports and supports over five million livelihoods including 650,000 farmers. To revitalize tea and coffee the sub-sectors, the Government will build on the ongoing efforts including: reforming the legal and policy frameworks; promote value addition through provision of processing equipment; export market development and export promotion; and establishment of warehouse for value added tea and coffee in key development markets.

47. The County Government continues to support the sub sector as it hosts a major tea auction facility and will continue to support value addition in the tea and coffee sub-sectors through; promotion of tea and coffee cottage industries; diversification to specialty teas and coffees; establishment of tea and coffee value addition hubs, warehouses as well as common user facility within Dongo Kundu SEZ.

48. Blue Economy: The blue economy presents an immense opportunity for Kenya to drive inclusive green growth and transformation as envisioned by the Bottom-Up Economic Transformation Agenda. By leveraging its rich marine and freshwater resources, Kenya can empower coastal communities, improve livelihoods, and contribute to national economic growth. It is currently estimated that the blue economy contributes Ksh 20 billion to the economy annually and is expected to increase to over Ksh 80 billion in 5 years. The transformation will create thousands of jobs and stimulate regional economy through increased investment in various industries, enhanced export manufacturing and expanded overall economic activity.

49. On the blue economy, the County is committed to giving the blue economy sector a facelift through Mombasa's strategic location on the coastline which creates thousands of marine related opportunities and jobs hence support efforts to realize food and nutrition security in addition to enhancing environmental sustainability.

50. Exploiting the Blue Economy; the main economic activities driving the Gross County Product (GCP) in Mombasa County are Transport and Storage (22.0 per cent) and Manufacturing (18.0 per cent). The National Spatial Plan 2015-2045 identifies Mombasa as a key coastal urban Centre that serves as a Port City and Gateway to East Africa. The Sea Port of Mombasa provides direct connectivity to over 80 Ports worldwide and is linked to a vast hinterland comprising countries in East Africa. To fully exploit the blue economy the County

Government will initiate programmes aimed at;

- Improvement of landing sites; setting up of cold storage facilities; social amenities, bay areas
- Assisting BMUs in training, distribution of fishing gears & forming cooperatives;
- Establishment of Cold storage facilities
- Agricultural mechanization and climate smart techniques in farming
- Promotion of deep-sea fishing and Sports fishing
- Establishment of fish Markets within the landing sites
- Setting up of Fish processing plant
- Promotion of Sea weed farming
- Promotion of Marine Tourism
- Zoning, preservation and restoration of tourist sites

51. The Services Economy: The Kenyan financial services sector is exposed to dynamic global, regional, and local developments necessitating continuous reforms. To strengthen the resilience and safeguard the stability of the financial services sector, the Government will continue to stress preservation of capital and liquidity buffers; develop macro-prudential policy and crisis management framework; enhance surveillance while encouraging banks to strengthen their governance frameworks and business models; embark on mergers and acquisitions, and other capital strengthening efforts; and closely foreign exchange loans, deposits, and on-and off-balance sheet exposures in the banking system.

52. Additionally, on financial services the County Government will:

- Revamp the Mombasa Investment Corporation
- Develop a strategy for investments promotion to grow the county economy
- Strengthen revenue collection systems that will increase efficiency
- Develop innovative and effective sources of finance (including Public Private Partnerships) to fund urban development and the provision of services.

53. Tourism Sector: Tourism sector remains a critical enabler for the realization of the BETA objective of socio-economic transformation through unlocking employment opportunities and generating foreign exchange. For this reason, the Government will continue to implement ongoing initiatives targeted at promoting tourism including: maintaining and repositioning the “Magical Kenya” brand to include all niche products and experiences as an upmarket destination with emphasis on elements of authenticity, diversity, sustainability, and safety while also marketing Kenya through brand ambassadors, social media influencers and digital media.

54. The County Government of Mombasa has plan to promote tourism through:

- Conducting rehabilitation of all public beaches which will give the tourism sector a major boost and see Mombasa reclaiming its glory as a major tourism destination.
- Marketing Mombasa to attract more tourists and diversify investment in alternative tourist attraction activities including Meeting, Incentive Travel, Conferences and Exhibitions (MICE).
- Operationalization of the Mombasa County Tourism Council (MCTC).
- Establishment of an online tourism information portal and website.

55. The Services sector in Mombasa: The average growth rate in the services sector is 9.35 per cent, which is below the national average of 11.13 per cent. The transportation and storage sub-sector, dominates the services sector with the highest contribution to service GVA at 33.02 per cent. The wholesale and retail trade subsector is the second highest contributor to services GVA at 17.48 per cent. The real estate activities sector is third at an average of 16.37 per cent (KNBS 2023-Gross County Product).

56. Aviation Sector: The aviation sector is a major contributor to Kenya's economy as well as a key enabler of the Government's Bottom-Up Economic Transformation Agenda. As one of the most visited countries in Eastern Africa, aviation is essential for the tourism industry and to connect the country with the rest of the world, strengthening trading ties and generating new business opportunities. In order to entrench Kenya's position as a regional aviation hub, the Government has continued to expand and modernize airstrips to connect various parts of the country. As part of the process, the Government refurbished Terminals 1B and C at Jomo Kenyatta International Airport (JKIA), and rehabilitated 15 aerodromes.

57. The County intends to follow up on capitalization of the open to sky policy so as to increase air traffic within the county ultimately boosting the tourism sector as well as the other sectors.

58. Environment and Climate Change: Provision of a clean, secure and sustainable environment as well as climate change mitigation and adaptation are central for the realization of the aspirations of the BETA and the Kenya Vision 2030. For this reason, the Government has continued to mainstreaming issues of environment conservation, climate change mitigation and adaptation, halt and reversal of deforestation, biodiversity loss and land degradation, in all Government programmes and in both levels of Government.

59. As part of climate change mitigation and adaptation efforts, the Government has strengthened actions to prevent deforestation, halt and reverse biodiversity loss, combat desertification and restore degraded landscapes as part of a broader programme to fulfil the

commitments to reduce emissions by 32 percent by 2030 as contained in Kenya's Nationally Determined Contribution (NDC). To facilitate attainment of these goals, the Government has developed and is implementing policies and strategies to tap into the global carbon market opportunities, green and climate financing mechanisms such as Green Climate Fund, promote green bonds and debt for climate swaps among others. In part, the Government in collaboration with County Governments and Development Partners will continue to commit funds towards the National Tree Growing Programme through the Financing Locally-led climate Action (FLLoCA) Program.

60. On Climate change, the County is dedicated to creating a climate-resilient and sustainable future thus it endeavors to;

- Operationalize the Mombasa Climate Change Policy
- Implement fully the Mombasa Climate Change Action Plan 2020-2024
- Improving stormwater outlets
- Commercialize tree growing to attain 10 per cent tree cover.
- Strengthen sub-national governments to coordinate climate change adaptation and mitigation interventions.
- Mainstream a community led Climate adaptation System.
- Promotion of Renewable Energy; Solarization and rehabilitation of boreholes
- Enhance Energy Efficiency.
- Invest in Climate Resilience programmes.
- Protection and Restoration of the land and marine Ecosystems.
- Promotion of Sustainable Agriculture.
- Technological development & transfer.
- Development of county conservation policy.
- Establishment of Mombasa Sustainable Energy Policy and Bill.

#### **1.4 County Priority areas**

61. With the key goals of managing fiscal risks, gradually decreasing the fiscal deficit, and rolling out austerity measures that will discourage the expansion of recurring expenditure in preference for productive capital spending, the fiscal framework for the fiscal year 2025/2026 calls for a concerted effort to maintain prudence in public expenditure management.

62. To achieve this, the Government endeavors to prioritize expenditure in the following sectors

as we continue to take decisive steps to harness the implementation of various policies and programmes within the key priorities in the CFSP 2025 as was captured in the Annual Development Plan 2025 (ADP) Ward Based Public Participation Fora:-

- ❖ Transport and Infrastructure development
- ❖ Provision of quality and affordable health services
- ❖ Youth and Women Empowerment
- ❖ Enhancement of Education and Training
- ❖ Upgrading of Water and Sanitation Systems
- ❖ Streamlined Waste Management Services

### 63. **Transport and Infrastructure Development**

As the county diversifies its economic activities and positions itself to becoming a preferred destination for both local and foreign investors so as to improve the quality of life for its citizens, it will endeavor to invest on infrastructure development. For the ease of life of its citizenry it also focuses on transport and its entities, which is a core mandate of the department of Transport and Infrastructure.

This sector in its multifaceted nature will not only stimulate the ailing economy by 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 but also create ease of movement for both motorized and non-motorized transport, creating a sense of security for the citizens of Mombasa County and their overall improved livelihood.

The ADP 2025/26 public participation fora indicated that 19.3% of the ward-based participants prioritized the following to be implemented in the County under this sector;

- Installation and maintenance of streetlights;
- Construction of inter-access roads, cabro roads and main roads;
- Construction of boda-boda and pedestrian shades;
- Installation of anti-flooding infrastructure;
- Erection of bumps;
- Construction of Bridges and Fire emergency stations;
- Training on disaster management and emergency response;
- Improvement of drainage and non-motorized transport infrastructure;
- Call for empowerment of the SMES in order for the county to set up and improve trading infrastructure within the county;
- Beautification and aesthesis of the County.

#### 64. Provision of quality and affordable health services

Mombasa is a vibrant coastal city, hub of culture, commerce, and diversity. It is home to people from all walks of life, with varying health needs and economic backgrounds. Quality healthcare is not a luxury, but a basic human right that everyone should have access to regardless of their financial standing. Affordable healthcare is a cornerstone of economic stability and poses as the key to reducing health disparities. By making healthcare services affordable, we encourage preventive care, that is, early diagnosis and treatment, which can prevent more severe conditions down the road as it reduces the burden on our healthcare system and ensures that people are getting the care they need before problems become life-threatening. In conclusion, the provision of quality and affordable health services in Mombasa is not just an investment in individual health, but in the future of our entire community. It is a path toward economic growth, social equity, and a healthier, more vibrant city. When we invest in the health of our people, we are ultimately investing in the health of Mombasa itself- ensuring that it remains a place where everyone, regardless of their circumstances, can live, thrive, and contribute to the collective well-being.

The public participation fora for the ADP 2025 shows that this is a priority sector whereby 15.6% of the priorities were identified. The County through the Department of Health continues to strategize and improve the support it offers to the community units which are manned by community health workers so as to address sanitation, hygiene and health issues as well as stepping up the water and sanitation programmes compliance in the county. The following are the identified priority interventions;

- Improve access to drugs;
- Construction/refurbishment of health facilities;
- Consistent supply and availability of vaccines;
- Undertaking frequent, regular and diversified county wide medical camps;
- Establishment of mental health facilities to offload Portreitz Hospital;
- Procurement of ambulances;
- Undertake regular and proper staff training to enhance customer service and humanize health services;
- Increase the Community Health Promoters (CHPs) Stipend;
- Ensure increased uptake of Social Health Insurance Fund (SHIF)/ Taifa Care to reduce out of pocket spending on health;
- Continuous resourcing of the devolved healthcare infrastructure at sub-county level so that there is adequate healthcare staff, medication and equipment to serve the needs of the people;
- Continuous recruitment, promotions and progressive capacity building and training for healthcare workers.

## 65. Youth and Women Empowerment

According to the Kenya National Bureau of Statistics 2019 statistics, the rate of youth unemployment remains high at 49% indicating that 5 out of 10 of our young people are jobless. The unemployment rate for women aged 15–25 is almost 50%, which is 20% higher than the rate for men in the same age group. The benefits of youth and women empowerment extend far beyond individual well-being since when both groups are given equal opportunities to succeed, societies become more balanced, resilient, and prosperous. Empowerment fosters self-confidence, reduces inequality and leads to healthier, more harmonious communities as it also promotes peace and stability by ensuring that all voices are heard and valued leading to more inclusive and democratic governance. It also ensures that no one is left behind and that everyone regardless of age or gender has the chance to contribute meaningfully to their community. Empowering youth and women is, therefore, not just a social goal, but an economic and political imperative that benefits everyone.

The County Government guided by the fact that 13.6% of the stakeholders ADP 2025/26 concerns prioritized the sector, we shall seek to put up systems for vibrant economic growth and development in the County by placing special focus on creating opportunities for the formal and informal self - employed residents through: -

- Creating partnerships with the National Government as well as international partners in providing apprenticeships and job opportunities locally and abroad;
- Exploiting and tapping into the Youth talents by ensuring we have adequate sporting facilities within the County for them nurture their talents;
- Create a County Revolving Youth and Women Fund within the budget to empower Women, Youth and Persons living with disabilities;
- Completion of the County stadium and establishment of stadia at the devolved levels;
- Establishing, revamping and equipping of the Social Halls;
- Improved social services;
- Establishment of rescue centres to address Gender Based Violence instances, child protection/ safe houses and also act as Youth friendly wellness centres;
- Creating a job placement database to provide companies with local talent working with the Ease of Business Directorate;
- Training of the youth and rehabilitation of youth resource centers; equipping them with skills to match the industry/ practice;
- Cushioning the vulnerable and the elderly people in Mombasa;
- Implementation of the 30% government procurement rule, to give youth opportunity to do business with government.

## 66. Enhancement of Education and Training

In Mombasa, education serves as a powerful tool for breaking the cycle of poverty and opening doors to new opportunities. By providing young people with quality education, we

equip them with the knowledge, skills, and confidence they need to pursue their dreams and contribute meaningfully to the economy. As a coastal city with a rich history and a growing population, Mombasa is uniquely positioned to benefit from an educated workforce, which can drive local businesses, attract investment, and stimulate economic growth.

Guided by the 12.1% public input from the ADP 2025/26 priorities, the county deems it fit to follow up on: -

- ECDEs construction, completion and refurbishment;
- Equipping Technical and Vocational Education and Training centres;
- Enhancing capitation for TVETs;
- Initiate partnerships to enhance extra-curricular activities;
- Sustain the School Feeding Program at ECDE Centers;
- Support the Special needs education;
- Revamp the Scholarships/bursaries;
- Provision of teaching/learning materials;
- Enhance the schools' mentorship programmes;
- Provide free learning at ECDE centres;
- Provide school transport facilities for children living with disabilities;
- Promote decent jobs through training on entrepreneurship;
- Recruit and train adequate early childhood education and vocational polytechnic personnel;
- Widen the Reach of the Second Chance Program- designed to support vulnerable girls and women who have dropped out of formal education as a result of early pregnancy and other factors to resume their studies;
- Promote public participation to build awareness on the importance of early childhood education as foundational in the trajectory of young people's lives.

#### **67. Upgrading of Water and Sanitation Systems**

As one of Kenya's major coastal cities, Mombasa faces unique challenges due to its rapid population growth, urbanization, and its location near the sea. Proper water supply and sanitation infrastructure are essential to addressing these challenges and improving the quality of life for everyone in the city. Upgrading water and sanitation systems in Mombasa is not just a matter of infrastructure; it is a matter of public health, environmental sustainability, economic stability and social equity. By investing in better water management and sanitation facilities, Mombasa can secure a healthier, more prosperous future for its residents and ensure that the city is well-equipped to meet the demands of growth and urbanization. Clean, accessible water and efficient sanitation systems are fundamental to creating a sustainable and vibrant Mombasa for generations to come. Water and sanitation systems are paramount as was depicted by 10.7% of the citizen's opinions as synthesized in the ADP 25/26 public participation report covering the 30 wards in the County whereby the

following ranked priorities were identified;

- Boreholes excavation;
- Increased and regular access to fresh water;
- Construction, renovation and maintenance of public Toilets;
- Implementation of the EcoLoo program of bio digester public toilets to ensure adequate community based sanitary facilities in informal settlement;
- Establishment and proper upkeep of sewer lines;
- Purchase and installation of water purifiers;
- Formalize landholding in urban and city informal settlements to manage approved development and avoid drainage damage;
- Maintain existing neighborhood sewerage and drainage infrastructure while developing new one infrastructure in support of high growth sectors in urban centers.

#### 68. **Streamlined Solid Waste Management services**

Mombasa faces significant challenges in managing the increasing volumes of waste generated by its residents, businesses and industries. However, effective waste management is not just a matter of tidying up the streets; it plays a critical role in public health, environmental protection, economic development and social well-being. By implementing more efficient, sustainable, and inclusive waste management practices, Mombasa can become a cleaner, greener, and more prosperous city for all who live, work, and visit here. The benefits of good waste management will ripple across every aspect of life in the city, contributing to its future success and sustainability.

Under Environment and Solid Waste management, **6.2%** of the opinions from the ward representatives prioritized the need to: -

- Purchase and maintenance of waste collection trucks;
- Establishment of waste collection points;
- Maintenance of the public gravesites;
- Promoting civic education on sustainable consumption and waste management;
- Establish innovative practices in waste reduction, reuse, recycling, treatment and disposal to reduce disposable materials;
- Identify and set aside appropriate land for disposal of solid waste;
- Establish and operationalize material recovery facilities (MRF);
- Promote urban regeneration programs to increase gentrification of informal settlements to improve sewer services.

69. The captioned ADP 2025/2026 public participation report also highlighted the following in order of priorities for action: -

a) **Devolved Services (Serikali Mitaani) (6.1%)** whereby there was a call for: -

- Establishment of Ward Administrators' Offices;
- Attendance of top leadership and management in the Public Participation fora;

- Dire Need for continuous civic education;
- Fair and transparent Mombasa Yangu recruitment;
- Designing initiatives geared towards curbing drug and substance abuse;
- Putting up barriers to control harmful products/illegal substances entry.

b) **Land and Housing Management (5.0%)** called for attention on: -

- Management of land disputes;
- Operationalizing of the “Ardhi Fund” regulations to settle squatters within the County;
- Digitization of all land records;
- The implementation of the mega program on Social Housing Units through PPP for construction of social housing units within the County owned dilapidated Estates;
- The County to continue working closely with the National Government in Planning and issuance of titles including sectional properties in the medium term and also repossession of all grabbed public land;
- The County’s participation in the surveying, planning and land mapping to ensure investors and the residents are able to benefit from land as a factor of production.

c) **Wealth Creation, Employment Opportunities and Investment Promotion (5.0%)**. The following concerns were pointed out: -

- Ensuring equal employment opportunities;
- Increased access to foreign jobs placement;
- Construction and refurbishment of markets;
- Employment of People Living with Disabilities;
- Establish the Mombasa International Financial Center;
- Revamp and operationalize the Mombasa Investment Corporation;
- Operationalization of the Mombasa County Multi -Year Projects Financing Act;
- Develop a strategy for investments promotion to grow the county economy;
- Revamp revenue collection systems that will increase efficiency;
- Develop innovative and effective sources of finance (including Public Private Partnerships) to fund urban development and the provision of services;
- Establish business incubation centers;
- Facilitation of shadowing and apprenticeship opportunities both in public and private sectors;
- Setting up innovation funds, challenge funds for young people to test new ideas among the youths;
- Develop, facilitate, and implement business incubation and accelerator programmes / information centers for start-ups, early and growth stage businesses;
- Host annual business competition and exhibition forums to foster business innovation and linkage to investment opportunities;
- Support the manufacturing sector through provision of a conducive working environment.

- d) **Blue Economy, Agriculture and Livestock (5.0%)**, the main concerns include: -
- Need for training on blue economy ventures;
  - Procurement of equipment for fishing, agriculture and livestock activities;
  - Farming funding to support small-scale farming initiatives;
  - Need for veterinary officers and extension services across the county.
- e) **Digital Transformation (1.2%)**, the issues raised includes the following priorities: -
- Establishment and equipping of ICT Hubs across the county to promote technology-positive culture;
  - Installation and maintenance of CCTVs in public spaces to curb instances of insecurity;
  - Digitizing government services.
- f) **Equitable Ward Development (0.2%)**, ensuring equitable allocation of resources to facilitate projects within the County at ward level.

70. The actualization of the key priority areas will complement the BETA Agenda and the Governor's Manifesto which is expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which every Citizen is guaranteed of affordable and decent quality of life.

### **1.5 Linkages of the CFSP to other Policy Documents**

71. The Annual Development Plan (ADP) 2025/26, County Budget Review and Outlook Paper (CBROP) 2023/24, County Fiscal Strategy Paper (CFSP) 2025, and the budget estimates for 2025/26 are all interconnected components of the county's budgetary and planning process.

72. The CFSP is a critical document that outlines the county's fiscal policy and strategic priorities for the medium term. It is based on the information provided in the CBROP and aligns with the development priorities set out in the ADP

## CHAPTER TWO

### 2.0: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

#### 2.1 Overview

73. Kenya's economic outlook for 2025 is positive, with a projected real GDP growth of 5.1%. This is expected to be driven by a rebound in private sector activity, lower inflation, and easier access to credit as reinforced by the Government's Bottom- Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth.
74. A shock of a one percent increase in the projected inflation rate for FY 2025/26, from 5.0 percent to 6.0 percent, would result in an increase in revenues and expenditures by Ksh 13.0 billion and Ksh 7.0 billion, respectively in FY 2025/26.
75. The foreign exchange market remained stable in 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 and has now stabilized against major international currencies.
76. The fiscal policy stance in the FY 2025/26 and over the medium term aims at supporting the priority programmes of the Government under the Bottom - Up Economic Transformation Agenda (BETA) and the MT IV through a growth friendly fiscal consolidation plan. The plan targets to slow down the annual growth in public debt and implement an effective liability management strategy, without compromising service delivery to citizens. This is expected to boost the country's debt sustainability position. Fiscal consolidation will be supported by continued efforts to enhance domestic revenue mobilization, reprioritize and rationalize expenditure while safeguarding priority Government programmes and social spending.

#### 2.2 Recent Economic Development and Outlook

##### Global and Regional Economic Developments

77. The Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 2025 from 3.3 percent in 2023 supported by easing of global inflation and supply chain constraints. The outlook reflects stronger-than-expected growth in the USA, some large emerging market economies such as India, and improved growth prospects in the UK. The main risks to the global growth outlook relate to disruptions to the disinflation process, potentially triggered by new spikes in commodity prices amid persistent geopolitical tensions, a possible resurgence of financial market volatility with adverse effects on sovereign

debt markets, a deeper growth slowdown in China and an intensification of protectionist policies which would exacerbate trade tensions, reduce market efficiency, and further disrupt supply chains.

78. Growth in the advanced economies is projected to remain stable at 1.8 percent in 2024 and 2025 from 1.7 percent in 2023. In the United States, growth is projected at 2.8 percent in 2024 on account of stronger outturns in consumption and non-residential investment and demand factors in the labour market. Growth is anticipated to slow to 2.2 percent in 2025 as fiscal policy is gradually tightened and a cooling labor market slows consumption. Growth in the euro area is expected to recover as a result of better export performance, in particular of goods, stronger domestic demand, rising real wages which are expected to boost consumption, and a gradual loosening of monetary policy which is expected to support investment. However, growth in Japan is expected to slow down reflecting temporary supply disruptions and fading of one-off factors that boosted activity in 2023, such as the surge in tourism.

79. Growth in emerging markets and developing economies is projected to remain stable at 4.2 percent in 2024 and 2025, with divergence across major economies. At the regional level, growth in Sub-Saharan Africa is expected to rebound to 4.2 percent in 2025 from 3.6 percent in 2024 and 2023. This growth is driven by improved economic activities as the adverse impacts of prior weather shocks subside and supply constraints gradually ease.

**Table 1: Global Economic Growth, Percent**

Economy	Growth (%)			
	Actual	Estimate	Projections	
	2022	2023	2024	2025
World	3.5	3.3	3.2	3.2
Advanced Economies	2.6	1.7	1.8	1.8
<i>Of which: USA</i>	1.9	2.9	2.8	2.2
<i>Euro Area</i>	3.4	0.4	0.8	1.2
<i>Japan</i>	1.0	1.7	0.3	1.1
Emerging and Developing Economies	4.1	4.4	4.2	4.2
<i>Of which: China</i>	3.0	5.2	4.8	4.5
<i>India</i>	7.0	8.2	7.0	6.5
Sub-Saharan Africa	4.0	3.6	3.6	4.2
<i>Of which: South Africa</i>	1.9	0.7	1.1	1.5
Nigeria	3.3	2.9	2.9	3.2
Kenya*	4.9	5.6	5.2	5.4

Source: IMF World Economic Outlook, October 2024. \*National Treasury Projection

## Domestic Economic Developments

80. The Kenyan economy remained strong and resilient in the first three quarters of 2024 despite its growth being relatively slower than the corresponding period in 2023. In the first three quarters of 2024, the economic growth averaged 4.5 percent (5.0 percent Q1, 4.6 percent Q2 and 4.0 percent in Q3) compared to an average growth of 5.6 percent (5.5 percent Q1, 5.6 percent Q2 and 6.0 percent in Q3) in 2023. The growth in the first three quarters of 2024 was primarily underpinned by strong performance in the agriculture sector, a slight recovery of the manufacturing sector, and the resilience of services sector. All the economic sub-sectors except mining and construction recorded positive growth rates in the first the quarters of 2024, though the magnitudes varied across the economic activities. The diversified structure of the Kenyan economy remains a key source of resilience to domestic and external shocks.

**Table 2: Sectoral GDP Performance**

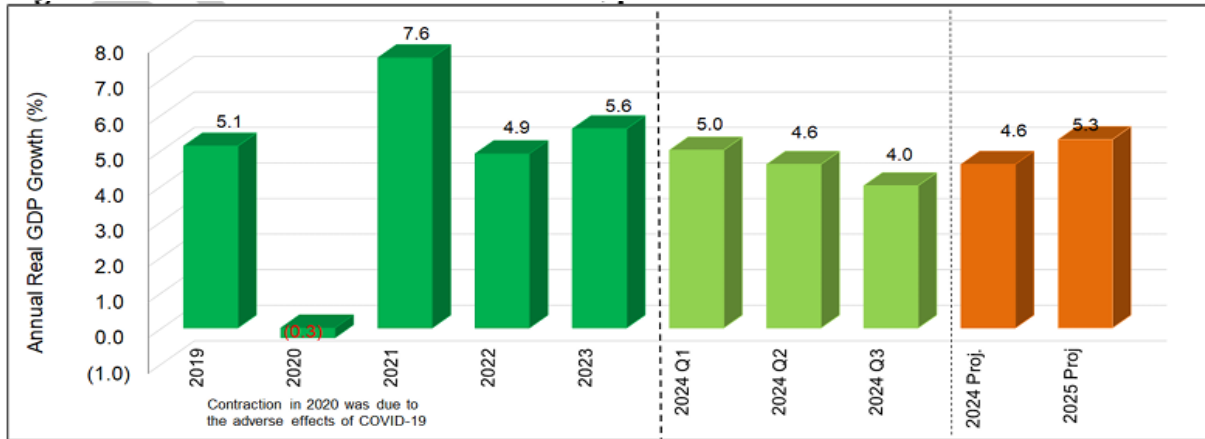
Sectors	Annual Growth Rates		Quarterly Growth Rates					
	2022	2023	2023 Q1	2023 Q2	2023 Q4	2024 Q1	2024 Q2	2024 Q3
<b>1. Primary Industry</b>	<b>(0.8)</b>	<b>5.6</b>	<b>5.3</b>	<b>6.9</b>	<b>5.3</b>	<b>5.0</b>	<b>4.4</b>	<b>3.2</b>
1.1. Agriculture, Forestry and Fishing	(1.5)	6.5	6.4	7.8	6.2	6.1	4.8	4.2
1.2. Mining and Quarrying	9.3	(6.5)	(11.0)	(8.3)	(6.9)	(14.8)	(2.7)	(11.1)
<b>2. Secondary Sector (Industry)</b>	<b>3.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.1</b>	<b>2.0</b>	<b>1.0</b>	<b>0.8</b>	<b>0.6</b>
2.1. Manufacturing	2.6	2.0	1.7	1.5	2.0	1.2	3.3	2.3
2.2. Electricity and Water supply	5.5	2.8	3.7	2.8	1.3	2.4	1.0	0.9
2.3. Construction	4.1	3.0	3.0	2.7	2.2	0.1	(2.9)	(2.0)
<b>3. Tertiary sector (Services)</b>	<b>6.6</b>	<b>6.8</b>	<b>6.5</b>	<b>6.7</b>	<b>6.3</b>	<b>6.2</b>	<b>5.3</b>	<b>5.3</b>
3.1. Wholesale and Retail trade	3.5	2.7	2.9	2.1	2.8	4.9	4.4	4.8
3.2. Accommodation and Restaurant	26.8	33.6	47.1	42.7	18.1	28.0	26.6	13.7
3.3. Transport and Storage	5.8	6.2	6.6	4.6	8.5	3.9	3.6	5.2
3.4. Information and Communication	9.0	9.3	9.5	7.6	11.0	7.8	7.2	6.1
3.5. Financial and Insurance	12.0	10.1	5.9	13.2	6.3	7.0	5.1	4.7
3.6. Public Administration	5.1	4.6	7.6	3.2	3.4	5.8	5.1	5.4
3.7. Others	5.3	6.1	5.7	5.9	6.1	5.9	5.1	5.1
of which: Professional, Admin & Support Services	9.4	9.4	8.6	6.6	12.8	9.9	6.8	7.8
Real Estate	4.5	7.3	7.3	8.1	6.2	6.6	6.0	5.5
Education	5.2	3.1	2.0	3.1	3.9	4.0	3.1	3.8
Health	3.4	4.9	5.1	4.7	4.8	5.5	5.5	4.4
Taxes less subsidies	6.7	2.2	3.0	1.8	2.0	4.5	5.8	3.4
<b>Real GDP</b>	<b>4.9</b>	<b>5.6</b>	<b>5.5</b>	<b>5.6</b>	<b>5.1</b>	<b>5.0</b>	<b>4.6</b>	<b>4.0</b>

Source of Data: Kenya National Bureau of Statistics

81. The primary sector grew by an average of 4.2 percent in the first three quarters of 2024 (5.0 percent in the first quarter, 4.4 percent in the second quarter and 3.2 percent in the third quarter) mainly supported by strong agricultural activities despite a contraction in mining and quarrying. In the first three quarters of 2024, the agriculture sector remained robust growing by 6.1 percent in the first quarter, 4.8 percent in the second quarter and 4.2 percent in the third quarter. This growth was supported by favorable weather conditions and the impact of Government interventions to lower the cost of production. However, the sectors' performance was somewhat curtailed by heavy rains and floods, between March and June 2024, that led to loss of livestock and damage to croplands.

82. Activities in Mining and Quarrying contracted in the first three quarters of 2024 mainly due to a decline in production of most minerals such as titanium, soda ash and gemstone. This was as a result of the closure of Kwale miner Base Titanium which formally shut down its mining activity in Kenya in December 2024 due to depletion of commercially viable ore.
83. Industrial sector performance remained subdued, with growth of the sector slowing down to an average of 0.8 percent in the first three quarters of 2024 (1.0 percent Q1, 0.8 percent Q2 and 0.6 percent Q3). This was mainly on account of a slowdown in activities from electricity & water supply and contraction of the construction sub-sectors. The slowed growth in electricity & water supply was due to a decline in generation of electricity from geothermal, wind and solar while the contraction in construction sector is due to a slowdown in public sector infrastructure projects. Activities in the manufacturing sector, which accounts for nearly half of the industrial sector output, was supported by significant growths in the manufacture of food while the non-food manufacturing activities recorded varied performance.
84. The activities in the services sector continued to sustain strong growth momentum in the first three quarters of 2024 averaging 5.6 percent (6.2 percent Q1, 5.3 percent Q2 and 5.3 percent Q3). The performance was largely characterized by significant growths in accommodation and food service, financial and insurance, information and communication, real estate, and wholesale and retail trade sub-sectors. Accommodation and restaurant service sub-sector benefited from several high-profile international conferences held in Nairobi between April and June 2024 that attracted significant international participation. Growth in the information and communication sub-sector was supported by increased voice traffic, internet use and mobile money despite a decline in the use of domestic Short Messaging Services (SMSs).
85. Taking into account the performance of the economy in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy growth is estimated to expand overall by 4.6 percent in 2024 and 5.3 percent in 2025. These projections are mainly supported by: a robust services sector and recovery of manufacturing sector; robust agricultural productivity and improvement in exports. The outlook will be reinforced by implementation of policies and reforms under the priority sectors of the Bottom-Up Economic Transformation Agenda (BETA) and improvement in aggregate demand. Additionally, implementation of prudent fiscal and monetary policies will continue to support economic activity.

**Figure 1: Annual Real GDP Growth Rates**



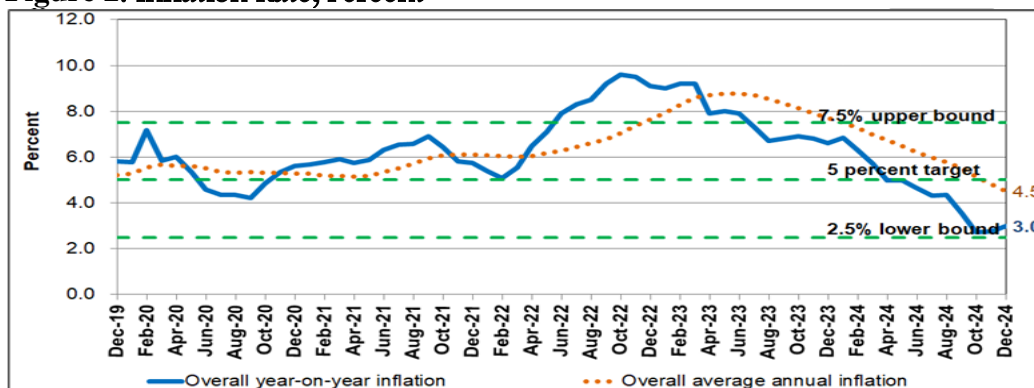
Source: Kenya National Bureau of Statistics

### Inflation Rate

86. Overall inflation declined and has remained below the mid-point of the target band of 5.0 percent since June 2024, mainly reflecting significant declines in energy prices and continued easing of food prices. Inflation declined to 3.0 percent in December 2024 from 6.6 percent in December 2023 and a peak of 9.6 percent in October 2022. Easing inflation has been supported by abundant supply of food arising from favorable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices, and the decline in non-food non-fuel (NFNF) inflation reflecting impact of previous monetary policy tightening.

87. Given that inflation is below the mid-point of the target range and the exchange rate has stabilized, the Central Bank of Kenya through the Monetary Policy Committee (MPC) has gradually eased monetary policy by lowering the Central Bank Rate (CBR), initially to 12.75 percent from 13 percent in August 2024 to 12.0 percent in October 2024 and further to 11.25 percent in December 2024. The easing of the monetary policy stance is aimed at improving credit to the private sector thereby supporting economic activities.

**Figure 2: Inflation Rate, Percent**

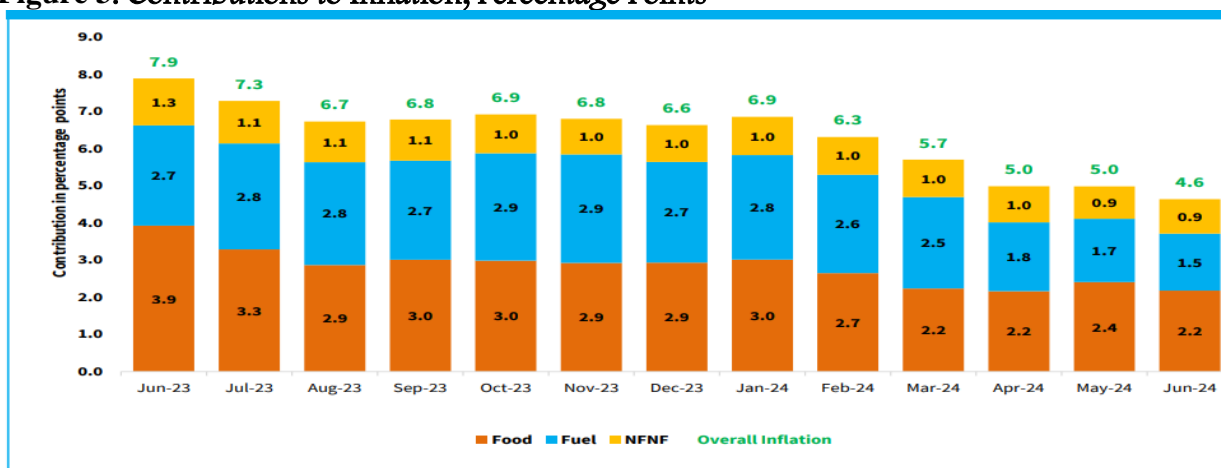


Source: Kenya National Bureau of Statistics, 2025

88. Food inflation remained a key driver of overall year-on-year inflation though it declined to 4.8 percent in December 2024 from 7.7 percent in December 2023. The easing of food prices was supported by increased food supply arising from favorable weather conditions, continued Government interventions particularly through subsidized fertilizer, and the general easing of international food prices. Prices of most vegetable food items increased in the month of December 2024 compared to the same period in 2023 while those of non-vegetable food items declined significantly during the same period.

89. Fuel inflation declined to -1.0 percent in December 2024 from 13.7 percent in December 2023. The decline largely reflected the easing global oil prices and appreciation of the Kenya Shilling’s which resulted in a downward adjustment of pump prices; and lower electricity prices. Core (non-food non-fuel) inflation has remained low and stable reflecting the impact of tight monetary policy and muted demand pressures.

**Figure 3: Contributions to Inflation, Percentage Points**



Source: Kenya National Bureau of Statistics and Central Bank of Kenya, 2024

90. While inflation has been rising and remains high in most economies, Kenya’s inflation rate was much lower than that of some countries in the Sub-Saharan African region that have double digits’ inflation.

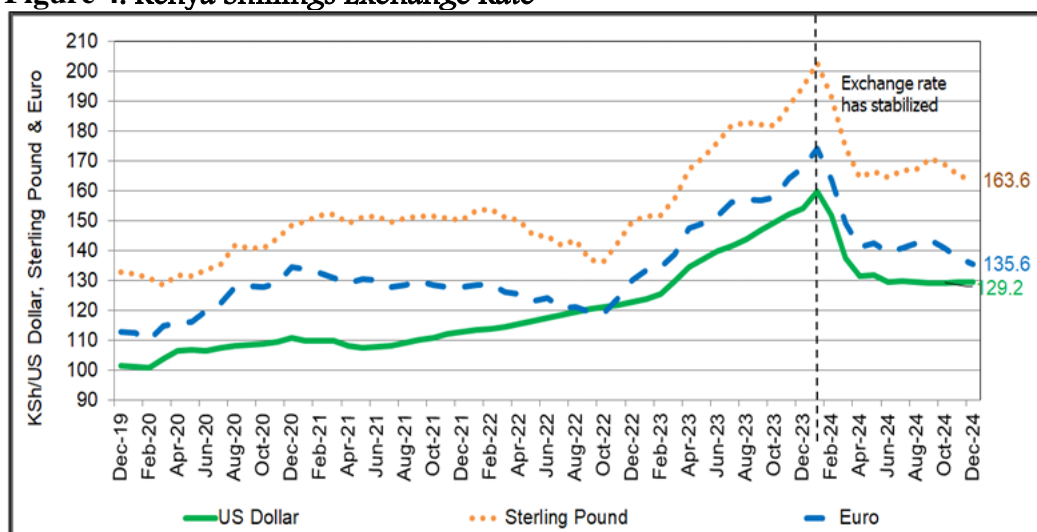
### Kenya Shilling Exchange Rate

91. The foreign exchange market remained stable in 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 and has now stabilized against major international currencies. In December 2024, the exchange rate against the US dollar averaged at Ksh 129.4 compared to an average of Ksh 159.7 in January 2024, an appreciation of 19.0 percent. Against the Euro, the Kenya shilling strengthened by 22.2 percent to exchange at

an average of Ksh 135.6 in December 2024 compared to an average of Ksh 174.3 in January 2024 while against the Sterling Pound the Kenyan Shilling strengthened by 19.3 percent to exchange at an average of Ksh 163.6 compared to an average Ksh 202.9, over the same period.

92. The foreign exchange market was mainly supported by inflows from agricultural exports, remittances and portfolio investors while demand was driven by pickup in economic activities specifically in the manufacturing, wholesale, and retail sub-sectors. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates.

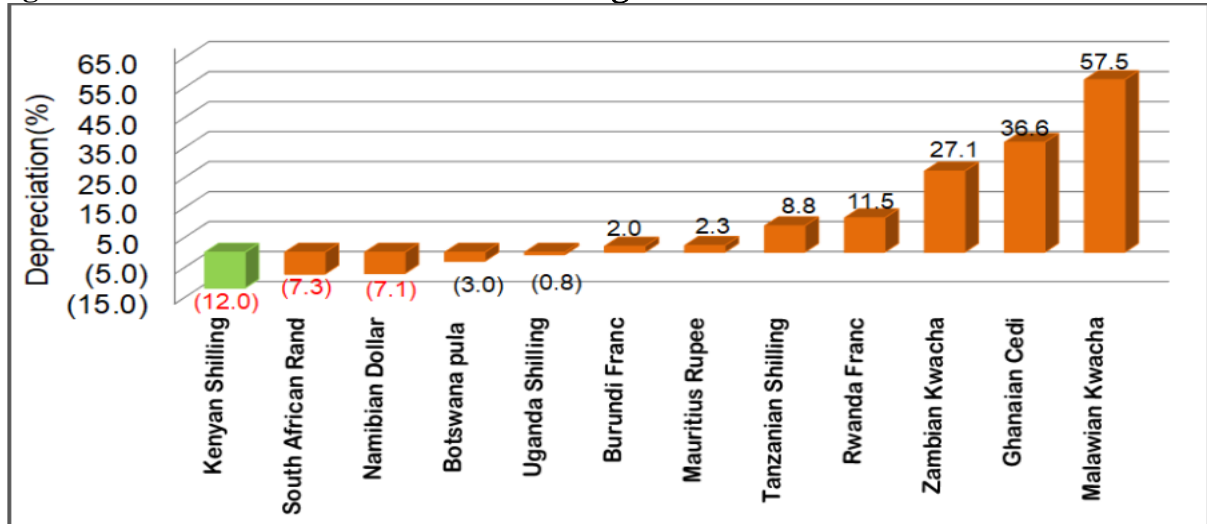
**Figure 4: Kenya Shillings Exchange Rate**



Source of Data: Central Bank of Kenya, 2025

93. In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low amid high demand for the US dollar in the international markets. The Kenya Shilling strengthened against the US Dollar at a rate of 12.0 percent in the 12 months to September 2024 compared to depreciations of 21.9 percent in the 12 months to September 2023 (Chart 7b). The stability of the Kenyan Shilling was supported by resilient remittances, adequate foreign exchange reserves and strong exports receipts. Majority of other Sub-Saharan Africa Currencies depreciated during the same period, particularly: Rwanda Franc, Ghanaian Cedi, Zambian Kwacha and Malawian Kwacha had double-digit depreciation rates.

**Figure 5: Performance of Selected Currencies against the US Dollar**



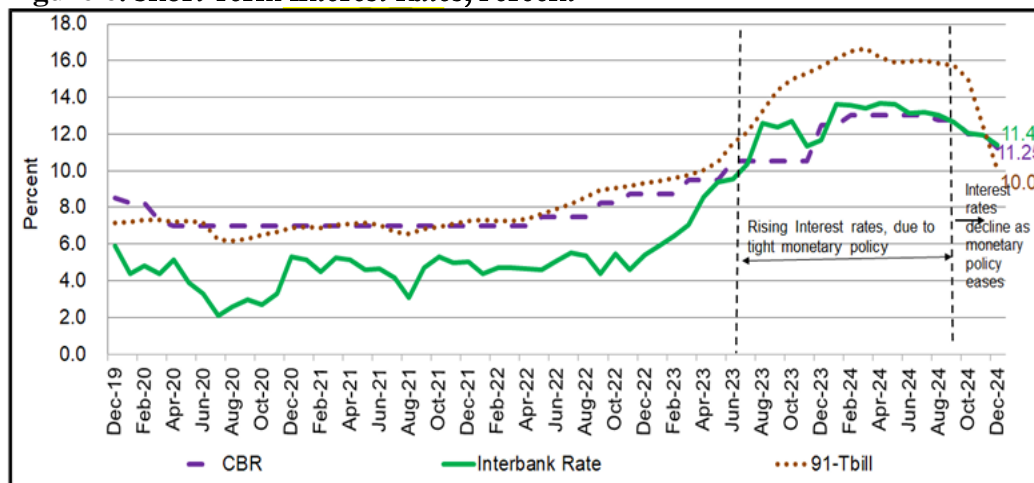
Source: National Central Banks, 2024

### Interest Rates

94. Interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 11.4 percent in December 2024 compared to 11.7 percent in December 2023 and has remained within the prescribed corridor around the CBR (set at CBR ± 150 basis points). The 91-day Treasury Bills rate also declined to 10.0 percent in December 2024 from 15.7 percent in December 2023.

95. Commercial banks average lending and deposit rates increased in the year to November 2024 in tandem with prevailing tight monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 17.2 percent in November 2024 from 14.6 percent in November 2023 while the average deposit rate increased to 10.4 percent from 10.1 percent over the same period. Consequently, the average interest rate spread increased to 6.8 percent in November 2024 from 4.5 percent in November 2023.

**Figure 6: Short Term Interest Rates, Percent**



Source: Central Bank of Kenya, 2025

### 2.3 Fiscal Performance 2024/2025

96. Budget implementation for the FY 2024/25 was initially impeded by the withdrawal of the Finance Bill, 2024 and protests that led to a slowdown of economic activities. Additionally, the FY2023/24 closed with unpaid exchequer requests (carryovers) of Ksh 218.5 billion and the implementation of the Collective Bargaining Agreements has continued to put pressure on the expenditures. To ensure seamless implementation of the FY 2024/25 budget and safeguard the fiscal consolidation plan, the National Treasury rationalized expenditures through the Supplementary Estimates I.
97. By end of November 2024, revenue collection amounted to Ksh 1,088.1 billion against a target of Ksh 1,169.8 billion resulting to an underperformance of Ksh 77.3 billion. The underperformance was mainly on account of shortfall registered in ordinary revenue. Total revenues grew by 7.6 percent by end November 2024 compared with a growth of 13.2 percent by end of November 2023. Ordinary revenue for the period to November 2024 was Ksh 937.4 billion against a target of Ksh 1,009.0 billion translating into a shortfall of Ksh 71.6 billion despite recording a growth of 6.7 percent. All broad tax categories of ordinary revenue fell short of the respective targets during the review period. Value Added Tax (VAT) recorded the highest shortfall of Ksh 36.6 billion, Income tax recorded a shortfall of Ksh 15.2 billion, Excise duty of Ksh 11.7 billion and Import duty of Ksh 6.9 billion. This revenue trend is expected to reverse as economic activities pick up. Ministerial A-i-A amounted to Ksh 150.8 billion in November 2024 against a target of Ksh 156.4 billion recording a shortfall of 5.7 billion.
98. Total expenditure and net lending in the period to November 2024 amounted to Ksh 1,442.9 billion against a target of Ksh 1,509.5 billion, translating to a shortfall in expenditure of Ksh 66.6 billion. This was largely on account of below target disbursement towards recurrent expenditure by Ksh 57.6 billion and County Governments by Ksh 26.0 billion (Table 2.5a). Development expenditures surpassed target by Ksh 18.1 billion mainly due to over absorption of foreign financed development projects by Ksh 14.8 billion and domestically financed projects by Ksh 5.2 billion. Revenue mobilization and financing challenges affected our ability to execute the FY2024/25 budget in a timely manner leading to cash flow challenges.
99. Fiscal operations by end of November 2024 resulted in an overall deficit including grants of Ksh 350.9 billion (1.9 percent of GDP) against a target of Ksh 339.7 billion (1.9 percent of GDP). The deficit was largely financed through net domestic financing of Ksh 401.7 billion (2.2 percent of GDP) as net foreign financing was a repayment of Ksh 1.7 billion (0.01 percent of GDP).
100. The fiscal policy stance in the FY 2025/26 and over the medium term aims at supporting the priority programmes of the Government under the Bottom - Up Economic Transformation Agenda (BETA) and the MTP IV through a growth friendly fiscal consolidation plan. The plan

targets to slow down the annual growth in public debt and implement an effective liability management strategy, without compromising service delivery to citizens. This is expected to boost the country's debt sustainability position. Fiscal consolidation will be supported by continued efforts to enhance domestic revenue mobilization, reprioritize and rationalize expenditure while safeguarding priority Government programmes and social spending.

101. In stride with the National Government, The County Government of Mombasa has embarked on expenditure rationalization and prioritization to ensure that expenditures are on the most impactful programmes that yield the highest welfare benefits to Kenyans.

### **2.3.1 County Revenue Performance 2023/2024 FY**

102. The County realized Ksh 4,457,758,296 being 76 percent of the budgeted local revenue of Ksh. 5,856,356,997. The total revenue collected was Ksh 12,590,350,825 being 79 percent of the total budgeted revenue of Ksh. 15,990,000,000 of which Ksh 8,132,592,529 was total exchequer issues comprising of Ksh 899,990,611 transfers from other National Government entities as grants and donor funding while Equitable Share amounted to Ksh 7,232,601,918 which was 92 percent of the County allocation of Ksh 7,861,523,820 in the FY.

103. There was an increase in own source revenue collection of Ksh 459,129,448 which has been on an upward trajectory. This positive trend demonstrates that the county has put in place vigorous measures to ensure that the OSR continues to increase. The County realized 4.5B which is 76% of the projected revenue of 5.9B.

104. The County received Donor Funding from World Bank WDSP Ksh 497,650,673, DANIDA Ksh 13,839,938, Grant for Aggregated Industrial Parks Programme, Ksh 62,500,000, World Bank-IDA: Transforming Health Systems for Universal Care Project Ksh 6,000,000 and Kenya Informal Settlement Improvement Project (KISIP) for Ksh 320,000,000.

### **2.3.2 County Expenditure Performance 2023/2024 FY**

105. Total expenditure amounted to Ksh. 11,911,896,020 against a target of Ksh 15,990,000,000 representing an under spending of Ksh. 4,078,103,980 which is 25.5 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 equitable share and donor grants.

106. The County had a 74.5% absorption rate which is a 14.8% drop from 89.3% in the previous FY due to an increase in the absolute budget figure of 2 billion.

107. Recurrent expenditure amounted to 9.9 billion which comprised of personnel emoluments of 6.4 billion, 3.5 billion for operations and maintenance for all the departments.

108. Development expenditure was 2.1 billion compared to a target of 4.8 billion. This represented an under-spending of approximately 2.7 billion which translates to 57.3 percent deviation from the approved development expenditure. The underperformance in development expenditure was majorly contributed by unrealized local revenue and lack of disbursement of part of the World Bank's Water and Sanitation Grant.
109. In arriving at the revenues and expenditures above, the cash basis was used and therefore uncollected revenues, commitments and pending bills were excluded.

## **2.4 Fiscal Policy**

110. Reflecting the above performance in revenue and expenditure, the County had an absorption rate of 74.5 percent of the overall budget.
111. The County had a fiscal deficit of Ksh. 3.4 billion to finance which was attributed to unrealized revenues.
112. The County Government continues to put up stringent measures that ensures that the budget deficit is reduced and adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance for the first two quarters of FY 2024/25.
113. Taking into account the slower pace of execution of the budget by County Departments, the reasons for the deviations, as explained above, from the financial objectives include: lower than projected revenue collection; under-spending in both recurrent and development; under-reporting on donor funding by Departments thus the base line ceilings for spending agencies will be adjusted and then firmed up in the CFSP 2025.
114. While we expect the economy to remain resilient, our projections remain cautious due to the ongoing revisions to the Revenue Sharing Formula (Article 216 & 217 of the Constitution and the Fifth Schedule Section 16). We expect the revenue growth to be on an upward trend in 2024/25 henceforth from all the revenue streams.
115. To achieve this target, the Government will reprioritize in recurrent spending to only the basic necessities and double its effort in domestic resource mobilization.
116. Notably is the fact that Departments have been taking measures to ensure that they prioritize projects and programs that they are able to implement in the short term which has increased the overall Departmental absorption rate and this trend should be maintained if not improved further.
117. The county will continuously look into ways of enhancing local revenue collection and achieving greater efficiency in terms of cost savings in recurrent expenditure to ensure priority is given to the development projects.

118. Maintaining a lean workforce through halting of new recruitment unless for the key cadre of staff will assist in checking the wage bill. This will create fiscal space for spending on the key county priorities especially in the social sectors and other development programmes. This will further provide adequate room for future countercyclical fiscal policy in the event of a shock.
119. The under-spending in both recurrent and development budget for the FY 2023/24 additionally has implications on the base used to project expenditures in the FY 2025/26 and the medium term. Appropriate revisions have been undertaken in the context of this CFSP, taking into account the budget outturn for the FY 2024/25. The County Treasury will work closely with the implementing Departments to fast-track absorption.
120. In addition, the county will continue venturing in public private partnerships with potential local and foreign investors and other development partners to assist in development of the county.
121. As of 2024, the County Assembly passed the Mombasa County Multi -Year Projects Financing Act which the Executive plans to operationalize to act as a financing mechanism for the county.
122. The county intends to initiate a catalyst fund geared towards the support of the various economic stimulus projects earmarked in the county to cater for projects facilitation, consultancy expenses and transaction costs to ensure acquisition of finances for the onset of the said projects.
123. Notably is the fact that Departments have been taking measures to ensure that they prioritize projects and programs that they are able to implement in the short term which will increase the overall Departmental absorption rate and this trend to a greater extent should be maintained if not improved further. The county Government is in a transition period and thus will be keen in laying out strategies that will improve our fiscal space without negating on the gains that have been realized so far.

#### **2.4.1 Fiscal Performance and Emerging Challenges**

124. The Mombasa County Assembly approved the Budget 2024/2025 with expenditure amounting to Ksh.16,260,000,000 comprising of recurrent expenditure of Ksh. 11,066,293,988 and development expenditure of Ksh 5,193,706,012. This budget was to be financed by Ksh. 5,996,914,68, from local revenue sources and total exchequer issues of Ksh 10,263,085,319, including Ksh. 8,141,725,357, from national equitable share, Ksh. 2,121,359,962 Grants.
125. Fiscal outcome for the first half of the financial year was low, which was attributed to shortfall of revenue amid rising expenditure pressures. Expenditure pressures relate to the rising wage bill with the current wage bill amounting to Ksh. 6.8 billion which is 42 percent of the budget. There is need to put in place austerity measures to ensure that the wage bill is sustainable by halting recruitment and promotions. The bloating wage bill poses a big risk to the stability of the budget for 2025/2026.

126. Unrealized local revenues, inadequate equitable share due to unfavorable formula parameters, delayed exchequer releases, and tedious procurement bureaucracies continue to hamper budget implementation.

#### **2.4.2 Budget Out-turn, July – December 2024**

127. In the current financial year as at 31st December 2024 the actual own source revenue collection attained in the first half of the FY was 936,554,359. The National Government transfers was Ksh 3,907,286,823. The expenditure for the said period amounted to Ksh 4,735,377,007.15. There was a balanced carried forward from the previous year of Ksh 363,738,970.

### **2.5 Economic Outlook**

128. The growth to the outlook will be reinforced by the Government's development agenda geared towards economic turnaround and inclusive growth. Special focus will be placed on; increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings. The agenda is geared towards economic turnaround and inclusive growth, and aims to increase investments in the five core pillars envisaged to have the largest impact to the economy as well as on household welfare. These include: Agricultural Transformation and Inclusive Growth; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry.

129. Economic growth in Kenya is expected to slow down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy. Growth is expected to pick up to 5.3 percent in 2025 and retain the same momentum over the medium term.

130. The County Government will continue to pursue prudent fiscal policy to ensure stability. In addition, our fiscal policy objective will provide an avenue to support economic activity while allowing for sustainable management of public finances. As such, the CG has committed to a repayment plan of the pending bills so as to offset all the pending bills in the shortest period possible and ensuring expenditure is strictly done guided by availability of funds going forth.

131. Fiscal policy will continue to support County development economic activities while providing a platform for the implementation of the CIDP within a context of sustainable public financing. This process will be strengthened in the FY 2025/26 by encouraging more private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.

132. The growth of the outlook for the calendar year 2025 and the FY 2025/26 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the County Government under the various outlined priorities to compliment the “BETA” Agenda and the ongoing public investments in infrastructure projects as well as the will to operationalize the Mombasa County Multi -Year Projects Financing Act of 2024.
133. With respect to revenue, the CG will maintain a strong revenue effort at 10 percent of Revenue Growth over the medium term. Measures to achieve this effort include upgrading of the county revenue automated systems, widening scope of revenue streams by mapping out new sources, interdepartmental concerted efforts towards revenue collection, implementation of the Finance Act 2024 with a rejuvenated enforcement mechanism. In addition, the CG will rationalize existing fees and charges incentives, expand the income base and remove exemptions as envisaged in the Constitution.
134. 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.
135. The county will continue redirecting expenditure towards those priority programmes as identified in public consultative fora.

## **2.6 Risks to the Economic Outlook**

136. The risk to the outlook for Mombasa County 2025/2026 budget and the medium- term emanates from both external and domestic quotas. The economy remains vulnerable to both domestic and external shocks. For prudent management of risks, the PFM Act, 2012 requires the preparation of a “Statement of Fiscal Risks”.
137. The “Statement of Specific Fiscal Risks” outlines County’s exposure to fiscal risks that are associated with macroeconomic assumptions used for fiscal projections, public debt dynamics, operations of state corporations, contingent liabilities, vulnerabilities of the financial sector, as well as risks posed by nature.
138. The Government remains committed to fiscal consolidation in order to ensure the long-term sustainability of public finances. Nevertheless, the Government will monitor the risks and take appropriate measures to safeguard macroeconomic and microeconomic stability.
139. The upside risk to the domestic economy relate to faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation. The Kenyan Government continues to monitor the domestic and

external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.

140. In the medium term, the shortfalls in revenue continues to pose a threat of a budget deficit due to the ever-increasing pending bills and a high wage bill. Systems, controls and structures are being put in place to improve the own source revenue performance coupled with a revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
141. The County Government will monitor and mitigate the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.
142. The County will embark on the implementation of the Governor's manifesto incorporating the BETA agenda so as to complement the National Government's Economic Transformation agenda which has been bearish.
143. Other than the frequent late disbursement of exchequer issues, the main challenges that continue to be experienced relate to unrealized projected local revenue collection, bloated wage bill and huge pending bills some of which are statutory deductions that accrue huge interests.
144. The high wage bill continues to be a major challenge in the implementation of the budget. Currently in the 2024/25 financial year the personnel emoluments stand at 42% of the overall county budget which is 7% above the statutory requirement of 35%. The recruitment of key essential staff and the frequent salary increment for various cadres of staff continues to increase the already bloated wage bill. The various collective bargaining agreements (CBAs) to increase salaries and benefits of various officers as well as employer's contributions towards the statutory deductions continue also continue to threaten the already ballooned wage bill.
145. The unfavorable parameters used to allocate equitable to the county continues to be a major risk coupled with the delay in disbursement of funds by the national government especially in the fourth quarter and continues to be a challenge as this leads to delay in execution of planned activities of the County thus compromising service delivery.
146. In the medium term, due to revenue shortfalls, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance, following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
147. The fiscal framework for the financial year 2025/26 will entail a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter

increase of recurrent expenditures in favor of productive capital spending. To achieve this, the Government endeavors to prioritize expenditure in the social sectors with the overall objective of this is being to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved standards of living and quality of life for the citizenry.

148. The CG recognizes that further stringent measures need to be put in place to ensure scaling up of revenue collection and mobilization of resources and more efficient production structure towards the implementation of the third generation CIDP 2023- 2027.
149. The County Government will continue monitoring the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

## **2.7 Sustaining Inclusive Growth**

150. The County will enhance mobilization of resources and provide a conducive environment for businesses to thrive, sustaining inclusive growth by continuously improving transparency, responsiveness, accountability, efficiency and effective systems and controls.
151. In addition, the County Government will continue to provide leadership and coordination in county development planning, policy formulation and management, designing effective, efficient and secure systems of collecting revenue, to prudently mobilize and manage resources while ensuring compliance with policies, standards, procedures and applicable financial and procurement laws and regulations. These will be complimented by measures to address socio-economic inequities and improving the county's human capital.
152. To ensure planned and sustainable growth the County Government will nexus to synergize its efforts in implementing the socio-economic priority programmes as articulated in the County's Integrated Development Plan 2023-2027, the Governor's manifesto and all other policy plans.

## CHAPTER THREE

### 3.0: BUDGET FOR FINANCIAL YEAR 2025/2026 AND THE MEDIUM TERM

#### 3.1 Overview

153. The Mombasa County Medium-Term Fiscal Framework aims at stimulating the economic growth and development, reducing vulnerabilities, operating a balanced budget, ensuring effective delivery of services and supporting sustainable economic growth in the County. This policy underscores the need to prioritize crucial Recurrent Expenditure and undertake high impact Capital Expenditure in order to enhance economic growth. The 2025/26 Fiscal Strategy Paper highlights the following:

- The county shall enhance its revenue base with a view to ensuring we increase own source revenue collection and achieve greater efficiency in terms of cost savings from non-crucial expenditure to ensure priority is given to the set priorities.
- Maintaining a lean workforce will assist in controlling the wage bill. This will create fiscal space for spending on the key county priorities especially in the social sectors and other development programmes. This will further provide adequate room for future countercyclical fiscal policy in the event of a shock.
- Fiscal consolidation while ensuring that county resources are adequate to promote growth. The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development. At least thirty percent of the total county revenue shall be used in the implementation of development projects.
- The county will continuously exploit the public private partnerships, with potential local and foreign investors as well as other development partners to aid in the county's development.

#### 3.1.1: Fiscal Policy Framework

154. Fiscal policy will support the County development economic activities while providing a platform for the implementation of the CIDP 2023-2027 and all other policy documents within a context of sustainable public financing. In the medium term, the County Government has reoriented expenditure towards priority programmes in Transport and Infrastructure development; Provision of quality and affordable health services; Youth and Women Empowerment; Enhancement of Education and Training; Upgrading of Water and Sanitation Systems; Streamlined waste management services.

155. This process will be strengthened in the FY 2025/26 by encouraging aggressive private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.

### **3.1.2: Fiscal Responsibility Principles**

156. The County Government recognizes that the fiscal stance it takes today will have implications into the future. The principle of sharing the burdens and benefits of resources between the present and future generation implies that we have to make prudent policy decisions today so that we can build a strong foundation for our future generations. The County Government will ensure strict adherence to Section 107 of the Public Finance Management (PFM) Act of 2012 which outlines the fiscal responsibility principles.

157. In compliance with Fiscal responsibility principles, the County Government will progressively provide for a minimum basic standard of economic and social rights to its citizens within available resources.

158. To ensure economic sustainability, increase in government spending will be matched with a corresponding increase in tax revenue yield through efficient collection, widening of revenue bases, and reasonable fees and charges. It is therefore imperative to reform and modernize the fees and charges to ensure stability of revenue effort, while at the same time continuing to restructure expenditure systems to ensure efficiency and create fiscal space required to fund the priority expenditures on sustainable basis.

### **3.1.3: Fiscal Structural Reforms**

159. Underpinning the fiscal program are measures to increase the proportion of local revenue with the objective of fully financing the County's budget in the long term.

160. For effective and efficient management of financial resources, the County will continue to eliminate leakages and enhance revenue collection as well as rationalize expenditure. This will be achieved through continued measures to simplify licenses and fees levies, improve compliance and automation of revenue collection system in order to eliminate leakages and to widen revenue base.

161. On the expenditure side, the County Government will continue to enhance prudent financial management; to improve efficiency and reduce wastage in accordance to section 107 of the PFM Act of 2012.

162. The County Government will institute measures to contain the bloated wage bill so as to divert resources for development initiatives. These would include continued payroll cleansing and staff rationalization.

163. The County Government will also enhance capacity of the County Government staff so as to encourage proper and transparent use of resources and enhance service delivery.

## **3.2: Mombasa County 2025/2026 Budget Framework**

164. Prioritization of resource allocation is based on the ADP 2025 which spells out programmes to achieve County priorities identified during the County-wide budget consultative meetings. The County Government will promote budget transparency, accountability and effective financial management of resources based on clearly set priorities to ensure that budgets are directly linked to plans.

### **3.2.1: Revenue Projections**

165. The Constitution of Kenya 2010 stipulates that County Governments should have reliable, stable and predictable own sources of revenue. Mombasa County has two main sources of funding. Revenue from local sources and the exchequer issues from the National Government as provided under Article 201 of the Constitution. The resource envelope available for allocation among the spending units is based on the medium-term fiscal framework.

166. The Mombasa County 2025/2026 financial year budget targets total revenue amounting to 14.6 billion; Total exchequer issues of Ksh 9.5 billion; including equitable share of Ksh 8.2 billion, Conditional grants Ksh 1.3 billion and county own source revenue of Ksh 5.1 billion. This performance will be underpinned by the on-going reforms in revenue administration. The revenue department will institute measures to expand the revenue base and curb revenue leakages.

### **3.2.2: Expenditure Forecasts**

167. The County Government's expenditure for the FY 2025/26 is guided by the Annual Development Plan (2025/26) which outlines the proposed projects that will be implemented in the FY 2025/2026 being the second to be implemented in the realization of the CIDP 2023-2027. The Total County government expenditure is projected to be Ksh.14.6 billion.

### **3.2.3: Recurrent Expenditure**

168. In the 2025/26 financial year the total recurrent expenditure is estimated to be Ksh. 10.1 billion compared to FY 2024/25 at Ksh. 11 billion. The recurrent expenditure ceilings for County departments are determined by the funding allocation for goods and services in the previous year budget as the baseline.

### **3.2.4: Development Expenditure**

169. The County Government endeavors to allocate adequate resources towards development outlays to spur and implement priority programs/projects as outlined in this strategy paper. The County development expenditure for financial year 2025/26 is projected at Ksh 4.5 billion.

### **3.2.5: Spending Priorities**

170. The County Government's expenditure for the FY 2025/26 will be guided by the Annual Development Plan (2025/26) which outlines the proposed projects that will be implemented in the FY 2025/2026 in the realization of the CIDP 2023-2027. The total government expenditure is projected to be Ksh.14.6 billion.

### **3.2.6: The Economic Objectives of the Fiscal Strategy FY 2025/26**

171. This outlines County Government's spending plans and the manner in which this expenditure will be funded in the FY 2025/2026. The fiscal strategy of the Government is guided by contemporary events which have impacted on the economy, the ADP 2025/2026 and the realities of the FY 2024/2025 actual revenue collections and expenditures. In this view, the 2025/2026 fiscal strategy paper has been designed to continue addressing these specific challenges by focusing on the following objectives:

- To improve the efficiency and quality of CAPEX spending by promoting Public Private Partnership;
- To place greater focus on critical and on-site infrastructure development as a means of promoting long-term economic growth;
- Continued application of a fiscal stimulus in the medium term to stimulate the economy which has been greatly affected by various adverse issues including the ongoing drought, taking into consideration the current revenue constraints and its impact on the fiscal deficit;
- Rationalizing the outlay on recurrent expenditure through the identification of cost-saving measures;
- Pegging commitments and expenditure on the actual cash flow;
- Coming up with sustainable personnel policy to address the bloated wage bill;
- Boosting revenue receipts, identifying and plugging revenue leakages through automation.

**Table 3: Projected FY 2025/2026 Revenues and Expenditure**

REVENUE/EXPENDITURE PROJECTIONS	FY 2025/2026 (KSH.)	PERCENTAGE
National Government Equitable Share	8,236,179,184	56
Conditional Grants	1,300,000,000	9
<b>Total Exchequer Issues</b>	<b>9,536,179,184</b>	<b>65</b>
County Local Sources	5,063,820,816	35
<b>Total Revenue</b>	<b>14,600,000,000</b>	<b>100</b>
<b>Expenditure</b>		
Personnel	7,144,507,622	49
Operations Repair and Maintenance	3,004,786,366	21
Capital Expenditure	4,450,706,012	30
<b>Total Expenditure</b>	<b>14,600,000,000</b>	<b>100</b>
<b>Surplus/ (Deficit)</b>	<b>0</b>	

*Source: County Treasury ,2025*

**Table 4: Comparison of Actual Own Source Revenue and Projection for FY 2025/2026**

No	Description	ACTUAL FY	ACTUAL FY	PROJECTED
		2022/23	2023/24	2025/26
		Ksh	Ksh	Ksh
<b>Revenue Stream</b>				
1	Cess	363,097,851	503,007,032	600,000,000
2	Land Rate	810,517,465	934,629,934	960,000,000
3	Single/Business Permits	569,545,828.50	595,882,704	750,000,000
4	Property Rent	17,026,775.50	22,005,668	10,000,000
5	Parking Fees	566,639,973	664,922,266	750,000,000
6	Market Fees	32,053,961	62,498,558	65,000,000
7	Advertising	143,854,777	134,181,017	150,000,000
8	Public Health Service Fees	1,245,010,845.23	1,128,231,166	1,350,000,000
9	Physical Planning and Development	188,272,682.77	345,283,567	353,820,816
10	Hire Of County Assets	5,275,489	3,530,500	4,000,000
11	Conservancy Administration	4,566,882	12,384,484	15,000,000
12	Administration Control Fees and Charges	47,295,643	50,823,490	55,000,000
13	Other Fines, Penalties, And Forfeiture Fees	5,470,675	377,910	1,000,000
<b>Total County Own Source Revenue</b>		<b>3,998,628,848</b>	<b>4,457,758,296</b>	<b>5,063,820,816</b>

**Table 5: Comparison of Budgeted/Actual FY 2023/2024 vs. Budgeted/ Projected Revenues and Expenditure for FYs 2024/2025-2025/2026**

REVENUE/EXPENDITURE PROJECTIONS	Budget 2023/2024(Ksh)	Actual 2023/2024 (Ksh)	Budget 2024/2025(Ksh)	Projected 2025/2026 (Ksh)
<b>Revenues</b>				
National Government Equitable Share	7,861,523,820	7,232,601,918	8,141,725,357	8,236,179,184
Conditional Grants	1,661,315,449	899,990,611	2,121,359,962	1,300,000,000
Opening balance	610,803,734	-	-	-
<b>Total Exchequer Issues</b>	<b>10,133,643,003</b>	<b>8,132,592,529</b>	<b>10,263,085,319</b>	<b>9,536,179,184</b>
County Local Sources	5,856,356,997	4,457,758,296	5,996,914,680	5,063,820,816
<b>Total Revenue</b>	<b>15,990,000,000</b>	<b>12,590,350,825</b>	<b>16,260,000,000</b>	<b>14,600,000,000</b>
<b>Expenditures</b>				
Personnel	6,484,413,377	6,422,977,485	6,825,567,864	7,144,507,622
Operations Repair and Maintenance	4,707,879,576	3,438,246,268	4,240,726,125	3,004,786,366
Capital Expenditure	4,797,707,047	2,050,672,268	5,193,706,012	4,450,706,012
<b>Total Expenditure</b>	<b>15,990,000,000</b>	<b>11,911,896,020</b>	<b>16,260,000,000</b>	<b>14,600,000,000</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>678,454,804</b>	<b>0</b>	<b>0</b>

*Source: County Treasury, 2025*

**Table 6: FY 2025/2026 DEPARTMENTAL CEILINGS**

**SUMMARY OF REVENUE AND EXPENDITURE 2025/2026**

	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS & MAINTENANCE	TOTAL RECURRENT	TOTAL DEVELOPMENT	TOTAL EXPENDITURE	%
County Assembly		446,772,694	294,073,200	740,845,894	50,000,000	790,845,894	5.4
Public Service Board		97,413,778	23,529,049	120,942,827	10,000,000	130,942,827	0.9
Finance & Economic Planning	14,600,000,000	468,428,628	412,055,813	880,484,441	402,513,000	1,282,997,441	8.8
Health		3,442,600,081	712,235,413	4,154,835,494	600,000,000	4,754,835,493	32.6
Transport & Infrastructure		324,860,051	361,710,393	686,570,444	743,542,752	1,430,113,196	9.8
Water, Natural Resources & Climate Change Resilience		149,253,181	67,965,664	217,218,845	786,050,260	1,003,269,105	6.9
Public Service Administration, Youth, Gender, Sports & Social Services		297,953,865	96,064,091	394,017,956	227,500,000	621,517,956	4.3
Tourism, Culture & Trade		334,330,144	104,129,517	438,459,661	334,500,000	772,959,661	5.3
The County Attorney		38,538,916	59,475,867	98,014,783	0	98,014,783	0.7
The Executive		162,498,066	60,961,997	223,460,063	37,000,000	260,460,063	1.8
Environment & Governance		755,407,672	141,615,454	897,023,126	570,300,000	1,467,323,126	10.1
Education		341,110,662	593,265,363	934,376,025	151,000,000	1,085,376,025	7.4
Lands, Urban Renewal and Housing		153,692,234	31,381,322	185,073,556	460,000,000	645,073,556	4.4
Blue Economy, Cooperatives, Agriculture & Livestock		131,647,650	46,323,224	177,970,874	78,300,000	256,270,874	1.8
<b>TOTAL</b>		<b>7,144,507,622</b>	<b>3,004,786,366</b>	<b>10,149,293,988</b>	<b>4,450,706,012</b>	<b>14,600,000,000</b>	<b>100</b>
		<b>49</b>	<b>21</b>	<b>70</b>	<b>30</b>		
<b>SURPLUS / (DEFICIT)</b>							
Revenue							
Equitable Share	8,236,179,184						
Conditional Grants	1,300,000,000						
Total Exchequer Issues	<b>9,536,179,184</b>						
Own Source Revenue	5,063,820,816						
Total Revenue	<b>14,600,000,000</b>						

*Source: County Treasury, 2025*

### **3.2.7: Fiscal Balance**

172. The county government will adopt a balanced budget for FY 2025/26. Any forthcoming deficit the county government will take prudent measures to reduce appropriations or increase revenues with minimal effects on public service delivery.

173. In the short term the County will thrive to stick its expenditure and commitments based on the actual cash flow. In the medium term, balanced budget will be supported with relevant legislative frameworks by embracing Public Private Partnership (PPP) to enable the County Government implement critical programmes that will accelerate socio-economic development thus providing budget support.

### **3.2.8: Summary**

174. The County fiscal policy 2025, aims at increasing own source revenue as well as prudently managing expenditures. The created fiscal space will avail resources to scale up investments in the county's priority areas of Transport and Infrastructure development; Provision of quality and affordable health services; Youth and Women Empowerment; Enhancement of Education and Training; Upgrading of Water and Sanitation Systems; Streamlined waste management services as captured in the CFSP 2025.

### **3.3: Baseline ceilings**

175. The baseline estimates reflect the current spending levels in sector programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge and includes payment of statutory obligations such as interest payments, compensation of employees covering all county staff, staff medical scheme and gratuity.

176. Development expenditures are shared out on the basis of the County Annual Development Plan 2025, priorities as outlined in the CFSP as well as other strategic interventions geared towards sustainable economic growth. The following guidelines are used:

- **On-going projects:** emphasis is given to completion of on-going projects and in particular infrastructure projects and other projects with high impact on poverty reduction and equity, employment and wealth creation especially in the social sectors.
- **Strategic policy interventions:** priority is also given to policy interventions covering the entire county, social equity and environmental conservation.

### **3.4: Details of Departmental Priorities**

177. The medium-term expenditure framework for FY 2025/2026-2027/2028 ensures continuity in resource allocation is based on prioritized programmes aligned to the ADP 2025 and strategic policy initiatives of the county government to accelerate growth, employment creation and poverty reduction. The recent achievements and key priority targets for each sector are based on the various Departmental reports.

#### **3.4.1: County Assembly**

178. The functions of the County Assembly include enacting county laws and oversees all the affairs of the county including receiving and approving the development plans and policies of the county. It also oversees the development and management of the county infrastructure and institutions; and is responsible for approval of the county budgets and expenditures. Due to the crucial role of this sub-sector, it has been allocated Ksh 790,845,894 in FY 2025/2026. The County Assembly budget consists of 5.4 % of the total county budget.

#### **3.4.2: County Executive**

179. Under Article 179 (3) (b), of the Constitution, provides for the number of Executive Committee members in the County Government. Each respective County Executive Committee Member provides policy direction in their respective departments. The Executive Committee is therefore responsible for: Implementing county legislation; Implementing within the county, national legislation to the extent that the legislation so requires; Managing and coordinating the functions of the county administration and its departments; and performing any other functions conferred to it by the Constitution or national legislation; Preparing legislation for consideration by the County Assembly; Providing regular reports to the County Assembly for deliberation and decision-making; and Preparing County budgets and plans.

180. The operations under this sub-sector consists of the Governor's, Deputy Governor's office, the County Secretary, the Chief of Staff, Advisory services, communication unit, cabinet affairs as well as special programs services.

181. This sub-sector requires considerable funding to oversee the implementation of the Kenyan Constitution, Vision 2030, and the County's Vision 2035, CIDP 2023-27, the CFSP through provision of leadership and policies in governing of the county. It has the task of supervising the County Government department.

182. The department has been allocated Ksh. 260,460,063 in the FY 2025/2026. The budget consists of 1.8% of the total county budget.

#### **3.4.3: Public Service Board**

183. The County Public Service Board is established under an Act of Parliament as provided for under Article 235(1) of the Constitution of Kenya, 2010. The Article provides for a County Public Service Board in each county with control over the County Public Service. It also ensures

that the county has adequate and competent personnel. The department has been allocated Ksh. 130,942,827 in the FY 2025/2026. The budget consists of 0.9% of the total county budget.

#### **3.4.4: Department of Finance & Economic Planning**

184. The Department is tasked with developing and managing the macroeconomic policies of the County, providing oversight of all the legislated County funds, providing leadership and policy direction on Finance, Investment, Economic Planning and Digital Transformation.
185. The key role of the Department is to ensure optimal collection, distribution and utilization of the scarce resources, provide leadership and policy direction in the governance of the County, coordination and supervision of County Financial and Economic affairs, promote sound public financial and economic management for socio-economic development, promote macroeconomic stability, planning and budgetary process, serve as the custodian of county assets, monitoring and evaluation of departmental development performance as well as digital transformation in the County through oversight of the ICT audit function and monitoring of the County Digitization Framework.
186. The digital transformation policy that will be developed will be a key component towards the realization of the County's priority and improved service delivery.
187. The department targets to maintain a database of all county assets, continue tracking all development projects and programmes; risk management strategies, prepare quarterly briefs or reports on development; enhance revenue collection; pending bills management, source for development partners and ensure that funds in the county are prudently utilized to achieve the county objectives and the realization of the vision 2030, implementation of the medium term plan III, the Mombasa Vision 2035 and the BETA.
188. Due to the crucial role of the department, it has been allocated Ksh 1,282,997,441 in the FY 2025/2026. The budget consists of 8.8% of the total county budget. The Department has allocated some funds for servicing pending bills accrued from all the other county departments.

#### **3.4.5: Department of Tourism, Culture & Trade**

189. The Department significantly contributes towards generation of income and employment through tourism and trade development thus promoting self-employment, to harness the full potential of our cultural heritage; improving trading environment and attracting more investors and tourists in the County.
190. The development of the industrialization policy will ensure that the locally produced goods and services access ready markets regionally as well as nationally. The focus will be on value addition, promotion of cooperative ventures, micro and small businesses and the promotion of local goods and services.

191. The tourism unit is committed towards developing a working strategy on the promotion, branding and marketing of Mombasa as an ideal experiential destination for both tourism and investment destination of choice.

192. The department has been allocated Ksh 772,959,661 in the FY 2025/2026. The budget consists of 5.3% of the total county budget.

#### **3.4.6: Department of Education**

193. In the financial year 2025/26 and over the medium term the department intends to carry out the following programmes; To provide quality and accessible basic education through renovation and equipping of ECD centers, continued recruitment of ECD teachers and care givers, strengthening the capacity of the city Polytechnics and vocational institutions.

194. The department will continue carrying out the following programmes: completion of the ongoing ECD Centers, School Feeding Program, vocational and technical training, establishment and equipping of the Maktaba Centers and Operationalizing of the Elimu Fund to source funds for Education.

195. Due to the crucial role of the department, it has been allocated Ksh 1,085,376,025 in FY 2025/2026. The budget consists of 7.4% of the total county budget.

#### **3.4.7: Department of Health**

196. The department is committed to improving access to quality health services in the county through promotion and provision of integrated and high-quality curative, preventive and rehabilitative services that are equitable, responsive, accessible and universal health care for all.

197. In the medium term, the department will continue investing in service delivery, health workforce, health infrastructure, health products and technologies, health information, health financing and leadership governance. The resources allocated will be used to implement projects aimed at achieving accessibility, affordability of health services, and reduction of health inequalities and optimal utilization of health services.

198. Due to the crucial role of the department, it has been allocated Ksh 4,754,835,493 in FY 2025/2026. The budget consists of 32.6% of the total county budget.

#### **3.4.8: Department of Water, Natural Resources & Climate Change Resilience**

199. The Department have the following priority programmes: Management and conservation of natural resources; resource recovery; developing and deploying new and renewable energy to supplement the energy requirements of the County, Provision of technical assistance and improvement of staff capacity to implement devolved functions; Promoting the integration of climate change adaptation and mitigation measures in county's projects/activities; Increase water supply; Reduced non-revenue water to acceptable global levels; Rehabilitate/Expand the existing dilapidated water systems; and Improve management of water services; Provide all

County Public Works bills of quantities; Coordinate and oversee the implementation of quality assurance, compliance and use of technology in the management of public works.

200. In the financial year 2025/2026 and over the medium term, Water services through increased Water Supply, Rehabilitation /Expansion of the existing water network and ensuring compliance with the policies, standards, regulations and laws. The Department will continue ensuring natural resources are protected; their use promoted and conserved hence proper management of natural resources for economic growth.
201. Due to the crucial role of the department, it has been allocated Ksh 1,003,269,105 in FY 2025/2026. The budget consists of 6.9% of the total county budget.

#### **3.4.9: Department of Public Service Administration, Youth, Gender, Social Services & Sports**

202. The department's mission is to formulate, mainstream and implement responsive programmes through coordinated strategies for sustainable and balanced socio-economic development of the County and empowerment of vulnerable in the county, marginalized groups and ensuring gender mainstreaming.
203. The Public Service Administration entails being in charge of public service management, so as to achieve efficient public service management to improve service delivery and; Improve established channels of communication between the County force and the County Government.
204. In the 2025/26, The department will continue: To empower the youth with livelihood skills; Youth and women Empowerment, Economic Empowerment, to promote sports and arts industry in the county; To advocate and embrace national cohesion and de-ethnicization of our society, to support women and persons living with disability with start-up kits and provision and maintenance of public entertainment and recreational facilities.
205. The County continues to improve and develop new Sports facilities amongst others a state-of-the-art Stadium, levelling of football pitches at the ward level and also empowerment of Women, Youth and Persons living with disabilities through training, nurturing of talents and provision of business funds through a revolving fund.
206. Due to the crucial role of the department, it has been allocated Ksh 621,517,956 in FY 2025/2026. The budget consists of 4.3% of the total county budget.

#### **3.4.10: Department of Environment & Governance**

207. The Department's priorities and strategies are: Enforcement of waste management policies, regulations and guidelines, Environmental conservation and protection, Develop effective and efficient waste collection system, Environmental governance compliance and enforcement, Renewable energy generation, management of existing and construction of additional County public toilets , oversee the enforcement and compliance function of the County Inspectorate

Unit and Control of air and noise pollution as well as mitigating against ravages of rapid urbanization.

208. Serikali Mitaani entails being in charge of public service management, sub county administration and devolution services. The key objectives include: coordination, supervision and management of County functions; inter-departmental relations at the Sub County and Ward levels; public participation; Improve established channels of communication between citizens and the County Government.
209. The Department has developed strategies geared towards proper disposal of solid and liquid waste that will ensure that liquid waste is not disposed into the ocean untreated and minimize incidences where people burn solid wastes as a way of disposal.
210. There is an allocation of Ksh 390 million as grant funding for the implementation of the Second Kenya Devolution Support Program (KDSP II); with Ksh 37.5 million meant for Program-for-Results (PforR) and Ksh 352.5 million for the Investment Project Financing (IPF) component, which together form the 'KDSP II Program.
211. Due to the key role of the department, it has been allocated Ksh 1,467,323,126 in FY 2025/2026. The budget consists of 10.1% of the total county budget.

#### **3.3.11: Department of Lands, Urban Renewal & Housing**

212. The department is in charge of management of land use and ownership, Policies on land consolidation, Physical Planning, provision of adequate, clean, affordable and quality housing.
213. In the financial year 2025/2026 and over the medium term, the objectives of the department are; to continue ensuring proper management of land use and ownership, optimal use of land for development, promoting the provision of adequate and affordable housing. The proposed priority programmes to be undertaken to achieve these objectives include; Promoting sustainable use of land and its resources through land use planning and provision of secure land tenure and management.
214. The Department will also promote development of adequate, affordable quality housing through provision of affordable and quality housing units, refurbishment of county residential houses and maintenance of offices and promotion of appropriate building technology.
215. Due to the vital role the department plays, in the FY 2025/2026 budget, it has been allocated Ksh. 645,073,556. This constitutes 4.4% of the total budget.

#### **3.4.12: Department of Transport & Infrastructure**

216. The Department of Transport and Infrastructure will continue to focus on road infrastructure improvement through maintaining the already existing road networks and also opening up new access roads so as to restore confidence of residents and making the cost of doing business favorable. Transport infrastructure development will also help revamp the tourism sector and foster social integration in the County.

217. The County is embarking on expanding on the following priority programmes: Construction of missing links on major roads in order to make transport affordable and faster for economic efficiency; construction of access roads; and maintenance of street lights which is geared towards promoting a vibrant 24-hour economy; and to coordinate and oversee the implementation of quality assurance, compliance and use of technology in the management of transport and infrastructure.

218. Due to the enabling role of the department, it has been allocated Ksh 1,430,113,196 in FY 2025/26. The budget consists of 9.8% of the total county budget.

#### **3.4.13: Department of Blue Economy, Cooperatives, Agriculture & Livestock**

219. The overall objective of the Department is continued improvement of livelihoods of the people of Mombasa County through promotion of competitive and sustainable agriculture, livestock, and fisheries enterprises for development and value addition.

220. In the financial year 2025/2026 and over the medium term, the department will continue undertaking the following; provision of efficient and effective agricultural, livestock and fisheries services in Mombasa County; improving food security and; promoting affordable agricultural land use and efficiency in farm operations through crop management; the veterinary services will continue preventing and controlling spread of disease from within and other counties; coordinate establishment of cooperative ventures and blue economy training centres; safeguarding human health; providing animal health and extension and welfare services; Improved livelihood for the households in income generation activities through value addition.

221. The Department's priorities are: Increased crop production and productivity through dissemination of better farming practices and protection of farming area; increased market access for livestock products through marketing initiatives and establishment of processing and value addition facility and Enhancing sustainable Fisheries Supply.

222. The Department will also enhance productivity of livestock and livestock produce through effective extension services and ensure sustainable use of fisheries resources for better livelihoods for fisher folk and food security of the county.

223. The department has been allocated Ksh 256,270,874 in FY 2025/2026. The budget consists of 1.8% of the total county budget.

#### **3.4.14: The County Attorney**

224. The Office of the County Attorney is established under an Act of Parliament which provides the functions and powers of the County Attorney, discharge of duties and the exercise of power for connected purposes. The following are the functions of the County Attorney;

- Is the principal legal adviser to the county government;

- Shall attend the meetings of the county executive committee as an ex officio member of the executive committee;
- Shall, on the instructions of the county government, represent the county executive in court or in any other legal proceedings to which the county executive is a party, other than criminal proceedings;
- Shall advise departments in the county executive on legislative and other legal matters;
- Shall negotiate, draft, vet and interpret documents and agreements for and on behalf of the county executive and its agencies;
- Shall be responsible for the revision of county laws;
- May liaise with the Office of the Attorney-General when need arises; and
- Shall perform any other function as may be necessary for the effective discharge of the duties and the exercise of the powers of the County Attorney.

225. The office of the County Attorney has been allocated Ksh 98,014,783 in FY 2025/2026. This consists of 0.7 % of the total county budget.

### 3.5: Finalization of spending plans

226. As indicated earlier, the finalization of the preparation of the detailed budgets continues to entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. The County Government will utilize resources to accommodate key county strategic priorities with sound business plans. Specifically, the following will receive priority:

**Table 7: Priority Areas of Consideration for Additional Resources**

1.	Intervention identified during the county stakeholder’s consultation for 2025/26 MTEF.
2.	Strategic interventions with emphasis in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment as well as policy interventions covering the entire county to enhance social equity.
3.	Specific consideration to job creation for the youth based on sound initiatives identified within and outside the normal budget preparation as well as disability and gender mainstreaming.
4.	Completion of ongoing programs and projects.

### **3.6: Public Participation and Stakeholder engagement**

227. Public participation and involvement of stakeholders in the medium-term budget process is a Constitutional requirement. In fulfilment of this requirement, while preparing the 2025 County Fiscal Strategy Paper (CFSP), the resolutions and points of concern from the County Assembly and other stakeholders on the previous and the current CFSP were taken into account and addressed accordingly.
228. The PFM Act, 2012 (CAP 412A) requires that the input of the public be taken into account before the budget proposals and priorities are firmed up. In this regard, the Public Participation activities were conducted on the 12<sup>th</sup> of February 2025 across the different sub-counties. The activity firmed up the priorities that were analyzed through the Annual Development Plan 2025/2026 (ADP) Public Participation reports done earlier that financial year.
229. Annexed Tables explain how the resolutions by County Assembly on the 2024 CFSP a have been taken into account in the 2025 CFSP and the reasons thereof. They will also provide a summary of the synthesized analysis that led to the priorities outlined in the CFSP 2025. A summary of the comments received and the actions taken and or response given during the Public Participation activities on the CFSP 2025 are also included.
230. Section 137 of the Public Finance Management Act (PFMA) 2012, specifically provides for the establishment of the County Budget Economic Forum (CBEF). The purpose of the Forum is to provide a means for consultation by the county government on the preparation of county plans, the County Fiscal Strategy Paper (CFSP) and the Budget Review and Outlook Paper for the County (CBROP); and matters relating to budgeting, the economy and financial management at the county level. The CBEF is one of the stakeholders consulted during the consolidation of the fiscal paper.

## CHAPTER FOUR

### 4.0: COUNTY FINANCIAL MANAGEMENT AND COMPARATIVE FISCAL PERFORMANCE

#### 4.1 County Governments' Compliance with Fiscal Responsibility Principles

##### 4.1.1 Recurrent Expenditure as a Percentage of Total Revenue

231. 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 2023/24, the county's final supplementary budget allocation for recurrent expenditure was 11.2 billion out of the total budget of 16 billion which translated to 70%.
232. The recurrent expenditure at the end of the FY was 9.9B which is 88% of the recurrent budget, of which 6.4 billion was spent on personnel emoluments and the balance 3.5 billion servicing the operations and maintenance costs.

##### 4.1.2 Development Budget as a Percentage of the Total Budget

233. 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 2023/24 accounted for 30 percent of the total budget which was 4.8 billion hence conforming to the requirement as per Section 107 (2) (b) of the Public Finance Management (PFM) Act, 2012.
234. The actual development expenditure for the FY 2023/24 accounted for 43 % of the total development budget which was 2.1 billion. The County is committed to ensuring that we reach the 30% development budget execution in the medium term.
235. The underperformance in the execution of development expenditure has been constrained 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 plans due to delays in project planning and implementation.

##### 4.1.3 Expenditure on Wage Bill as a Percentage of Total Revenue

236. 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 2023/24 FY was 6.4 billion translating to 43% of the total budget of 16 billion which was absorbed in totality.
237. The county is grappling with a huge bloated wage bill which is above the statutory requirement of 35% since the 23/24 FY's budget was at 43%. In trying to address the problem at hand, the county continues to put up measures to halt none essential staff recruitment, undertaking staff

rationalization and redesignation as well as designing measures and modalities to increase the own source revenue collection so as to bridge the gap.

## 4.2 Pending Bills

238. The increasing stock of pending bills in the County Governments is a threat to fiscal discipline and sustainability. The National Treasury has initiated transition from cash to accrual basis of accounting which is expected to gradually reduce the stock of pending bills. Through Kenya Devolution Support Programme II (KDSP II), County Governments have been supported to develop and implement repayment plans and ensure adherence to Regulation 55 (2) b of the Public Finance Management (County Governments) Regulations, 2015.
239. In efforts to address the threat of the historical pending bills owed, the County Government is committed to progressively pay all the verified pending bills. As at 31<sup>st</sup> December 2024, the total county pending bills stood at Ksh. 3,690,899,364.11, comprising of Ksh 2,011,303,044.27 recurrent and Ksh 1,679,596,319.84 for development. The county will:
- Prepare and submit to the Controller of Budget pending bills payment plan.
  - Continue consulting with the Controller of Budget and National Treasury to guide on modalities and avenues to pursue of resource mobilization to clear inherited pending bills.
  - Budget and prioritize payment of a portion of the recurrent and development pending bills that are factored in the procurement plan.
  - Prepare Supplementary budgets in the third quarter or fourth quarter where possible to curb instances of arbitrary re-allocations out of the approved budget estimates.
  - Commit to managing its debt in a responsible manner, in accordance with the County Multi-Year Projects Financing Act, 2024 which provides a legal framework for financing long-term capital projects over several years, allowing for greater flexibility in budget planning and the management of debt associated with ongoing and multi-year projects.
  - The County will continue focusing on strengthening the debt management capabilities, improving coordination between debt and grants, and ensuring that all multi-year projects are funded within a manageable debt framework. The County Government will set aside funds for servicing pending bills in the 2025/26 Fy.
240. The implementation of the Mombasa County Multi-Year Projects Financing Bill, 2024 which will establish the Mombasa County Multi-Year Projects Financing Fund and provide for its operations and management, will provide for cash flow management to meet the agreed scheduled payments to investors and/or financiers; act as a resource mobilization framework as well as aid in ensuring that the planned projects are financed as the first charge hence deterring accumulation of pending bills hence forth.

**Table 8: Summary of County Pending Bills by 31<sup>st</sup> December, 2024**

No	Department	Amount (Ksh.)
<b>Recurrent</b>		
1	Blue Economy, Cooperatives, Agriculture & Livestock	39,357,124.10
2	Lands, Urban Renewal and Housing	121,175,280.00
3	Education	38,732,266.00
4	Environment & Governance	127,077,484.00
5	Finance and Economic Planning	791,490,016.36
6	Health	28,140,256.50
7	Public Service Board	5,532,516.00
8	The County Attorney	1,534,996.20
9	The Executive	58,705,661.72
10	Tourism, Culture & Trade	127,071,775.05
11	Transport and Infrastructure	62,104,274.19
12	Public Service Administration, Youth, Gender, Sports & Social Services	610,381,394.15
<b>Recurrent Total</b>		<b>2,011,303,044.27</b>
<b>Development</b>		
1	Blue Economy, Cooperatives, Agriculture & Livestock	12,961,550.00
2	Lands, Urban Renewal and Housing	30,460,124.00
3	Education	100,520,756.10
4	Environment & Governance	73,598,017.80
5	Finance and Economic Planning	259,982,993.55
6	Health	29,435,785.72
7	The Executive	1,260,000.00
8	Tourism, Culture & Trade	46,934,487.90
9	Transport and Infrastructure	1,036,125,155.17
10	Public Service Administration, Youth, Gender, Sports & Social Services	88,317,449.60
<b>Development Total</b>		<b>1,679,596,319.84</b>
<b>Cumulative Total</b>		<b>3,690,899,364.11</b>

Source: County Treasury, February 2025

### 4.3 Performance of County Governments Revenue

#### 4.3.1: Development and Recurrent Expenditures First Half 2024/25 FY

241. The Expenditure for the first half in the 2024/2025 FY includes recurrent and capital spending. Under recurrent expenditure, Payments comprise of Ksh. 3,112,931,376.90 for compensation of employees, Ksh. 331,081,380.66 for use of goods and services, Ksh. 336,944,771.00 for transfers to other government units, Ksh. 370,760,400.00 for other grants and transfers.

242. Under development expenditure of Ksh. 583,659,078.59; it comprises Ksh. 244,539,000.00 Other grants and transfers, Ksh. 212,702,592.40 for other payments and Ksh. 126,417,486.19 for acquisition of assets.

**Table 9: County's Receipts and Expenditures Performance as at 31<sup>st</sup> December 2024**

Receipt/Payments	Original Budget	Adjustments during the period	Final Budget for the period	Actual on Comparable Basis	% of Realization
	a	b	c=a+b	d	e=d/c %
<b>Receipts</b>	Ksh.	Ksh.	Ksh.	Ksh.	
Opening fund balance- County Revenue Fund	0	0	0	363,738,970.10	0.00%
Exchequer releases	8,141,725,357	0	8,141,725,357	3,907,286,823.00	47.99%
Transfers from other government agencies	0	0	0	0	0
Other grants	2,121,359,962	0	2,121,359,962	54,131,579.00	2.55%
Proceeds from Domestic Borrowing	0	0	0	0	0
Proceeds from Foreign Borrowing	0	0	0	0	0
Own Source Revenue	5,996,914,680	0	5,996,914,680	936,554,359.00	15.62%
Return to CRF issues	0	0	0	713,175.60	0
<b>Total Receipts</b>	<b>16,260,000,000</b>	<b>0</b>	<b>16,260,000,000</b>	<b>5,262,424,906.70</b>	<b>32.36%</b>
<b>Payments</b>					
Transfers to County Executive	15,366,264,067	0	15,366,264,067	4,483,781,426.00	29.18%
Transfers to County Assembly	893,735,933	0	893,735,933	336,944,771.00	37.70%
Others	0	0	0	0	0
<b>Total Payments</b>	<b>16,260,000,000</b>	<b>0</b>	<b>16,260,000,000</b>	<b>4,820,726,197.00</b>	<b>29.65%</b>
Balance- County Revenue Fund	0	0	0	441,698,709.70	

**Table 10: First Half Total Recurrent Expenditure FY 2024/2025**

	Period ended Dec 2024	Comparative Period
	Ksh	Ksh
<b>Receipts</b>		
Transfers from the CRF		
Transfers to County Executive	4,483,781,426	10,994,217,107
Transfers to County Assembly	336,944,771	950,807,393
<b>Total receipts</b>	<b>4,820,726,197</b>	<b>11,945,024,500</b>
<b>Payments</b>		
Compensation of employees	3,112,931,376.90	6,287,283,596
Use of goods and services	331,081,380.66	1,213,223,095
Subsidies	0	2,993,000
Transfers to other government entities	336,944,771.00	950,807,393
Other grants and transfers	370,760,400.00	1,505,490,378
Social security benefits	0	0
Acquisition of assets	128,372,684.49	809,257,152
Finance costs, including loan interest	0	0
Repayment of principal on domestic & foreign	0	0
Other Payments	311,418,318.50	1,070,089,847
<b>Total payments</b>	<b>4,591,508,931.55</b>	<b>11,839,144,461</b>
<b>Surplus/deficit</b>	<b>229,217,265.45</b>	<b>108,327,434</b>

**Table 11: First Half Total Development Expenditure FY 2024/2025**

Receipt/Expense Item	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	d	e=c-d	f=d/c %
	Ksh	Ksh	%
<b>RECEIPTS</b>			
Transfers from the CRF	647,769,029.00	4,545,936,983.00	12%
Miscellaneous receipts	0	0	0%
Opening balance for Non-refundable bank balances in special purpose deposits accounts e.g. DANIDA	0	0	0%
<b>Total</b>	<b>647,769,029.00</b>	<b>4,545,936,983.00</b>	<b>12%</b>
<b>Payments</b>			
Compensation of employees			
Use of goods and services	0	0	0
Subsidies	0		0
Transfers to other government units	0		0
Other grants and transfers	244,539,000.00	1,648,329,701.56	13%
Social security benefits			0%
Acquisition of assets	126,417,486.19	2,844,419,823.81	4%
Finance costs, including loan interest			0%
Repayment of principal on borrowings			0%
Other payments	212,702,592.40	117,297,407.60	64%
<b>Total</b>	<b>583,659,078.59</b>	<b>5,193,706,012</b>	<b>11.18%</b>

## 4.5 Own Source Revenue Growth over the Years

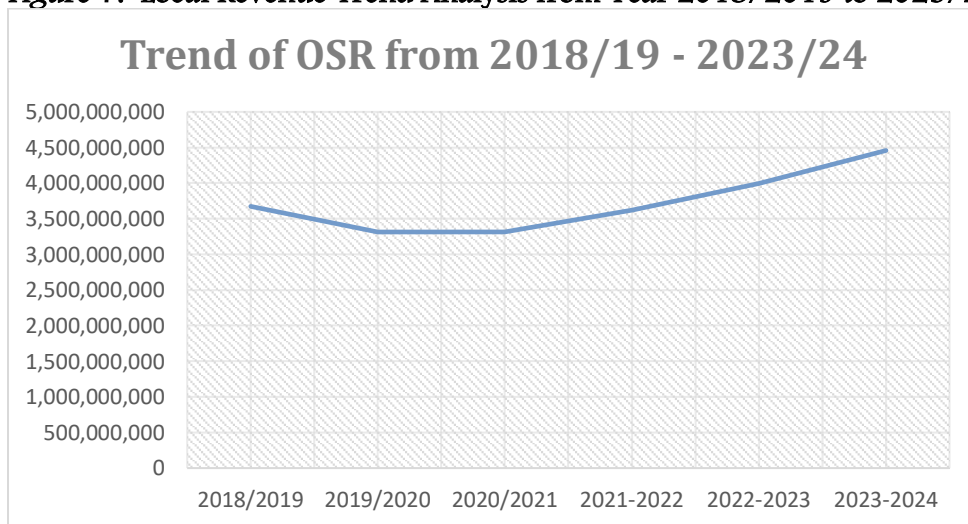
243. The Table below outlines the annual own source revenue collection over a period of six financial years.

**Table 12: Local Revenue realized within the last six Financial Years**

MONTH	2018/2019	2019/2020	2020/2021	2021-2022	2022-2023	2023-2024
JULY	91,417,758	110,950,638	133,177,640	290,898,301	367,089,557	207,528,785
AUGUST	131,853,605	164,871,323	180,063,924	158,294,767	124,935,681	177,215,561
SEPTEMBER	75,372,653	195,639,679	207,752,314	324,609,448	76,843,866	181,775,384
OCTOBER	195,060,885	192,425,344	200,978,869	240,688,839	106,492,816	162,567,466
NOVEMBER	147,641,305	208,065,464	195,076,359	161,645,883	386,945,293	172,237,724
DECEMBER	362,828,365	228,108,277	162,790,308	220,922,958	339,317,651	215,196,393
JANUARY	434,584,730	286,649,313	441,650,127	498,998,855	270,132,327	493,700,462
FEBRUARY	422,738,253	421,483,469	415,598,494	479,635,817	510,261,367	489,469,385
MARCH	733,336,511	634,763,565	541,583,202	515,926,400	792,863,010	1,200,484,931
APRIL	468,186,699	203,268,450	280,251,148	290,568,789	420,946,047	265,269,807
MAY	203,642,080	160,817,790	211,868,868	138,306,690	393,590,939	358,003,900
JUNE	405,994,209	508,759,315	343,741,925	299,135,806	209,210,294	534,308,498
<b>TOTAL</b>	<b>3,672,657,053</b>	<b>3,315,802,627</b>	<b>3,314,533,178</b>	<b>3,619,632,553</b>	<b>3,998,628,848</b>	<b>4,457,758,296</b>

Source: County Treasury, 2025

**Figure 7: Local Revenue Trend Analysis from Year 2018/2019 to 2023/2024**



Source: County Treasury, 2025

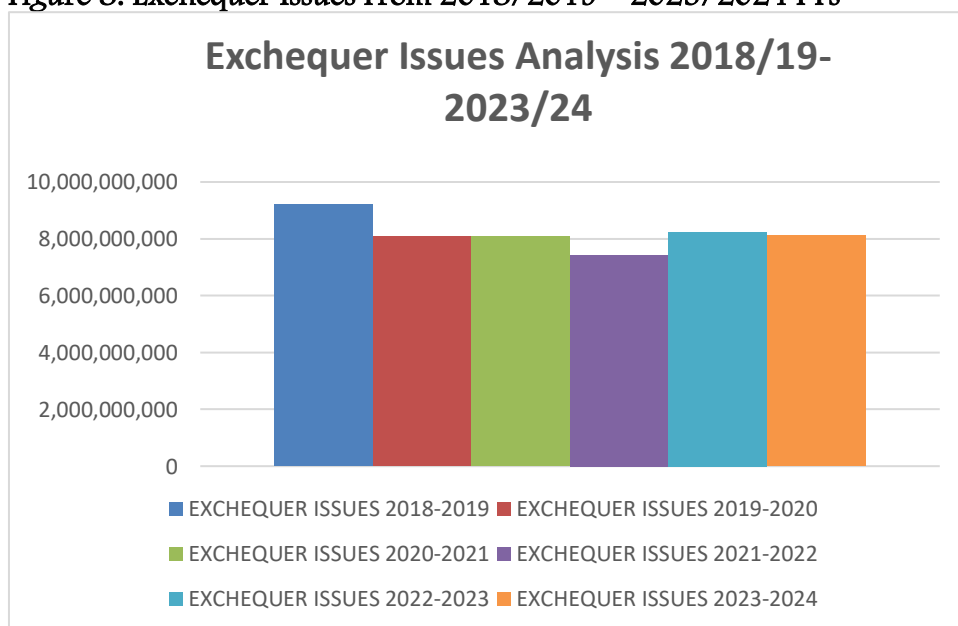
## 4.6 Exchequer Issues Disbursed over the Years

244. The Table below show the actual exchequer issues disbursed to the County in six financial years

**Table 13: Actual Monthly Exchequer Issues Over Five Financial Years 2018/2019– 2023/2024 FYs**

MONTH	EXCHEQUER ISSUES 2018-2019	EXCHEQUER ISSUES 2019-2020	EXCHEQUER ISSUES 2020-2021	EXCHEQUER ISSUES 2021-2022	EXCHEQUER ISSUES 2022-2023	EXCHEQUER ISSUES 2023-2024
JULY	0	0	0	0	0	668,229,525
AUGUST	430,761,965	0	0	605,388,325	643,225,095	6,000,000
SEPTEMBER	587,699,500	1,228,083,300	0	643,225,095	605,388,325	642,761,844
OCTOBER	741,181,901	632,224,439	1,164,561,750	643,225,095	0	668,229,525
NOVEMBER	875,741,969	0	828,146,904	1,248,613,420	643,225,096	628,921,906
DECEMBER	822,680,000	824,676,155	574,671,000	825,326,491	605,388,325	678,229,525
JANUARY	944,297,016	949,232,625	798,466,182	643,225,095	983,546,633	628,921,906
FEBRUARY	794,895,339	1,592,730,838	628,955,904	845,033,993	0	668,229,525
MARCH	0	564,636,000	599,925,750	605,388,325	605,388,325	0
APRIL	1,515,161,166	40,134,590	599,925,750	712,922,804	1,286,450,190	1,155,880,198
MAY	54,151,120	741,084,750	574,844,314	864,906,837	605,388,325	691,421,906
JUNE	2,449,218,601	1,517,641,228	2,293,217,209	234,558,066	2,256,150,493	1,695,766,669
<b>TOTAL DISBURSED</b>	<b>9,215,788,577</b>	<b>8,090,443,924</b>	<b>8,062,714,763</b>	<b>7,427,273,268</b>	<b>8,234,150,807</b>	<b>8,132,592,529</b>

**Figure 8: Exchequer Issues From 2018/2019 – 2023/2024 FYs**



**Table 14: Detailed Revenue Analysis 2023/2024 FY**

Revenue Item	Annual Budgeted	Total Receipt	%
<b>Equitable share</b>	<b>7,861,523,820</b>	<b>7,232,601,918</b>	<b>92</b>
<b>GRANTS</b>			
Agriculture Sector Support Program II	2,512,539	-	0
Kenya Marine Fisheries and Socio-Economic Development (KEMFSED)	39,346,299	-	0
Fertilizer Subsidy Programme	6,495,711		0
Conditional Grant for transfer Library services	5,635,387	-	0
Allocation for court fines	13,428,433	-	0
DANIDA	12,878,250	13,839,938	107.8
World Bank -Transforming Health Systems for Universal Care Project (THUSP)		6,000,000	-
Finance Locally - Led Climate Action Program (FLOCA)	125,000,000	-	0
World Bank - Kenya Informal Settlement Improvement Project (KISIP)	320,000,000	320,000,000	100.0
Aggregated Industrial Parks Programme	250,000,000	62,500,000	25.0
Finance Locally - Led Climate Action Program (FLOCA)	11,000,000	-	0
Water & Sanitation Development Program – World Bank Fund	1,000,000,000	497,650,673	49.8
Mineral Royalties	18,830	-	-
<b>Total Grants</b>	<b>1,661,315,449</b>	<b>899,990,611</b>	<b>54.2</b>
<b>Total Exchequer Issues</b>	<b>10,133,643,003</b>	<b>8,132,592,529</b>	<b>80.3</b>

**Table 15: Summary of Recurrent Departmental Expenditure (Actual Expenditure FY 2023/2024- Budgeted FY 2024/2025)**

S/NO	DEPARTMENTS	Budgeted Expenditure 2023/2024	Actual Expenditure 2023/2024	Budgeted 2024/2025
1.	The Executive	120,631,836	82,561,943	253,460,063
2.	Public Service Board	145,363,603	124,630,357	131,692,825
3.	Finance and Economic Planning	1,069,880,264	1,046,411,276	1,130,484,441
4.	Environment & Governance	661,123,095	607,065,263	904,465,878
5.	Education	937,411,080	825,861,347	864,376,025
6.	Health	4,002,833,005	3,220,870,278	4,237,316,744
7.	Water, Natural Resources & Climate Change Resilience	92,537,357	81,824,644	217,235,887
8.	Public Service Administration, Youth, Gender, Sports & Social Services	1,440,220,832	1,298,777,486	821,517,956
9.	Tourism, Culture & Trade	422,517,699	406,400,206	458,459,661
10.	Lands, Urban Renewal and Housing	206,084,910	189,088,729	195,073,556
11.	Transport and Infrastructure	821,370,499	766,251,687	736,570,444
12.	Blue Economy, Cooperatives, Agriculture & Livestock	186,499,766	167,274,430	198,889,793
13.	The County Attorney	94,874,099	93,398,714	103,014,783
14.	County Assembly	990,944,906	950,807,393	813,735,933
	<b>TOTAL</b>	<b>11,192,292,953</b>	<b>9,861,223,753</b>	<b>11,066,293,988</b>

**Table 16: Summary of Development Departmental Expenditure (Actual Expenditure FY 2023/2024- Budgeted FY 2024/2025)**

S/NO	DEPARTMENTS	Budgeted Expenditure 2023/2024	Actual Expenditure 2023/2024	Budgeted 2024/2025
1.	The Executive	24,950,000	5,610,886	37,000,000
2.	Public Service Board	20,000,000	0	10,000,000
3.	Finance and Economic Planning	405,322,577	378,675,785	442,513,000
4.	Environment & Governance	204,508,879	115,858,139	247,800,000
5.	Education	229,800,000	128,495,342	151,000,000
6.	Health	663,790,000	85,193,911	600,000,000
7.	Water, Natural Resources & Climate Change Resilience	1,091,500,000	513,580,268	1,104,050,260
8.	Public Service Administration, Youth, Gender, Sports & Social Services	225,000,000	7,120,031	270,000,000
9.	Tourism, Culture & Trade	460,692,810	37,110,600	239,500,000
10.	Lands, Urban Renewal and Housing	609,576,556	355,289,193	1,070,000,000
11.	Transport and Infrastructure	644,137,792	387,128,533	863,542,752
12.	Blue Economy, Cooperatives, Agriculture & Livestock	150,000,000	36,609,582	78,300,000
13.	The County Attorney	13,428,433	0	-
14.	County Assembly	55,000,000	0	80,000,000
	<b>TOTAL</b>	<b>4,797,707,047</b>	<b>2,050,672,268</b>	<b>5,193,706,012</b>

**Table 17: Summary of Total Departmental Expenditure (Actual Expenditure FY 2023/2024- Budgeted FY 2024/2025)**

S/NO	DEPARTMENTS	Budgeted Expenditure 2023/2024	Actual Expenditure 2023/2024	Budgeted 2024/2025
1.	The Executive	145,581,836	88,172,829	290,460,063
2.	Public Service Board	165,363,603	124,630,357	141,692,825
3.	Finance and Economic Planning	1,475,202,841	1,425,087,060	1,572,997,441
4.	Environment & Governance	865,631,974	722,923,401	1,152,265,878
5.	Education	1,167,211,080	954,356,689	1,015,376,025
6.	Health	4,666,623,005	3,306,064,189	4,837,316,743
7.	Water, Natural Resources & Climate Change Resilience	1,184,037,357	595,404,912	1,321,286,147
8.	Public Service Administration, Youth, Gender, Sports & Social Services	1,665,220,832	1,305,897,517	1,091,517,956
9.	Tourism, Culture & Trade	883,210,509	443,510,805	697,959,661
10.	Lands, Urban Renewal and Housing	815,661,466	544,377,922	1,265,073,556
11.	Transport and Infrastructure	1,465,508,291	1,153,380,220	1,600,113,196
12.	Blue Economy, Cooperatives, Agriculture & Livestock	336,499,766	203,884,012	277,189,793
13.	The County Attorney	108,302,532	93,398,714	103,014,783
14.	County Assembly	1,045,944,906	950,807,393	893,735,933
	<b>TOTAL</b>	<b>15,990,000,000</b>	<b>11,911,896,020</b>	<b>16,260,000,000</b>

Source: County Treasury, 2025

**Table 18: Summary of Projected Medium-Term Costs and Ceilings FY 2025/2026- 2027/2028**

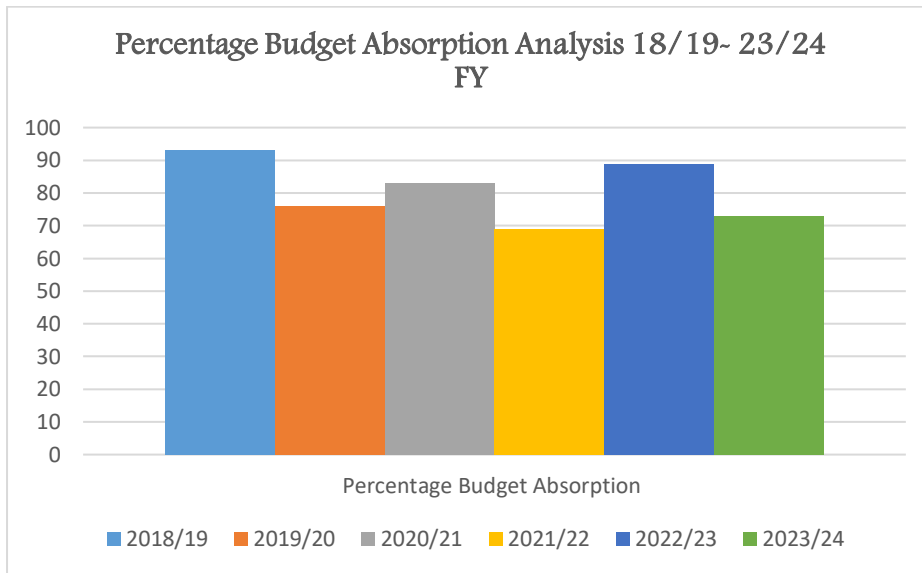
S/NO	DEPARTMENTS	PROJECTED 2025/2026	PROJECTED 2026/2027	PROJECTED 2027/2028
	<b>RECURRENT</b>			
1.	County Assembly	740,845,894	740,845,894	740,845,894
2.	Public Service Board	120,942,827	122,152,255	123,373,777
3.	Finance & Economic Planning	880,484,441	939,789,286	949,187,179
4.	Health	4,154,835,494	4,196,383,849	4,238,347,687
5.	Transport & Infrastructure	686,570,444	693,436,148	700,370,510
6.	Environment & Governance	897,023,126	835,293,357	843,646,291
7.	Education	934,376,025	620,519,785	626,724,983
8.	Water, Natural Resources & Climate Change Resilience	217,218,845	219,391,033	221,584,944
9.	Public Service Administration, Youth, Gender, Sports & Social Services	394,017,956	741,358,135	748,771,717
10.	Tourism, Culture & Trade	438,459,661	442,844,258	447,272,700
11.	Lands, Urban Renewal and Housing	185,073,556	186,924,292	188,793,534
12.	Blue Economy, Cooperatives, Agriculture & Livestock	177,970,874	179,750,583	181,548,089
13.	County Attorney	98,014,783	98,994,931	99,984,880
14.	Executive	223,460,063	225,694,664	227,951,610
	<b>TOTAL RECURRENT</b>	<b>10,149,293,988</b>	<b>10,243,378,469</b>	<b>10,338,403,795</b>
		<b>Projected 2025/2026</b>	<b>Projected 2026/2027</b>	<b>Projected 2027/2028</b>
	<b>DEVELOPMENT</b>			
1.	County Assembly	50,000,000	50,000,000	30,000,000
2.	Public Service Board	10,000,000	10,100,000	10,201,000
3.	Finance & Economic Planning	402,513,000	446,938,130	451,407,511
4.	Health	600,000,000	606,000,000	612,060,000
5.	Transport & Infrastructure	743,542,752	872,178,180	880,899,961
6.	Environment & Governance	570,300,000	250,278,000	252,780,780
7.	Education	151,000,000	152,510,000	154,035,100
8.	Water, Natural Resources & Climate Change Resilience	786,050,260	864,610,763	873,256,870
9.	Public Service Administration, Youth, Gender, Sports & Social Services	227,500,000	272,700,000	275,427,000
10.	Tourism, Culture & Trade	334,500,000	368,145,000	371,826,450
11.	Lands, Urban Renewal and Housing	460,000,000	484,800,000	489,648,000
12.	Blue Economy, Cooperatives, Agriculture & Livestock	78,300,000	79,083,000	79,873,830
13.	County Attorney	0	0	0
14.	Executive	37,000,000	37,370,000	37,743,700
	<b>TOTAL DEVELOPMENT</b>	<b>4,450,706,012</b>	<b>4,494,713,072</b>	<b>4,519,160,202</b>
		<b>Projected 2025/2026</b>	<b>Projected 2026/2027</b>	<b>Projected 2027/2028</b>
1.	County Assembly	790,845,894	790,845,894	770,845,894
2.	Public Service Board	130,942,827	132,252,255	133,574,777
3.	Finance & Economic Planning	1,282,997,441	1,386,727,416	1,400,594,690
4.	Health	4,754,835,493	4,802,383,848	4,850,407,687

5.	Transport & Infrastructure	1,430,113,196	1,565,614,328	1,581,270,471
6.	Environment & Governance	1,467,323,126	1,085,571,357	1,096,427,071
7.	Education	1,085,376,025	773,029,785	780,760,083
8.	Water, Natural Resources & Climate Change Resilience	1,003,269,105	1,084,001,796	1,094,841,814
9.	Public Service Administration, Youth, Gender, Sports & Social Services	621,517,956	1,014,058,135	1,024,198,717
10.	Tourism, Culture & Trade	772,959,661	810,989,258	819,099,150
11.	Lands, Urban Renewal and Housing	645,073,556	671,724,292	678,441,534
12.	Blue Economy, Cooperatives, Agriculture & Livestock	256,270,874	258,833,583	261,421,919
13.	County Attorney	98,014,783	98,994,931	99,984,880
14.	Executive	260,460,063	263,064,664	265,695,310
	<b>TOTAL EXPENDITURE</b>	<b>14,600,000,000</b>	<b>14,738,091,541</b>	<b>14,857,563,997</b>

**Table 19: Growth of Executive Expenditure from 2018/2019-2023/2024 FY**

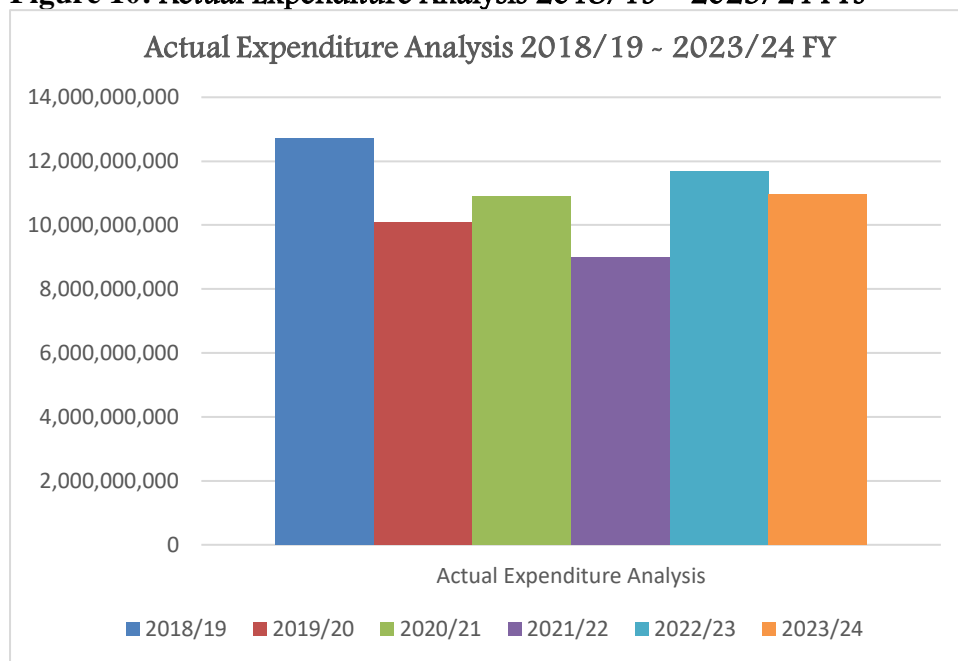
S NO.	DEPARTMENTS	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
3011	County Executive	367,868,652	170,907,637	134,579,861	124,868,359	134,811,934	88,172,829
3013	Public Service Board	82,182,927	42,223,122	57,481,487	53,739,218	87,803,620	124,630,357
3014	Finance & Economic Planning	2,724,996,907	1,929,435,855	1,674,353,623	1,661,433,513	1,355,581,695	1,425,087,060
3015	Environment, Waste Management and Energy	737,985,956	507,605,972	581,863,283	541,024,948	669,774,046	-
3027	Environment & Solid Waste Management	-	-	-	-	-	722,923,401
3016	Education, Information Technology & MV 2035	452,661,776	429,302,668	553,209,274	208,472,630	503,051,504	-
3028	Education & Digital Transformation	-	-	-	-	-	954,356,689
3017	Health Services	3,242,469,680	3,261,210,911	3,166,401,627	2,067,494,451	5,277,309,931	3,306,064,189
3018	Water, Sanitation & Natural Resources	68,635,562	282,665,964	333,232,081	236,462,366	642,268,728	-
3029	Water, Natural Resources & Climate Change Resilience	-	-	-	-	-	595,404,912
3019	Youth, Gender, Sports & Cultural Affairs	280,429,106	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
3020	Trade, Tourism & Investment	486,693,687	286,680,390	450,113,691	366,410,252	430,794,137	-
3031	Tourism, Culture & Trade	-	-	-	-	-	443,510,805
3021	Lands, Housing & Physical Planning	311,766,515	214,961,915	487,982,311	242,381,419	289,821,422	-
3032	Lands, Planning, Housing and Urban Renewal	-	-	-	-	-	544,377,922
3022	Transport & Infrastructure & Public Works	2,017,723,065	1,239,171,000	1,121,356,757	889,900,518	1,059,969,882	1,153,380,220
3023	Agriculture, Fisheries, Livestock & Cooperatives	325,189,634	141,925,916	175,574,698	126,438,905	193,519,629	-
3033	Blue Economy, Agriculture & Livestock	-	-	-	-	-	203,884,012
3026	Devolution & Public Service Administration	1,621,225,848	1,389,053,177	1,107,593,596	2,172,829,629	905,522,554	-
3034	The County Attorney	-	-	-	-	-	93,398,714
	<b>Total Expenditure</b>	<b>12,719,829,315</b>	<b>10,076,412,906</b>	<b>10,889,466,230</b>	<b>8,994,636,065</b>	<b>11,696,911,326</b>	<b>10,961,088,627</b>
	<b>Budgeted</b>	<b>13,689,901,837</b>	<b>12,925,617,143</b>	<b>13,066,172,243</b>	<b>13,120,745,608</b>	<b>13,095,216,980</b>	<b>14,944,055,093</b>
	<b>% Absorption</b>	<b>93</b>	<b>76</b>	<b>83</b>	<b>69</b>	<b>89</b>	<b>73</b>

**Figure 9: Percentage Budget Absorption 2018/19 – 2023/24 FYs**



245. Total expenditure amounted to Ksh. 11,911,896,020 against a target of Ksh. 15,990,000,000 representing an under spending of Ksh. 4,078,103,980 which is 25.5 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 equitable share and donor grants.
246. The County had a 74.5% absorption rate which is a 14.8% drop from 89.3% in the previous FY due to an increase in the absolute budget figure of 2 billion.
247. Recurrent expenditure amounted to 9.9 billion which comprised of personnel emoluments of 6.4 billion, 3.5 billion for operations and maintenance for all the departments.
248. Development expenditure was 2.1 billion compared to a target of 4.8 billion. This represented an under-spending of approximately 2.7 billion which translates to 57.3 percent deviation from the approved development expenditure. The underperformance in development expenditure was majorly contributed by unrealized local revenue and lack of disbursement of part of the World Bank’s Water and Sanitation Grant among other grants.
249. In arriving at the revenues and expenditures above, the cash basis was used and therefore uncollected revenues, commitments and pending bills were excluded.

**Figure 10: Actual Expenditure Analysis 2018/19 – 2023/24 FYs**

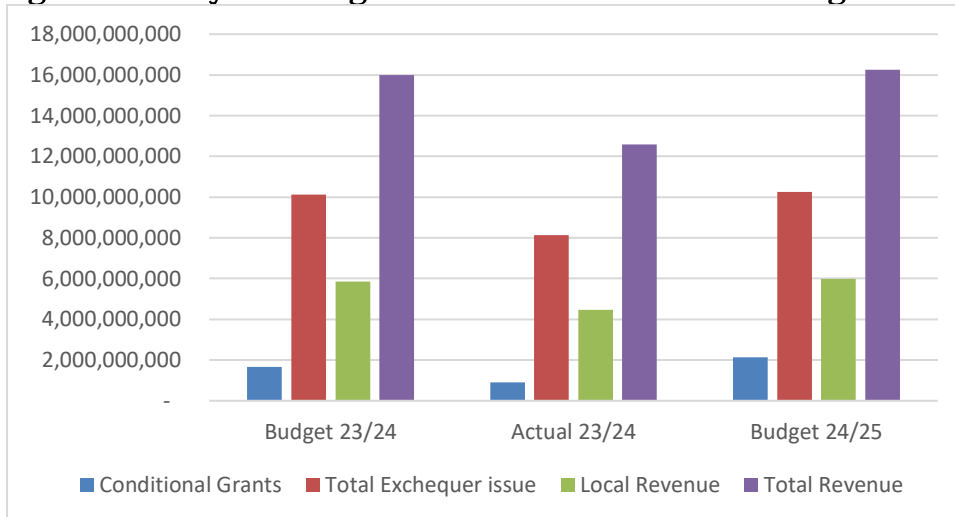


**Table 20: Comparison of Budgeted/ Actual FY 2023/2024 vs. Budgeted/ Projected Revenues and Expenditure for FYs 2024/2025**

REVENUE/EXPENDITURE PROJECTIONS	Budget 2023/2024(Ksh)	Actual 2023/2024 (Ksh.)	Budget 2024/2025 (Ksh)
National Government Equitable Share	7,861,523,820	7,232,601,918	8,141,725,357
Conditional Grants	1,661,315,449	899,990,611	2,121,359,962
Opening balance	610,803,734	0	0
<b>Total Exchequer Issues</b>	<b>10,133,643,003</b>	<b>8,132,592,529</b>	<b>10,263,085,319</b>
County Local Sources	5,856,356,997	4,457,758,296	5,996,914,680
<b>Total Revenue</b>	<b>15,990,000,000</b>	<b>12,590,350,825</b>	<b>16,260,000,000</b>
Personnel	6,484,413,377	6,422,977,485	6,825,567,864
Operations Repair and Maintenance	4,707,879,576	3,438,246,268	4,240,726,125
Capital Expenditure	4,797,707,047	2,050,672,268	5,193,706,012
<b>Total Expenditure</b>	<b>15,990,000,000</b>	<b>11,911,896,020</b>	<b>16,260,000,000</b>
<b>Surplus/ (Deficit)</b>	<b>0</b>	<b>678,454,804</b>	<b>0</b>

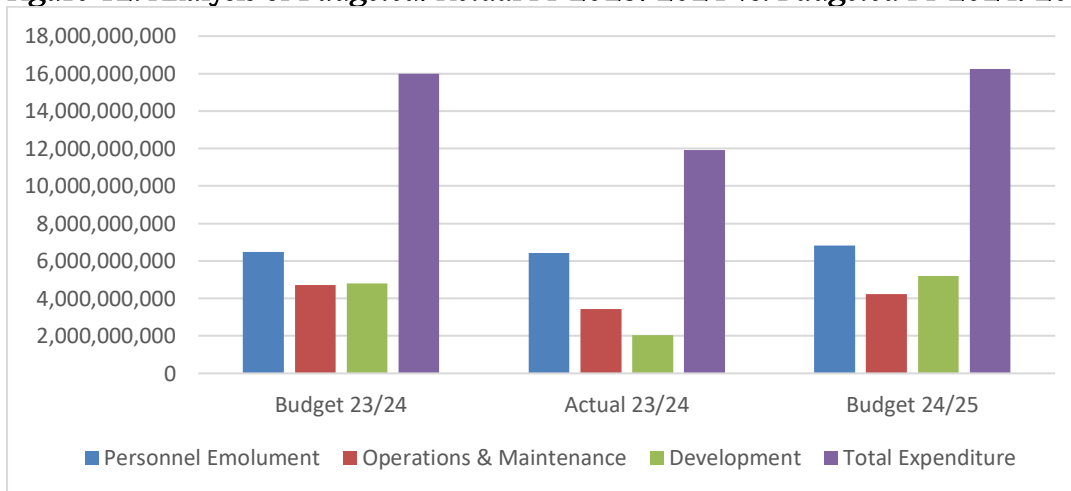
Source: County Treasury, 2025

**Figure 11: Analysis of Budgeted/Actual FY 2023/2024 vs. Budgeted FY 2024/2025 Revenues**



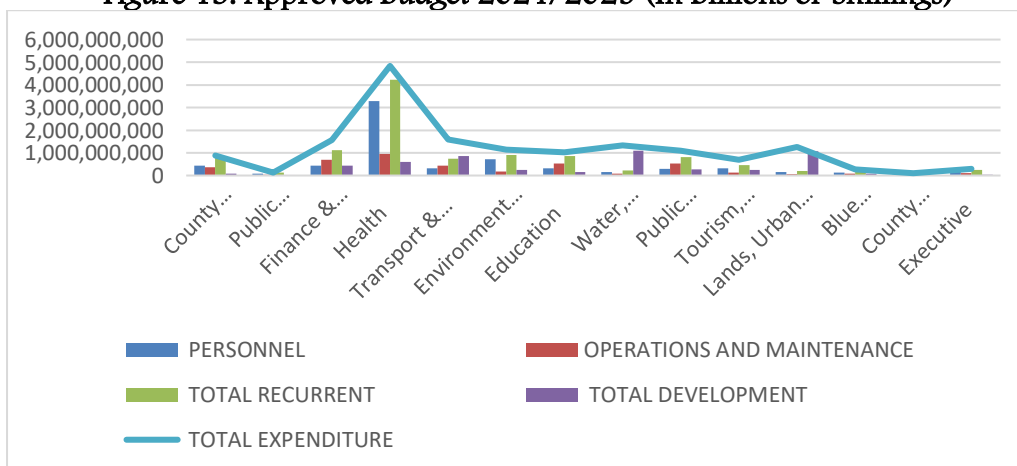
Source: County Treasury, 2025

**Figure 12: Analysis of Budgeted/Actual FY 2023/2024 vs. Budgeted FY 2024/2025 Expenditure**



Source: County Treasury, 2025

**Figure 13: Approved Budget 2024/2025 (In Billions of Shillings)**



Source: County Treasury, 2025

Table 21: Approved Budget 2024/25

	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS AND MAINTENANCE	TOTAL RECURRENT	TOTAL DEVELOPMENT	TOTAL EXPENDITURE	%
County Assembly		446,772,694	366,963,239	813,735,933	80,000,000	<b>893,735,933</b>	5.5
Public Service Board		92,775,027	38,917,798	131,692,825	10,000,000	<b>141,692,825</b>	0.9
Finance & Economic Planning		446,122,503	684,361,939	1,130,484,441	442,513,000	<b>1,572,997,441</b>	9.7
Health	16,260,000,000	3,278,666,744	958,650,000	4,237,316,744	600,000,000	<b>4,837,316,743</b>	29.7
Transport & Infrastructure		309,390,525	427,179,919	736,570,444	863,542,752	<b>1,600,113,196</b>	9.8
Environment & Governance		719,435,878	185,030,000	904,465,878	247,800,000	<b>1,152,265,878</b>	7.1
Education		324,867,297	539,508,728	864,376,025	151,000,000	<b>1,015,376,025</b>	6.2
Water, Natural Resources & Climate Change Resilience		142,145,887	75,090,000	217,235,887	1,104,050,260	<b>1,321,286,147</b>	8.1
Public Service Administration, Youth, Gender, Sports & Social Services		283,765,586	537,752,370	821,517,956	270,000,000	<b>1,091,517,956</b>	6.7
Tourism, Culture & Trade		318,409,661	140,050,000	458,459,661	239,500,000	<b>697,959,661</b>	4.3
Lands, Urban Renewal and Housing		146,373,556	48,700,000	195,073,556	1,070,000,000	<b>1,265,073,556</b>	7.8
Blue Economy, Cooperatives, Agriculture & Livestock		125,378,714	73,511,079	198,889,793	78,300,000	<b>277,189,793</b>	1.7
County Attorney		36,703,730	66,311,053	103,014,783	-	<b>103,014,783</b>	0.6
Executive		154,760,063	98,700,000	253,460,063	37,000,000	<b>290,460,063</b>	1.8
<b>TOTAL</b>		<b>6,825,567,864</b>	<b>4,240,726,125</b>	<b>11,066,293,988</b>	<b>5,193,706,012</b>	<b>16,260,000,000</b>	100
<b>SURPLUS / (DEFICIT)</b>	<b>0</b>	<b>42</b>	<b>26</b>	<b>68</b>	<b>32</b>		
Revenue							
Equitable Share	8,141,725,357						
Conditional Grants	2,121,359,962						
Total Exchequer Issues	<b>10,263,085,319</b>						
Own Source Revenue	<b>5,996,914,680</b>						
<b>Total Revenue</b>	<b>16,260,000,000</b>						

Source: County Treasury, 2025

## CHAPTER FIVE

### 5.0: STATEMENT OF SPECIFIC FISCAL RISKS

#### 5.1 Introduction

250. The risk to the outlook for Mombasa County 2025/2026 budget and the medium-term is expected to emanate from both external and domestic quotas. The economy remains vulnerable to both domestic and external shocks. For prudent management of risks, the PFM Act, 2012 Section 107(2)(f) of the PFM Act, 2012 require County Treasuries to manage their fiscal risks prudently.

#### 5.2 Statement of Specific Fiscal Risks

251. The “statement of specific risks” outlines the County’s exposure to fiscal risks that are associated with macroeconomic assumptions used for fiscal projections, public debt dynamics, operations of state corporations, contingent liabilities, vulnerabilities of the financial sector, as well as risks posed by nature.
252. The Government remains committed to fiscal consolidation in order to ensure the long-term sustainability of public finances. Nevertheless, the Government will monitor the risks and take appropriate measures to safeguard macroeconomic and microeconomic stability.
253. The upside risk to the domestic economy relate to faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation. The Kenyan Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.
254. In the medium term, the shortfalls in revenue continues to pose a threat of a budget deficit due to the ever-increasing pending bills and a high wage bill. Systems, controls and structures are being put in place to improve the own source revenue performance coupled with a revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
255. The Government will monitor and mitigate the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.
256. The County will embark on the implementation of the Governor’s manifesto incorporating the BETA agenda so as to complement the National Government’s Economic Transformation agenda which has been bearish.
257. Other than the frequent late disbursement of exchequer issues, the main challenges that continue to be experienced relate to unrealized projected local revenue collection, bloated

wage bill and huge pending bills some of which are statutory deductions that accrue huge interests.

258. The high wage bill continues to be a major challenge in the implementation of the budget. The projected wage bill for 2025/26 financial year the personnel emoluments stand at 49% of the overall county budget which is 14% above the statutory requirement of 35%. The recruitment of key essential staff and the frequent salary increment for various cadres of staff continues to increase the already bloated wage bill. The various collective bargaining agreements (CBAs) and salary negotiations especially in the health sector results to an increase in salaries and benefits of various officers as well as other statutory obligations continues to threaten the already ballooned wage bill.
259. The unfavorable parameters used to allocate equitable share to the counties including the proposed fourth basis continues to be a major risk as the county's allocation has been dwindling coupled with the delay in disbursement of funds by the national government especially in the fourth quarter which usually poses a challenge as this leads to delay in execution of planned activities thus compromising service delivery.
260. In the medium term, due to revenue shortfalls, the existing historical pending bills continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance, following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal space.
261. The fiscal framework for the financial year 2025/26 will entail a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter increase of recurrent expenditures in favor of productive capital spending.
262. To achieve this, the Government endeavors to prioritize expenditure in the social sectors with the overall objective of this is being to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved standards of living and quality of life for the citizenry.
263. The CG recognizes that further stringent measures need to be put in place to ensure scaling up of revenue collection and mobilization of resources and more efficient production structure towards the implementation of the third generation CIDP 2023- 2027.
264. The County Government will continue monitoring the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

### **5.3 Response to Overview of the County's Revenue Performance**

265. The following strategies will continue to be implemented to increase the revenue for the County in order to ensure that the planned budget is realized.

- Enforcement of the Finance Acts and Regulations: The County Government will ensure that fees and charges are collected in accordance to the Finance Act 2020.
- Expanding the Revenue base: So as to increase the revenue base the County shall identify the unexploited revenue streams as mandated in the Public Finance Management Act.
- Upgrading of the automated revenue collection system: The County will continuously upgrade the revenue collection systems so as to be at par with the current environment dynamics.
- Business processes reengineering: To ensure an effective and efficient revenue collection, the County Government shall embark on a vigorous exercise of fine tuning all the revenue collection processes.
- Decentralization of revenue collection at the sub counties and ward levels: This will ensure that there is maximum revenue collection realized from all corners. Plugging the revenue leakages by training the collectors and ensuring that all the revenue collected are deposited to the nearest commercial bank before the closure of the business. The revenue collectors will also be frequently rotated to new stations to avoid familiarity.
- Adequate supervision and enforcement of revenue collection points to enhance accountability and seal corruption loopholes

### **5.4 Prudent Management of Fiscal Risks**

266. The Public Finance Management (PFM) Act, 2012, mandates County Treasuries to prudently manage their fiscal risks.

267. Over the years, a number of fiscal risks in the county have been identified in revenue and expenditure performance; These are:

- High expenditure on wage bill that lowers the ability of the county government to meet financial obligations on operations & maintenance and development requirements; and,
- Underperformance in OSR, which results to unfunded budgets resulting to accumulation of pending bills.
- High levels of cumulated pending bills that negatively affects effective delivery of public services as well as local business development;
- Non timely disbursement of equitable share coupled with non-remittance of donor funded grants which hampers development projects implementation.

268. The County Government will continue pursuing prudent fiscal policy to ensure stability. In addition, our fiscal policy objective will provide an avenue to support economic activity while allowing for sustainable management of public finances. As such, the CG will continue honoring the repayment plan of the pending bills so as to offset all the pending bills in the shortest period possible and ensuring expenditure is strictly done guided by availability of funds going forth.
269. Fiscal policy will continue to support County development economic activities while providing a platform for the implementation of the various planned projects and programmes within a context of sustainable public financing. This process will be strengthened in the FY 2024/25 by encouraging more private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.
270. The growth of the outlook for the calendar year 2024 and the FY 2024/25 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the County Government under the Mombasa Vision 2035 to compliment the Bottom-Up Transformation Agenda (BETA), and the ongoing public investments in infrastructure projects that are envisaged to be implemented through Public Private Partnerships.
271. The County Government in its third generation CIDP 2023-2027 has ensured that it rides on the gains that has so far been realized while also putting up strategic measures to address the challenges that have so far been identified that are hindering effective service delivery to the citizenry.
272. With respect to revenue, the CG will maintain a strong revenue effort at 12 percent of Revenue Growth over the medium term. Measures to achieve this effort include upgrading of the county revenue automated systems, interdepartmental concerted efforts towards revenue collection, implementation of the finance act 2024 with a rejuvenated enforcement mechanism. In addition, the CG will rationalize existing fees and charges incentives, expand the income base as envisaged in the Constitution.
273. 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.
274. 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.

## ANNEXES

### Annex 1: Total Exchequer Issues FY 2023/2024

Revenue Item	Annual Budgeted	Total Receipt	%
<b>Equitable share</b>	<b>7,861,523,820</b>	<b>7,232,601,918</b>	<b>92</b>
<b>GRANTS</b>			
Agriculture Sector Support Program II	2,512,539	-	0
Kenya Marine Fisheries and Socio-Economic Development (KEMFSED)	39,346,299	-	0
Fertilizer Subsidy Programme	6,495,711	-	0
Conditional Grant for transfer Library services	5,635,387	-	0
Allocation for court fines	13,428,433	-	0
DANIDA	12,878,250	13,839,938	107.8
World Bank -Transforming Health Systems for Universal Care Project (THUSP)	-	6,000,000	-
Finance Locally - Led Climate Action Program (FLLOCA)	125,000,000	-	0
World Bank - Kenya Informal Settlement Improvement Project (KISIP)	320,000,000	320,000,000	100.0
Aggregated Industrial Parks Programme	250,000,000	62,500,000	25.0
Finance Locally - Led Climate Action Program (FLLOCA)	11,000,000		0
Water & Sanitation Development Program – World Bank Fund	1,000,000,000	497,650,673	49.8
Mineral Royalties	18,830		-
<b>Total Grants</b>	<b>1,661,315,449</b>	<b>899,990,611</b>	<b>54.2</b>
<b>Total Exchequer Issues</b>	<b>10,133,643,003</b>	<b>8,132,592,529</b>	<b>80.3</b>

### Annex 2: Total Local Revenue Collected FY 2023/2024

Description	Period ended 30 June 2024	Comparative period prior year* 30 June 2023
	Ksh	Ksh
<b>County Own Source Revenue</b>		
Cess	503,007,032	363,097,851
Land Rate	934,629,934	810,517,465
Single/Business Permits	595,882,704	569,545,828.50
Property Rent	22,005,668	17,026,775.50
Parking Fees	664,922,266	566,639,973
Market Fees	62,498,558	32,053,961
Advertising	134,181,017	143,854,777
Public Health Service Fees	1,128,231,166	1,245,010,845.23
Physical Planning and Development	345,283,567	188,272,682.77
Hire Of County Assets	3,530,500	5,275,489
Conservancy Administration	12,384,484	4,566,882
Administration Control Fees and Charges	50,823,490	47,295,643
Other Fines, Penalties, And Forfeiture Fees	377,910	5,470,675
<b>Total County Own Source Revenue</b>	<b>4,457,758,296</b>	<b>3,998,628,848</b>

**Annex 3: Local Revenue Analysis Detailed 2023/2024 FY**

<b>REVENUE.</b>	<b>GRAND TOTALS 2023-2024 KSH.</b>	<b>ANNUAL BUDGETED 2023-2024 KSH.</b>	<b>%</b>
<b>DEVOLUTION &amp; PUBLIC SERVICE ADMINISTRATION</b>			
Court Fines	265,910	34,200,000	1
Cash Bail	112,000	25,800,000	0
<b>TOTAL</b>	<b>377,910</b>	<b>60,000,000</b>	<b>1</b>
<b>FINANCE &amp; ECONOMIC PLANNING</b>			
Document Search Fee	3,500	39,500	9
Cess Fees	502,704,540	712,668,963	71
<b>TOTAL</b>	<b>502,708,040</b>	<b>712,708,463</b>	<b>71</b>
<b>TRADE, TOURISM &amp; INVESTMENT</b>			
Liquor	43,836,500	70,000,000	63
Market Entrance /Gate Fee	10,482,099	10,306,000	102
Market Stalls Rent	23,707,227	56,302,948	42
Market Shelters Fee	10,480	0	
Offloading	387,893	110,960	350
Hawking Fee	27,910,859	46,843,320	60
Business Subletting/Transfer Fee	170,000	790,866	21
Single Business Permit	595,712,704	811,793,838	73
<b>TOTAL</b>	<b>702,217,762</b>	<b>926,147,932</b>	<b>76</b>
<b>YOUTH, GENDER AND SPORTS</b>			
Social Halls	2,915,000	2,714,200.00	107
Hire of Council Grounds	225,300	269,000.00	84
<b>TOTAL</b>	<b>3,140,300</b>	<b>2,983,200</b>	<b>105</b>
<b>EDUCATION &amp; DIGITAL TRANSFORMATION</b>			
Registration of Educational Facilities	3,430,000	2,724,000	126
<b>TOTAL</b>	<b>3,430,000</b>	<b>2,724,000</b>	<b>126</b>
<b>ENVIRONMENT, WASTE MANAGEMENT &amp; ENERGY</b>			
Cemeteries Charges	2,374,500	2,877,000	83
Incidental charges-Tree Cutting-Environment	195,000	212,700	92
Drainage Certificate Charges	37,000	20,000	185
Garbage dumping Fee	6,579,984	5,683,600	116
<b>TOTAL</b>	<b>9,186,484</b>	<b>8,793,300</b>	<b>104</b>
<b>AGRICULTURE, LIVESTOCK &amp; FISHERIES</b>			
Poultry & Meat Inspection	965,452	881,144.00	110
Horticulture Consultation fees	321,200	286,800.00	112
Livestock Certificates	69,860	81,150.00	86
Slaughter House Charges	35,132	-	
Livestock Permits	2,500	1,000.00	250
Dog Licenses	69,000	134,500.00	51
Cooperatives Audit Charges (Auditing of SACCO)	13,490	46,140.00	29
<b>TOTAL</b>	<b>1,476,634</b>	<b>1,430,734</b>	<b>103</b>
<b>HEALTH</b>			
Premises Inspection Fees (Medical services/Health facilities/Public health)	1,127,265,714	1,300,000,000	87
<b>TOTAL</b>	<b>1,127,265,714</b>	<b>1,300,000,000</b>	<b>87</b>
<b>LANDS, PLANNING &amp; HOUSING</b>			

<b>REVENUE.</b>	<b>GRAND TOTALS 2023-2024 KSH.</b>	<b>ANNUAL BUDGETED 2023-2024 KSH.</b>	<b>%</b>
Valuation & Survey Fees	0	25,800.00	0
Ground Rent	27,340		
Beacon Search Pointing Fee	0	137,500	0
Change of User	0	153,900	0
Subdivision & Consolidation Fees	0	510,050	0
Survey Fee	3,540,594	152,500	232 2
Other Property Charges	10,000	0	0
Buildings Plan Preparation Fee	3,259,134	4,146,592	79
Building Plan Approval Fee	329,838,789	450,000,000	73
Demolition of Structures	882,500	711,000	124
Land Rates	934,527,507	1,240,629,698	75
Hoarding & Scaffolding	0	72,300	0
Document search Fee -HDD	14,000	35,500	39
Instalment Fee (HDD Scheme)	0		
Annual Ground Rent (HDD Scheme)	4,449,399	5,816,373	76
Plot Transfer Fee	251,600	142,800	176
Plots Charges (HDD Scheme)	3,004,051	3,174,477	95
Allottees Documents	39,000	92,000	42
Housing Estates Monthly Rent-Mzizima, Changamwe, Buxton	22,005,668	29,656,128	74
<b>TOTAL</b>	<b>1,301,849,582</b>	<b>1,735,456,618</b>	<b>75</b>
<b>TRANSPORT, INFRASTRUCTURE &amp; PUBLIC WORKS</b>			
Sign Boards & Advertisement Fee	134,181,017	253,593,671	53
Fire - Fighting Services/Tankers Inspection Fee	6,971,500	11,238,467	62
Fire Inspection Fees	0	19,100	0
Road Cutting Application Fees	125,000	493,500	25
Other Vehicles Enclosed Park Fees (Cars, Lorries, etc)	10,600	7,800	136
Street Parking Fees	415,639,305	498,636,942	83
PSV Parking Levy	160,665,998	185,371,470	87
Reserved Parking (Loading/Offloading)	0	0	
Reserved Parking	31,498,000	25,504,000	124
Right - of - Way/ Way- Leave Fee (KPLC, Telcom, etc)	56,946,363	131,247,800	43
<b>TOTAL</b>	<b>806,037,783</b>	<b>1,106,112,750</b>	<b>73</b>
<b>MISCELANEOUS</b>			
Council Vehicle Hire	0		
Debts Clearance Certificate Fee	65,087		
Sale of Council Maps	1,000		
Hearse services	2,000		
<b>TOTAL</b>	<b>68,087</b>	<b>0</b>	
<b>GRAND TOTAL COLLECTION</b>	<b>4,457,758,296</b>	<b>5,856,356,997</b>	<b>76</b>

### Annex 4: Expenditure Per Program FY 2023/2024

DEPARTMENT & PROGRAMMES	EXPENDITURE	Original Budget FY 2023/2024	Final Budget FY 2023/2024	Actual on Comparable Basis	Budget Utilization Difference
<b>3035 THE EXECUTIVE</b>					
Governor's and Deputy Governor's Affairs	RECURRENT	78,000,000	52,067,855	51,899,927	100%
	DEVELOPMENT	11,000,000	10,950,000	5,610,886	51%
Protocol, Hospitality and Communication	RECURRENT	26,000,000	12,716,441	6,057,806	48%
	DEVELOPMENT	14,000,000	10,000,000	0	
County Secretary & Cabinet Affairs	RECURRENT	26,000,000	19,192,650	8,069,662	42%
	DEVELOPMENT	0	4,000,000	0	0%
Governor's Advisory Council, Special Programs, Intergovernmental and External Relations	RECURRENT	24,500,000	32,840,880	14,143,668	43%
	DEVELOPMENT	0	0	0	
Governor's Delivery Unit, Policy, Planning & Research	RECURRENT	19,500,000	3,814,010	2,390,880	63%
	DEVELOPMENT	0	0	0	
<b>Total</b>		<b>199,000,000</b>	<b>145,581,836</b>	<b>88,172,829</b>	<b>60.6%</b>
<b>3012 COUNTY ASSEMBLY</b>					
General Administration and Planning	RECURRENT	674,720,738	703,372,525	950,807,393	135%
	DEVELOPMENT	0	5,000,000	0	0
Legislation, Oversight and Representation	RECURRENT	239,379,262	287,572,381	0	0%
	DEVELOPMENT	50,000,000	50,000,000	0	0%
<b>Total</b>		<b>964,100,000</b>	<b>1,045,944,906</b>	<b>950,807,393</b>	<b>90.9%</b>
<b>3013 COUNTY PUBLIC SERVICE BOARD</b>					
General Administration and Human Resource Policies	RECURRENT	131,400,000	145,363,603	124,630,357	86%
	DEVELOPMENT	20,000,000	20,000,000	0	0%
<b>Total</b>		<b>151,400,000</b>	<b>165,363,603</b>	<b>124,630,357</b>	<b>75.4%</b>
<b>3014 FINANCE AND ECONOMIC PLANNING</b>					
General Administration, Planning and Support Services	RECURRENT	1,068,186,927	963,152,633	958,020,713	99%
	DEVELOPMENT	703,000,000	383,672,577	364,043,300	95%
Financial Management Services-Accounting Unit	RECURRENT	23,601,372	53,580,680	46,279,851	86%
	DEVELOPMENT	11,000,000	19,650,000	14,632,485	74%
Economic Planning and Policy formulation	RECURRENT	29,711,701	53,146,951	42,110,711	79%
	DEVELOPMENT	2,000,000	2,000,000	0	0%
<b>Total</b>		<b>1,837,500,000</b>	<b>1,475,202,841</b>	<b>1,425,087,060</b>	<b>96.6%</b>
<b>3027 ENVIRONMENT &amp; SOLID WASTE MANAGEMENT</b>					
Administration, Planning and Support Services	RECURRENT	462,632,991	520,823,046	522,790,400	100%
	DEVELOPMENT	43,333,334	49,756,354	25,211,766	51%
Environment Compliance and Enforcement	RECURRENT	79,855,670	66,095,221	40,320,267	61%
	DEVELOPMENT	46,333,333	60,767,341	36,508,708	60%
Solid Waste Management	RECURRENT	80,511,339	74,204,828	43,954,596	59%
	DEVELOPMENT	74,333,333	93,985,184	54,137,664	58%
<b>Total</b>		<b>787,000,000</b>	<b>865,631,974</b>	<b>722,923,401</b>	<b>83.5%</b>

DEPARTMENT & PROGRAMMES	EXPENDITURE	Original Budget FY 2023/2024	Final Budget FY 2023/2024	Actual on Comparable Basis	Budget Utilization Difference
<b>3028 EDUCATION &amp; DIGITAL TRANSFORMATION</b>					
General Administration, Planning and Support Services	RECURRENT	309,766,000	367,095,340	366,352,296	100%
	DEVELOPMENT	23,000,000	32,000,000	14,956,219	47%
Early Childhood Education	RECURRENT	18,500,000	10,264,613	70,500	1%
	DEVELOPMENT	101,000,000	101,000,000	35,919,445	36%
Vocational Training & Education	RECURRENT	17,500,000	8,135,387	288,850	4%
	DEVELOPMENT	5,000,000	5,000,000	2,235,177	
Child Care	RECURRENT	2,500,000	1,705,600	722,328	42%
	DEVELOPMENT	0	50,000,000	0	0%
Elimu Fund	RECURRENT	583,000,000	502,933,500	430,781,134	86%
	DEVELOPMENT	0	0	48,375,000	0%
Digital Transformation	RECURRENT	52,734,000	47,276,640	27,646,238	58%
	DEVELOPMENT	37,000,000	41,800,000	27,009,501	65%
<b>Total</b>		<b>1,150,000,000</b>	<b>1,167,211,080</b>	<b>954,356,689</b>	<b>81.8%</b>
<b>3017 HEALTH SERVICES</b>					
Administration Unit	RECURRENT	1,719,690,329	3,181,837,253	3,170,864,248	100%
	DEVELOPMENT	212,285,497	96,000,000	66,468,861	69%
Preventive and Promotive Health services	RECURRENT	69,402,768	20,625,044	8,071,339	39%
	DEVELOPMENT	5,790,000	5,790,000	801,552	14%
Curative/Clinical Health Services	RECURRENT	118,729,822	790,779,759	38,689,578	5%
	DEVELOPMENT	1,364,729,648	562,000,000	17,923,498	3%
Special Programs	RECURRENT	36,150,937	9,590,950	3,245,113	34%
	DEVELOPMENT	1,221,000	0	0	0%
<b>Total</b>		<b>3,528,000,000</b>	<b>4,666,623,005</b>	<b>3,306,064,189</b>	<b>71%</b>
<b>3029 WATER, NATURAL RESOURCES &amp; CLIMATE CHANGE RESILIENCE</b>					
Administration unit	RECURRENT	70,906,170	83,378,277	77,644,713	93%
	DEVELOPMENT	1,000,000,000	1,003,500,000	497,650,672	50%
Natural Resources Management	RECURRENT	8,543,830	191,330	0	0%
	DEVELOPMENT	22,500,000	22,500,000	2,997,000	13%
Sanitation Services and Management	RECURRENT	3,050,000	100,000	98,276	98%
	DEVELOPMENT	10,000,000	10,000,000	4,360,500	44%
Water Supply and Management	RECURRENT	7,100,000	2,600,000	2,590,276	100%
	DEVELOPMENT	15,000,000	20,000,000	8,488,379	42%
Renewable Energy	RECURRENT	6,500,000	365,000	0	0%
	DEVELOPMENT	2,000,000	2,000,000	0	0%
Climate Resilience	RECURRENT	17,900,000	5,902,750	1,491,379	25%
	DEVELOPMENT	33,500,000	33,500,000	83,717	0%
<b>Total</b>		<b>1,197,000,000</b>	<b>1,184,037,357</b>	<b>595,404,912</b>	<b>50.3%</b>

DEPARTMENT & PROGRAMMES	EXPENDITURE	Original Budget FY 2023/2024	Final Budget FY 2023/2024	Actual on Comparable Basis	Budget Utilization Difference
<b>3030 PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SOCIAL SERVICES &amp; SPORTS</b>					
Administration planning and support services	RECURRENT	940,872,839	1,118,888,012	1,075,197,226	96%
	DEVELOPMENT	11,000,000	11,000,000	1,526,900	14%
Human Resource Management & Development	RECURRENT	219,434,994	200,370,483	160,082,891	80%
	DEVELOPMENT	0	0	0	
County Administration & Decentralized Services	RECURRENT	19,853,424	9,571,046	3,892,256	41%
	DEVELOPMENT	105,000,000	105,000,000	1,708,182	2%
Enforcement, Compliance & Disaster Management	RECURRENT	21,588,744	69,892,140	36,083,610	52%
	DEVELOPMENT	19,000,000	19,000,000	0	0%
Youth Affairs & Sports Development	RECURRENT	121,000,000	20,685,212	11,499,707	56%
	DEVELOPMENT	70,000,000	70,000,000	0	0%
Gender, PWD Integration & Social Services	RECURRENT	34,250,000	20,813,940	12,021,795	58%
		20,000,000	20,000,000	3,884,949	19%
<b>Total</b>		<b>1,582,000,000</b>	<b>1,665,220,832</b>	<b>1,305,897,517</b>	<b>78.4%</b>
<b>3031 TOURISM, CULTURE &amp; TRADE</b>					
General Administration Planning & support services	RECURRENT	314,945,978	384,315,769	385,662,206	100%
	DEVELOPMENT	0	0	0	
Trade Development and Markets/ Consumer Protection	RECURRENT	14,900,000	15,433,690	14,163,762	92%
	DEVELOPMENT	125,000,000	324,800,000	7,666,596	2%
E-Licensing & Services	RECURRENT	9,801,997	2,564,281	1,211,948	47%
	DEVELOPMENT	2,500,000	2,500,000	0	0%
Tourism Marketing and Product Development	RECURRENT	33,559,215	9,228,569	2,558,924	28%
	DEVELOPMENT	89,392,810	129,392,810	29,444,003	
Cultural Affairs	RECURRENT	7,600,000	4,507,070	1,495,145	33%
	DEVELOPMENT	0	0	0	0%
Co-operative Development	RECURRENT	9,300,000	6,468,320	1,308,221	20%
	DEVELOPMENT	5,000,000	4,000,000	0	0%
<b>Total</b>		<b>612,000,000</b>	<b>883,210,509</b>	<b>443,510,805</b>	<b>50.2%</b>
<b>3032 LANDS, PLANNING, HOUSING AND URBAN RENEWAL</b>					
Administration planning and support services	RECURRENT	172,157,269	166,811,475	162,636,387	97%
	DEVELOPMENT	55,576,556	55,576,556	4,756,303	1%
Housing Development & Management	RECURRENT	11,350,000	2,282,350	232,350	10%
	DEVELOPMENT	281,000,000	351,000,000	326,860,782	93%
Urban Renewal	RECURRENT	64,050,000	32,845,200	24,808,632	76%
	DEVELOPMENT	190,000,000	170,000,000	23,672,108	14%
Land Administration and Valuation	RECURRENT	15,566,175	3,045,885	1,411,360	46%
	DEVELOPMENT	2,000,000	2,000,000	0	0%
Physical Planning	RECURRENT	3,300,000	1,100,000	0	0%
	DEVELOPMENT	31,000,000	31,000,000	0	0%
<b>Total</b>		<b>826,000,000</b>	<b>815,661,466</b>	<b>544,377,922</b>	<b>66.7%</b>

DEPARTMENT & PROGRAMMES	EXPENDITURE	Original Budget FY 2023/2024	Final Budget FY 2023/2024	Actual on Comparable Basis	Budget Utilization Difference
<b>3022 TRANSPORT, INFRASTRUCTURE &amp; PUBLIC WORKS</b>					
General Administration and Support Services	RECURRENT	718,675,000	733,889,111	712,436,004	97%
	DEVELOPMENT	0	0	1,742,674	0%
Roads Infrastructure Development	RECURRENT	18,400,000	8,459,199	3,516,714	42%
	DEVELOPMENT	245,000,000	496,091,550	330,268,168	67%
Transportation Management	RECURRENT	8,200,000	707,729	306,401	43%
	DEVELOPMENT	12,000,000	51,046,242	22,801,911	45%
County Public Works	RECURRENT	27,650,000	3,727,799	2,381,158	64%
	DEVELOPMENT	23,000,000	18,000,000	2,967,585	16%
Mechanical and Electrical Services	RECURRENT	75,600,000	50,088,844	29,940,517	60%
	DEVELOPMENT	6,000,000	6,000,000	0	0%
Safety, Risk and Disaster Management Services	RECURRENT	67,475,000	24,497,817	17,670,894	72%
	DEVELOPMENT	75,000,000	73,000,000	29,348,194	40%
<b>Total</b>		<b>1,277,000,000</b>	<b>1,465,508,291</b>	<b>1,153,380,220</b>	<b>78.7%</b>
<b>3033 BLUE ECONOMY, AGRICULTURE &amp; LIVESTOCK</b>					
Administration Unit-Headquarters	RECURRENT	144,000,000	154,131,251	148,739,265	97%
	DEVELOPMENT	10,000,000	10,000,000	3,511,730	35%
Crops Development	RECURRENT	18,368,785	10,120,281	4,184,864	41%
	DEVELOPMENT	35,000,000	35,000,000	10,544,959	30%
Livestock Production	RECURRENT	14,010,000	7,899,820	6,139,516	78%
	DEVELOPMENT	30,653,701	30,653,701	16,338,590	53%
Fisheries Development	RECURRENT	16,800,000	7,240,473	3,730,994	52%
	DEVELOPMENT	154,346,299	54,346,299	0	0%
Veterinary Services	RECURRENT	15,821,215	7,107,942	4,479,791	63%
	DEVELOPMENT	20,000,000	20,000,000	6,214,303	31%
<b>Total</b>		<b>459,000,000</b>	<b>336,499,766</b>	<b>203,884,012</b>	<b>60.6%</b>
<b>3034 THE COUNTY ATTORNEY</b>					
General Administration & Legal Services	RECURRENT	130,000,000	94,874,099	93,398,714	98%
	DEVELOPMENT	0	13,428,433	0	0%
<b>Total</b>		<b>130,000,000</b>	<b>108,302,532</b>	<b>93,398,714</b>	<b>86.2%</b>
<b>MOMBASA COUNTY CONSOLIDATED</b>		<b>14,700,000,000</b>	<b>15,990,000,000</b>	<b>11,911,896,020</b>	<b>74.5%</b>

## **Annex 5: Analysis of ADP 25/26 Public Participation Priorities**

The analysis depicts the priorities of the public as collected and compiled during the Annual Development Plan (ADP) 25/26 Public Participation exercises that was carried out. The public priorities as analyzed from the report should inform the CFSP 2025 as well as the 25/26 budget. The following is the ranking of the priorities from the highest to the lowest using the synthesized ward based public participation reports.

1. **Transport and Infrastructure (19.3%);**
  - Streetlights
  - Construction of inter-access roads, cabro roads and main roads
  - Boda-boda and transport shades
  - Anti-Flooding infrastructure
  - Erection of bumps
  - Bridge construction
  - Fire emergency stations
  - Training on disaster management and emergency response
2. **Health (15.6%);**
  - Access to drugs
  - Construction/refurbishment of health facilities
  - Vaccinations
  - Medical camps
  - Mental health facilities
  - Procurement of ambulances
  - Proper staff training
  - Increase of Community Health Promoters (CHPs) Stipend
3. **Youth & Women Empowerment (13.6%);**
  - Revolving fund
  - Stadiums
  - Social Halls
  - Social services
  - Rescue centres
4. **Education (12.1%);**
  - ECDE Centres
  - TVETs
  - Partnerships to enhance extra-curricular activities
  - School Feeding Programme
  - Special needs education
  - Scholarships/bursaries
  - Provision of teaching/learning materials
5. **Water and Sanitation (10.7%);**
  - Boreholes
  - Access to fresh water
  - Public Toilets
  - Sewer lines

- Water purifiers
- 6. Environment and Solid Waste management (6.2%);
  - Waste collection trucks
  - Waste collection point
  - Gravesites
  - Civic education
- 7. Governance and Devolution services (6.1%);
  - Ward Administration Officers
  - Involvement in Public Participation
  - Need for civic education
  - Mombasa yangu recruitment
  - Curbing of drug and substance abuse
  - Barrier control for harmful products/illegal substances
- 8. Land and Housing Management (5.0%);
  - Management of land disputes
  - Affordable Housing
  - Contest of title deeds/land grabbing
- 9. Wealth Creation, Employment Opportunities and Investment Promotion (5.0%);
  - Equal employment opportunities
  - Increased access to foreign placement jobs
  - Construction of markets
  - Employment of PLWD
- 10. Blue Economy, Agriculture and Livestock (5.0%);
  - Training
  - Procurement of equipment for fishing
  - Farming funding
  - Need for veterinary and extension officers
- 11. Information and Communications Technology (ICT) (1.2%);
  - ICT Hubs
  - CCTVs
- 12. Ward Development Fund (WDF) (0.2%);
  - Be issued to all wards to enhance projects within the ward level

**Annex 6: Ward Based Statistics**

S.No	SUB-COUNTY /WARD	SECTORS											
		TRANSPORT	HEALTH	YOUTH & WOMEN	EDUCATION	WATER & SANITATION	WASTE MANAGEMENT	GOVERNANCE & DEVOLUTION	LAND	INVESTMENT PROMOTION/EMPLOYMENT/WEALTH CREATION	BLUE ECONOMY/AGRICULTURE	ICT	WARD DEVELOPMENT FUND
<b>A</b>	<b>CHANGAMWE SUB-COUNTY</b>												
1	Changamwe Ward	3	4	5	2	5	2	1	1	2	0	1	0
2	Chaani Ward	5	2	2	2	2	2	0	3	0	0	0	0
3	Port Reitz Ward	4	5	2	2	3	3	0	2	0	0	0	0
4	Kipevu Ward	5	4	3	4	4	4	4	0	2	1	1	0
5	Airport Ward	0	5	2	3	4	3	0	2	0	1	0	0
	<b>SUB-TOTAL</b>	<b>17</b>	<b>20</b>	<b>14</b>	<b>13</b>	<b>18</b>	<b>14</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>B</b>	<b>JOMVU SUB-COUNTY</b>												
6	Jomvu Kuu Ward	5	3	0	5	3	0	0	0	2	3	0	0
7	Mikindani Ward	5	3	3	2	3	3	3	0	0	0	0	0
8	Miritini Ward	5	3	3	4	3	0	0	0	0	0	3	0
	<b>SUB-TOTAL</b>	<b>15</b>	<b>9</b>	<b>6</b>	<b>11</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>C</b>	<b>KISAUNI SUB-COUNTY</b>												
9	Junda Ward	4	4	3	5	2	0	0	3	0	3	0	0
10	Mtopanga Ward	4	4	2	0	5	0	2	2	4	0	0	0
11	Magogoni Ward	5	2	3	4	3	0	2	0	0	0	0	0
12	Mwakirunge Ward	5	5	5	5	2	1	1	2	5	4	1	0
13	Mjambere Ward	4	3	5	2	1	1	0	1	0	0	0	0
14	Bamburi Ward	3	4	4	5	3	1	4	2	1	3	0	0
15	Shanzu Ward	5	0	2	2	3	4	0	2	1	2	0	1
	<b>SUB-TOTAL</b>	<b>30</b>	<b>22</b>	<b>24</b>	<b>23</b>	<b>19</b>	<b>7</b>	<b>9</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>1</b>	<b>1</b>
<b>D</b>	<b>NYALI SUB-COUNTY</b>												
16	Frere Town Ward	3	4	5	3	1	1	3	0	0	0	0	0
17	Ziwa La Ngombe Ward	2	5	4	2	1	0	3	0	2	0	0	0
18	Kadzandani Ward	5	3	2	4	1	0	5	1	3	3	0	0
19	Kongowea Ward	5	3	2	1	0	0	0	1	0	0	0	0
20	Mkomani Ward	5	3	2	5	3	1	1	1	0	0	0	0
	<b>SUB-TOTAL</b>	<b>20</b>	<b>18</b>	<b>15</b>	<b>15</b>	<b>6</b>	<b>2</b>	<b>12</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>E</b>	<b>LIKONI SUB-COUNTY</b>												
21	Shika Adabu Ward	4	5	2	2	1	2	0	4	1	2	0	0
	Likoni Ward	4	1	4	1	1	0	0	0	0	1	1	0

		SECTORS											
S.No	SUBCOUNTY /WARD	TRANSPORT	HEALTH	YOUTH & WOMEN	EDUCATION	WATER & SANITATION	WASTE MANAGEMENT	GOVERNANCE & DEVOLUTION	LAND	INVESTMENT PROMOTION/EMPLOYMENT/WEALTH CREATION	BIAF ECONOMY/AGRICULTURE	ICT	WARD DEVELOPMENT FUND
22													
23	Bofu Ward	4	1	0	1	0	1	0	0	0	0	0	0
24	Mtongwe Ward	4	2	3	2	1	1	0	0	0	0	1	0
25	Timbwani Ward	4	4	2	0	4	3	3	0	2	5	0	0
	<b>SUB-TOTAL</b>	<b>20</b>	<b>13</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>2</b>	<b>0</b>
<b>F</b>	<b>MVITA SUB-COUNTY</b>												
26	Tononoka Ward	4	3	5	3	0	1	0	0	1	0	0	0
27	Old Town Ward	4	4	5	3	2	2	3	0	0	2	0	0
28	Ganjoni/Shimanzi Ward	5	4	3	2	3	2	3	0	1	0	0	0
29	Tudor Ward	4	5	4	2	4	2	0	3	2	2	0	0
30	Majengo Ward	5	2	0	0	1	0	1	2	3	0	0	0
	<b>SUB-TOTAL</b>	<b>22</b>	<b>18</b>	<b>17</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>0</b>
	<b>TOTAL</b>	<b>124</b>	<b>100</b>	<b>87</b>	<b>78</b>	<b>69</b>	<b>40</b>	<b>39</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>8</b>	<b>1</b>
		<b>19.3%</b>	<b>15.6%</b>	<b>13.6%</b>	<b>12.1%</b>	<b>10.7%</b>	<b>6.2%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>1.2%</b>	<b>0.2%</b>

**LEGEND:**

5	HIGHEST PRIORITY
4	MEDIUM TO HIGHEST PRIORITY
3	MEDIUM PRIORITY
2	MEDIUM TO LOW PRIORITY
1	LOW PRIORITY

**Annex 7: Highlights Of Issues Raised during the County Fiscal Strategy Paper (CFSP) and Programme Based Budget (PBB) 2025/26 Public Participation**

The public participation individual inputs feedback is attached in the document as a report and has been captured in the order of priorities as was ranked by the participants who participated in the CFSP/Budget 2526 public participation fora hence, it will be circulated to all the Departments for some of the prioritized projects to be captured in the 2025/26 after which the feedback to the public will be captured showcasing the projects that will have been incorporated in the budget guided by resource availability and the way forward for the shelved projects.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
1.	HEALTH	HOME-BASED CHILD CARE (HBCC) PROVIDERS	Improve access to drugs	<p>Nutrition programs: provision of nutritional supplements to under nourished children below the age of five (5) years through community health promoters (CHPs).</p> <p>Make community health facilities operational 24/7 and equip them with drugs</p> <p>Availability of nutritional supplements for Under 5.</p> <p>Equipping health care facilities with drugs.</p>	<p>In collaboration with the Department of Education in the County, there is an ongoing programme whereby there are plans for administration of Vitamin A supplements at the local public ECDE Centers</p> <p>This will be factored for in the budget for the 25/26 FY</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
		COAST SMART WOMEN AGAINST HIV/ COAST HOSTESS EMPOWERING COMMUNITY	<p>Critical TB Program Support Requirements</p> <p>The Civil Society strongly recommends immediate county government intervention to support TB Champions through:</p> <ul style="list-style-type: none"> <li>- Monthly stipend allocation for TB Champions working in health facilities</li> <li>- Structured capacity building programs for skills enhancement</li> <li>- Integration of TB Champions into the county health workforce structure</li> <li>- Regular mentorship and supervision programs</li> <li>-Performance-based incentive systems</li> </ul>	<p>The County Government of Mombasa should consider the following immediate actions:</p> <p>Immediate Term (0-3 months)</p> <ul style="list-style-type: none"> <li>-Conduct comprehensive audit of all TB and HIV programs previously supported by USAID</li> <li>- Establish emergency funding mechanisms to maintain essential services</li> <li>- Create a rapid response team to manage transition of critical programs</li> <li>- Implement immediate stipend support system for TB Champions</li> </ul> <p>Medium Term (3-12 months)</p> <ul style="list-style-type: none"> <li>-Develop sustainable local funding mechanisms through public-private partnerships</li> </ul>	<p>The Department of Health Services is working on integrating the USAID programmes and services into our normal operations to ensure continuity of services to our clients who were accessing TB and HIV services.</p> <p>The Department is also reaching out to our other existing partners and exploring news ones and lobbying for them to upscale and integrate some of the affected programmes and activities.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
				<ul style="list-style-type: none"> <li>- Integration of affected programs into existing county health structures</li> <li>- Capacity building for local healthcare workers and community organizations</li> </ul>	
			<p>Budget Implications</p> <p>The County Fiscal Strategy Paper 2025 should allocate resources for:</p>	<p>Emergency healthcare service maintenance especially at the Comprehensive Care Clinics</p> <ul style="list-style-type: none"> <li>-Capacity building and training programs for HIV implementers</li> <li>-Infrastructure support for affected facilities</li> <li>-Community health worker retention programs</li> <li>-Establish permanent support structure for TB Champions</li> <li>-Fully operational of NYS facility in Changamwe to help the risk of service delivery in health services and maternity clinic fully supported.</li> </ul>	<p>This is an ongoing health care service in all the public health facilities and there are plans to continue capacity building our CHPs and other care workers.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/ Action Taken/Response
			<p>Stakeholder Engagement Framework</p> <p>A coordinated stakeholder engagement approach that should include:</p> <ul style="list-style-type: none"> <li>- Periodic progress review meetings with affected community-based organizations</li> <li>- Regular consultation with healthcare workers, community health volunteers and facility managers</li> <li>- Engagement with alternative development partners and local private sector</li> </ul>	<p>-Have data of TB, HIV Prevention and care, nutrition and mental health support</p> <p>-Immediate convening of a health stakeholder forum to develop a comprehensive transition plan</p> <p>- Establishment of a dedicated transition management unit within the Department of Health</p> <p>- Development of a resource mobilization strategy to address funding gaps</p> <p>- Creation of a new monitoring and evaluation framework to track transition progress</p> <p>Implementation Timeline</p> <p>February-March 2025: Initial assessment and stakeholder engagement</p>	<p>The County Public Private Collaboration (PPC) Framework is in place and operational which was launched in December 2024. The framework will be utilized to address the emerging issues as it operationalizes its workplan.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
				<p>April-June 2025: Implementation of emergency measures</p> <p>July-December 2025: Long-term sustainability planning</p>	
		SEYA YOUTH ORGANIZATION	<p>Inquiry and Recommendations of County Expenditure and Youth Development Programs:</p> <p>There is inadequate prioritization of youth friendly services, mental health support, menstrual health and sexual productive health services.</p> <p>Improve revenue efficiency collection and accountability of own source revenue and enhance transparency in budget implementation.</p>	Allocate at least 30% in the health sector for the youth to fund sexual reproductive health services, mental health programs and youth friendly clinics.	The idea is noble and will be considered through the budget implementation stage and also through strengthened collaboration with other stakeholders in the field.
		KWACHA AFRICA	Improved Health Services	The county is recommended to provide explanation on the projected budget for financial year 2025/2026 will address the health challenges for effective service delivery.	The CFSP contains broad ceilings for the departments while the upcoming Programme Based Budget 25/26 and the budget estimates will outline the specific programmes, sub programmes, projects and activities.
		KADZANDANI CREATIVE YOUTH	Given the fact that health is critical; have observed that the County has continuously allocated a substantial amount within the department for years but still health services	Recommend the county to provide implementation status	The implementation of the health report reforms has been ongoing gradually including the transitioning of the Coast General Teaching & Referral Hospital (CTRH) to a County Corporation which will aid in

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			are still wanting within different facilities; whilst the county commissioned a health taskforce and a report was developed detailing the gaps and proposals to address challenges within the health sector in Mombasa, much has not improved with cases of inadequate staffing, inadequate drugs among others being common.	of the report and the impact it has in the health sector.  The county to provide explanation on how the projected budget for the Financial Year 25/26 will address the health challenges for effective service delivery.	mobilizing resources for efficient operations, enhance responsiveness to medical and public health emergencies as well deliver quality health services.  The ceilings will be broken down and implemented through the Department of Health's budget 25/26 and apportioned to the various programmes, sub programmes and activities
		SWAHILI POT	Provision of quality and affordable health services.	Establish a fully equipped laboratory and enhance ambulance services in Mjambere Hospital in Mjambere Ward to improve emergency response to reduce fatalities.	Health has been captured as a priority sector in the CFSP and the prioritized projects will be forwarded to the Department of Health for consideration during the preparation of the budget estimates for 25/26 FY.
		AJENDA KENYA	Provision of quality and affordable health services.  Hospital congestion during peak periods.	Mjambere Ward: Establish a fully equipped laboratory and enhance ambulance services to reduce fatalities. (Mjambere Hosp.)  Miritini Ward: Expand the projects to include a rehabilitation centre for alcohol and drug addiction to provide holistic support to	

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			Reduction of fatalities.  Ensure safety of patients, healthcare workers and traders in Kongowea Market.	victims of drug abuse. (Proposed GBV Centre)  Timbwani Ward: Hospital expansion, introduction of mobile clinics and set up of temporary health units to ease congestion.  Kongowea Ward: Kongowea Dispensary wall and drainage system.	
2.	PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SPORTS & SOCIAL SERVICES		Need for transparency on job placement.  Threat of human Trafficking	Changamwe Sub County: On airlift and foreign job support set clear outlines on placement in order to deal with credibility and reduce human trafficking.	This will be addressed as cited in the CFSP by Transparent Recruitment by using accredited and licensed agencies only, undertaking Pre-Departure Orientation, Ensure workers have legally binding contracts in a language they understand, Collaboration with Authorities by Working with governments, NGOs, and international bodies to share information and best practices, Educating and orienting the potential workers about the risks of human trafficking and recognizing fraudulent job offers, liaising with the consulates to provide access to legal aid, counseling, and shelters for at-risk workers as well as enforcing strict penalties for agencies and employers involved in trafficking or exploitation.
			Idleness and lack of self-reliance amongst youth	Mtopanga Ward: Need for comprehensive skill-based	Undertaking capacity building training to the youth in collaboration with relevant stakeholders.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
				<p>training which is vital for career foundation.</p> <p>Provision of partial financial aid as capital to put the skill into practice.</p>	Provision of startup kit through the County Revolving fund
			Need for sanitary pads (Distributed fairly and equally)	Old Town Ward: Need for fair and equal access to free sanitary towels.	To upscale the distribution of free sanitary towels.
			Stadium	Mwakirunge Ward: Prioritize renovation of old stadiums rather than construction of new ones.	The county's priority currently is to complete and operationalize the Mombasa stadium
			Vocational Training	<p>Ziwa la Ng'ombe Ward: Promotion of self-reliance amongst youth through vocational training and entrepreneurship programs.</p> <p>Creating structured platforms for youth participation in community development and policy-making processes.</p>	Undertaking capacity building training to the youth in collaboration with relevant stakeholders.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			Stadium	<p>Mtongwe Ward: Construction of Bububu Stadium talent as a hub for sports, talent development, community events and youth mentorship programs.</p> <p>Help build revolving fund culture among women and youth groups.</p>	The county's priority currently is to complete and operationalize the Mombasa stadium which is centrally located.
		TEMA (Kidogo Early Years)	Cushioning the vulnerable and the elderly people in Mombasa	Children form part of the vulnerable population. There was no clear articulation of child protection in the Key Performance Areas. Include children in Home-Based Child-Care settings and Centre based as part of vulnerable groups	This is a multi-sectoral approach working with the Department of Health and Education. We will work in collaboration with the National Government' Department of Children Services to ensure that all children of school going age in the home care centres are given free medical treatment in the County Government facilities and the administration of Vitamin A supplements will be offered at the local public ECDE Centres, they will also be offered free meals and education under the Mombasa County Capitation Grant.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
		SWAHILI POT	<p>Acknowledge that Youth and Women Empowerment has been identified as a key priority area in the annual development plan 2025 through the Ward based public participation, we note with concern the continued low allocation for the Department of Public Service Administration, Youth, Gender, Sports and Social Services. Insufficient and poor budget absorption for this Department have continued to undermine the effective implementation of programs aimed at addressing critical socio-economic challenges faced by Youth and Women.</p>	<p>To ensure the County Government Development aligns with identified priorities, we call for an urgent review of the budget allocation to this Department and further scrutiny of its performance to enhance and promote inclusive development</p>	<p>In compliance with The Executive Order No. 6 of 2023 by H.E the Governor, on the Organization of the County Government of Mombasa, most of the functions addressing the Youth are currently domiciled under the Department of Environment and Governance including the Mombasa Consolidated Revolving Fund hence the reduction in the ceiling for the Public Service Administration, Youth, Gender, Social Services &amp; Sports department.</p>
			<p>Creation of jobs placement database to provide companies with linkage to local talents</p>	<p>Provision of start-up kits and loans for young entrepreneurs through the Mombasa County Revolving Fund</p>	<p>This will be pursued in collaboration with the National Government and other stakeholders for increased impact</p> <p>This will be undertaken in collaboration with the Department of Environment and Governance</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>Mombasa County Revolving Fund</p> <p>Acknowledge the proposal for creating a County Revolving Fund for youth and women within the budget</p>	<p>Seek clarification on the status of this fund as outlined in the County Fiscal Strategy Paper 2024/25 and included in the program – based budget for 2024/2025. Request a detailed update on the establishment of fund and mechanisms put in place to ensure transparency, accessibility, and effective utilization for youth and women empowerment</p>	<p>The County Revolving fund halted the disbursement with the last funds being issued in the 2019/2020 FY, this was necessitated by the fact that the fund was meeting its objective as there was low/ no repayment by most of the beneficiaries. The County is in the process of developing new modalities of fund disbursement and follow up.</p>
			<p>Development Budget Increase.</p>	<p>Preposition an increase in the proposed ceiling by a further 75 million for the department's development budgets to align with priorities identified in the Annual Development Plan</p>	<p>The County is resource constrained but with increased revenue collection the Department which is a priority sector would benefit from increased allocation.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>Disability Mainstreaming</p> <p>Appreciate the County government's continued commitment to prioritizing education and training, as evidenced by the increased budget allocations for the department.</p>	<p>In line with the CIDP – 2023/2027, recommend the county focus on developing of disability friendly facilities in major vocational training centres (VTCs) to ensure that youth with disabilities are supported and not left behind.</p> <p>Additionally, propose that the government establish career offices in all major VTCs to engage effectively with the private sector, promoting access to internships and apprenticeship opportunities.</p> <p>These initiatives will significantly enhance the employability of the County's youth.</p>	<p>The county has three public VTCs where ramps have been installed, and currently there is sign language teaching in Kisauni VTCs,</p> <p>There also a proposal in the pipeline to establish a special needs VTC</p> <p>The Department has established a career office in all the public VTCs and the County is advising the private VTC to establish the same</p> <p>There is a partner who is willing to support with linking with the industry; capacity building and linking youth to jobs by CAP Youth Empowerment Institute amongst others is ongoing</p>
		HOME-BASED CHILD CARE (HBCC) PROVIDERS	<p>Create a County Revolving Youth and Women Fund within the budget to empower Women, Youth and Persons living with disabilities;</p> <p>Cushioning the vulnerable and the elderly people in Mombasa</p>	Construction of breast feeding and daycare safe space in markets	The County will explore the initiative working together with other stakeholders in the sector

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
		Kwacha Afrika	Youth Unemployment	The county should increase more resources to the youth and gender department to address unemployment	The interventions addressing the youth, women and persons living with disability are multi-sectoral with for example the Youth Revolving Fund being under the Department of Environment and Governance, Blue Economy, Cooperatives, Agriculture and Livestock, Tourism, Culture and Trade amongst other Departments also playing a role.
		KADZANDANI CREATIVE YOUTH & KWACHA AFRICA	The draft CFSP has allocated Kshs 664,017,956 as the overall budget for the Department which is 4.5% of the budget. While Kshs 270,000,000 have been allocated for development which is to be divided in five sub department with the Department	The county should increase more resources to the youth and gender department to address the ever-growing needs of the youth and more importantly the unemployment among the youth  Propose the county to provide more clarification on how Kshs 270,000,000 shall be shared within the department under the development vote	The ceilings will be broken down and implemented through the budget 25/26 with the current department's outline most of the development expenditure to be utilized under sports development
3.	EDUCATION	AJENDA KENYA	ECDE	Shika Adabu Ward: Establishment and adequate staffing for effective service delivery of ECDE.  Timbwani Ward: Establishment and adequate staffing for effective service delivery of ECDE.	The County through the Child Care Bill 2024 has established clear policies and frameworks that outline the standards for ECDE centers, including infrastructure, curriculum, and staffing requirements.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
		TEMA (Kidogo Early Years)	<p>Recruit and train adequate early childhood education and vocational polytechnic personnel.</p> <p>Sustain the School Feeding Program at ECDE Centers</p> <p>Promote public participation to build awareness on the importance of early childhood education as foundational in the trajectory of young people's lives</p>	<p>Include training for Home and center-based child care providers on Early Childhood Development.</p> <p>Expand the ECD feeding program to include Home Based and center-based child care centers setups.</p> <p>Include Early Childhood Development in building awareness campaigns during public participation on the importance of a child's foundation.</p> <p>Parent engagement to be held in a central public place.</p>	<p>The current has developed the Mombasa County Child Care Bill 2024, which will ensure that we are able to recruit, train, and capacity build child care givers.</p> <p>We are doing the policy on Mombasa County school meals program through a multisectoral approach which amongst others with aid in resource mobilization which will help to upscale.</p> <p>The County under school governance has appointed the Board of management members (BOM) in all the ECDEs in Mombasa County who will oversee school governance, undertake parental engagement and empowerment programs for the child care facilities.</p> <p>The Department holds regular termly meetings to share the information regarding child care facilities and education within the public institutions.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
		HOME-BASED CHILD CARE (HBCC) PROVIDERS	<p>Recruit and train adequate early childhood education and vocational polytechnic personnel Sustain the School Feeding Program at ECDE Centers</p> <p>Promote public participation to build awareness on the importance of early childhood education as foundational in the trajectory of young people's lives</p> <p>Revamp the Scholarships/bursaries</p>	<p>Include capacity building of HBCC providers on Early Childhood Development</p> <p>Expansion (geographically) of pre-primary milk distribution to home-based childcare settings as well as extension of the pre-primary school feeding program to HBCC providers in the form of dry food items such as flour etc.</p> <p>Promote public participation on the importance of Early Childhood Development</p> <p>Removal of scholarships/bursary</p>	<p>The County will honour the directive that will be issued by the Executive through the Judiciary and Legislature and explore other avenues of implementing the Mombasa County Elimu Fund</p>
		KADZANDANI CREATIVE YOUTH & KWACHA AFRICA	Departmental Allocation	The county has allocated Kshs 1,105,376,025 but the county should allocate more resources in the department of education.	The County is resource constrained but with increased revenue collection the Department which is a priority sector would benefit from increased allocation.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
		SWAHILI POT	Enhancement of Education and Training in Shika Adabu and Timbwani wards	In Shika Adabu establishment of an ECDE centre should be prioritized, ensuring adequate staffing for effective service delivery.	The County through the Child Care Bill 2024 has established clear policies and frameworks that outline the standards for ECDE centers, including infrastructure, curriculum, and staffing requirements.
4.	FINANCE & ECONOMIC PLANNING	KADZANDANI CREATIVE YOUTH & KWACHA AFRICA	On page 14 of the Draft CFSP, on the Table title Table 13: Projected FY 2025/26 Revenue and expenditure overall decrease in the county's total budget from Kshs 16.26 billion (FY 2024/2025) to Kshs 14.6 billion (FY 2025/2026) and Own Source Revenue (OSR) from Ksh 5,996,914,680 to 5,063,820,816	The County to provide clear justification on the reduction of OSR while at the same time the county not being able to meet the overall OSR targets where the highest collection stands at Ksh 4.4 billion. Seeking clarity on the decrease on the overall county budget from 16.2B to 14.6B	In ensuring fiscal prudence when projecting own source revenue (OSR) guided by the last FY 23/24 revenue performance, the projection of OSR for the 2025/26 FY is 5.1B which has led to the reduction of the total budget.
		PROVIDENT COMMUNITY INITIATIVE	Budget Reduction Concern: The draft CFSP projects a decrease in the county's total budget from Kshs 16.26 billion (FY 2024/2025) to Kshs 14.6 billion (FY 2025/2026)	The County Government should provide clear reasons for the budget reduction, detailing the expected impact on development projects and service delivery to ensure transparency and public confidence.	The National Government 25 Draft Budget Policy Statement has not outlined the conditional grants hence the projection of the Grants in the CFSP will be realigned once the Division of Revenue Bill is out which will make the CFSP/budget ceilings be revised either way.

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>OSR projection has dropped from Kshs 5.99 billion (FY 2024/2025) to Kshs 5.06 billion (FY 2025/2026), a difference of Kshs 933.09 million which represents a 15.6% decline.</p>	<p>The County should justify the reduction in OSR projection and outline strategies to enhance revenue collection, including policy adjustments, enhanced compliance mechanisms, and automation of revenue streams to curb leakages.</p> <p>Further, the county should publish and publicize the finance taskforce report, which was intended to help identify revenue leakages and financial policy gaps, and clarify whether the county is implementing the report's recommendations.</p>	<p>The County Government has used amongst other factors the historical OSR performance in coming up with the current projection of 5.1B. The CFSP has outlined the revenue raising strategies under section 5.3.</p> <p>The County has been implementing the finance taskforce report and various reforms are currently being undertaken including the establishment of the Mombasa Revenue Services through creation of a legal platform and identification of new revenue streams to increase the own source revenue collection.</p>
			<p>The draft CFSP reports total county receipts at Kshs 5.26 billion, with own-source revenue collection at Kshs 936.55 million, achieving only 15.62% of the target of Kshs 5.99 billion. This underperformance suggests a significant revenue gap, raising concerns about the county's ability to meet its annual target. The report lacks historical data comparisons to assess trends in revenue collection and expenditure efficiency</p>	<p>The County should implement measures to boost OSR collection, including revenue automation, digitization, and enforcement of tax compliance to curb revenue leakages.</p>	<p>Revenue collection in the County Government depends on other factors including when there are the statutory deadlines for the clients to pay up the various annual fees and changes as well as the disbursement from the National Treasury with especially the first quarter being a low both for the OSR and exchequer issues. The peak season is usually in the fourth quarter for both revenue sources.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
				<p>The CFSP should also include comparative half-year data for better tracking and transparency, enabling the public to assess whether revenue performance is improving or declining over time.</p>	<p>The referenced document was a summarized CFSP draft to be utilized during the public participation exercise but the final CFSP in page 74 has an analysis of monthly OSR collection within the last six Financial Years</p>
			<p>Property Rent: The County collected Kshs 22 million in FY 2024/2025, but projections for FY 2025/2026 are only Kshs 10 million, reflecting a 54.5% decrease with no justification.</p> <p>Single Business Permits: Collected Kshs 569.54 million (FY 2022/2023) and Kshs 595.88 million (FY 2023/2024), yet the projection for FY 2025/2026 is Kshs 750 million, showing a sharp increase. This projection appears overly ambitious, given past collection trends and current economic conditions.</p>	<p>The county should clarify whether this adjustment on Property Rent is based on historical trends, policy changes, or anticipated economic conditions. Additionally, it would be useful to outline any strategies to sustain or enhance property rent revenue.</p> <p>The County should explain the under-projection of property rent and justify the over-projection of business permits, ensuring that revenue targets are realistic and achievable based on economic and operational factors.</p>	<p>The revenue collected under the property rent is expected to go down since most of the County Housing Estates have been demolished to pave way for the affordable housing project hence the under projection in the cited revenue stream.</p> <p>The county Government is currently undertaking a mapping exercise that will enable to increase our tax base under the SBP hence the increased projection.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>Single Business Permits: The County collected Kshs 569.54 million (FY 2022/2023) and Kshs 595.88 million (FY 2023/2024), yet the projection for FY 2025/2026 is Kshs 750 million, reflecting a 25.9% increase. While growth in revenue collection is desirable, this projection appears optimistic when compared to past performance.</p>		<p>The County is also updating the SBP system to be unified hence streamlining our ease of doing business in the county</p>
			<p>Budget allocation for Public Service Administration, Youth, Gender, Social Services &amp; Sports has significantly dropped from 10.8% (FY 2023/2024) to 4.3% (FY 2024/2025) and only marginally increased to 4.5% in FY 2025/2026. This reduction raises concerns about the county's commitment to social welfare programs, youth empowerment initiatives, and gender equity efforts. Given the fact that Youth and Women Empowerment is a priority in the draft CFSP, as well as in the governor's manifesto and the County Integrated Development Plan (CIDP) 3, it is crucial that budget allocations reflect these commitments. Given the importance of these sectors in fostering social cohesion and community well-being, a more balanced allocation of resources is necessary to avoid service disruptions and ensure long-term sustainability.</p>	<p>The County should review and reconsider funding allocations to ensure continued support for essential services. It is important to strike a balance between fiscal discipline and sustaining programs that directly impact the social well-being of citizens.</p>	<p>In compliance with The Executive Order No. 6 of 2023 by H.E the Governor, on the Organization of the County Government of Mombasa, most of the functions addressing the Youth are currently domiciled under the Department of Environment and Governance including the Mombasa Consolidated Revolving Fund hence the reduction in the ceiling for the Public Service Administration, Youth, Gender, Social Services &amp; Sports department.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>Total amount of pending bills</p> <p>Total amount settled</p> <p>Proposed allocation for payment of pending bills FY 2025/2026</p>	<p>The County should provide clear data on pending bills and the amount allocated to clear them, ensuring that past obligations do not disrupt future financial planning and service delivery.</p>	<p>The referenced document was a summarized CFSP draft to be utilized during the public participation exercise but the final CFSP in section 4.2 has the pending bills analysis</p>
			<p>Commending the County for including public participation outcomes from the Annual Development Plan (ADP) in the CFSP. However, there is room for improvement in ensuring that citizen contributions translate into actionable policy and budgetary decisions.</p>	<p>Future CFSPs should show how public feedback influences sector ceilings, county's priorities, projections and its performance with clear links between public input and budget allocations.</p>	<p>The CFSP public participation feedback is included herein with tangible actions envisaged to be implemented in the budget for the FY 25/26 hence the reason why the County merged the public participation exercise with the public participation inputs from the ADP 25/26 also captured.</p>
		KENYA MEDICAL ASSOCIATION	<p>Single Business Permit (SBP) for Private Medical Practices</p> <p>The association maintains that imposing the SBP on private medical practices constitutes double taxation. This is because private practitioners already fulfill their licensing obligations through payments to the Kenya Medical Practitioners and Dentist Council (KMPDC) for both individual professional licenses and facility licenses.</p>	<p>The County Government to reconsider this levy to avoid undue financial strain on healthcare providers, which may end up being transferred to the residents of the County.</p>	<p>The pertinent issues addressed are in line with the Finance Act and not the CFSP. However, we have taken note and will be addressed during the Finance Bill process.</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>Single Business Permit (SBP) for Health Care facilities</p> <p>The current SBP charges for healthcare facilities in Mombasa area disproportionately high when compared to similar fees in other counties nationwide.</p>	<p>The association supports for a Fair and standardized fee structure that aligns with national benchmarks to foster a more sustainable healthcare environment.</p>	
		SWAHILI POT	<p>Concerned about the delays in approval process of the ADP 2025/2026 by the County Assembly</p> <p>Seeking clarification on guidelines and basis used to prepare CFSP 2025/2026</p> <p>Concerned on the performance period ending 31<sup>st</sup> December 2024, the absorption rate of</p>	<p>ADP approval is a fundamental process that ensures inclusive and transparent governance and also forms the basis for the preparation of the County Fiscal Strategy paper 2025/2026.</p> <p>This low absorption rate falls significantly below the</p>	<p>Section 126 (4) of the PFM Act stipulates that “The County Executive Committee member responsible for planning shall</p> <p>publish and publicize the annual development plan within seven days after its submission to the county assembly. This means that the ADP 25/26 plan is the final approved one and can be utilized for planning and budgeting for the 25/26 FY.</p> <p>In developing the CFSP 25/26 the county is expected to mirror the Budget Policy Statement developed by the National government while linking it with other County Government documents including the current CFSP 2023/27, the ADP 25/26, the CBROP 24 and the current budget 24/25 among other policy documents</p> <p>Revenue collection in the County Government in the first half is usually low due to erratic</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			development allocation stands at only 12% for the first half of the fiscal year.	expected levels, raising concerns about the county's ability to address the pressing needs of the residents.	disbursement from the National Treasury as well as low realization of the OSR hence the revenues realized are utilized to pay for the personnel emoluments and other non-discretionary recurrent expenditure. The peak season is usually in the fourth quarter for both revenue sources whereby the County envisages to undertake most development initiatives.
			Enhancing Revenue Collection	Propose implementing effective strategies to enhance revenue collection by establishing accurate tracking systems, digitizing the revenue collection process, and utilizing technology for more efficient revenue monitoring that enables real – time performance evaluation	The collection revenue collection system is 98% digitized and the remaining streams are cashless. The CFSP has outlined the revenue raising strategies under section 5.3.
			Development Budget Increase	Proposing gradual increase in the development allocation over the next fiscal periods to promote economic growth, thereby stimulating sustainable economic growth, job creation and overall improved service delivery.	The County has laid done strategies for increased revenue collection so as to create fiscal space and provide resources to undertake development initiatives. Further, the operationalization of the Mombasa Multi Year Financing Act will see more development ventures undertaken.
		KWACHA AFRIKA	Budgetary allocation	There is need for the county to provide information for	The information is contained in the CFSP Table 22: Summary of Projected Medium-Term

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
				financial projection for at least two outer years for comparison.	Costs and Ceilings FY 2025/2026-2027/2028
		KADZANDANI CREATIVE YOUTH	<p>County Priorities</p> <p>Through the CFSP, the county has provided six priority areas that it will focus on for the financial year;</p> <ul style="list-style-type: none"> <li>-Transport and Infrastructure development</li> <li>- Provision of quality and affordable health services</li> <li>- Youth and Women empowerment</li> <li>- Enhancement of Education and Training</li> <li>- Upgrading of water and sanitation services</li> <li>- streamlined waste management services</li> </ul>	Allocate adequate and fair resources to some of the proposed priorities	Appreciating the fact that some priorities are multi sectoral, the resources allocated in the particular sector may not depict or in face value show a high allocation. Some of the other priority sector resources are donor funded through the Conditional Grants that are disbursed to the counties whose most of the resources were lacking in the Budget Policy Statement (BPS) with conservative figures having been projected in the CFSP.
5.	WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE	TEMA (Kidogo Early Years)	Increased and regular access to fresh water	Increase water supply points within the wards and county	The Department is currently rehabilitating and laying new water pipelines within the county through the Water and Sanitation Development Project - World Bank
		HOME-BASED CHILD CARE (HBCC) PROVIDERS	Increased and regular access to fresh water; Installation of water tanks in the community Distribution of water purifiers to the community	Increased and regular access to fresh water; Installation of water tanks in the community	<p>There are also plans to establish a water desalination plan to bridge the water demands gaps currently being experienced</p> <p>There is also an ongoing water for schools' project being undertaken within the schools</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
				Distribution of water purifiers to the community	<p>which will also serve the neighboring communities</p> <p>This noble initiative can be explored in collaboration with other active stakeholders in the sector</p>
6.	ENVIRONMENT & GOVERNANCE		Establish innovative practices in waste reduction, reuse, recycling, treatment and disposal to reduce disposable materials;	Establish innovative practices in waste reduction and reuse	In order to effectively reduce waste, promote reuse, create a cleaner and more sustainable environment, the department will; Operationalization the 1 <sup>st</sup> Material Recovery Facility (MRF), : Strengthening the policy frameworks to support sustainable waste management practices, Infrastructure Development, through Acquisition of Compactors, undertaking partnership initiatives to Invest in waste-to-energy technologies to convert non-recyclable waste into energy as well as, Implementing comprehensive recycling programs that encourage the separation of waste at the source. Waste management being an expensive venture will be successful through working with the other stakeholders including the private sector that are currently in the space.
			Public Participation - The public participation notice on the County Fiscal and Strategic Paper was conducted at Sub County level	Recommend the county to annex information on public participation, highlighting the public views and list whether	The County has been progressively improving the feedback mechanism and has provided feedback on the ADP 25/26 through the CFSP

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
			<p>- Breakdown of the ceilings per subprogram was not listed hence it provides a challenge in understanding the amount per sub program</p> <p>- Scoring and ranking for Public Participation issues collected.</p> <p>From the previous engagement, Mombasa County has not provided feedback on public participation efforts. Without this information, it becomes challenging to assess the effectiveness of the government's engagement with citizens and to incorporate their inputs into the budget process.</p> <p>There is not breaking of ceilings per sub program</p>	the views were incorporated or not and if not why?	<p>advert as well as feedback on the draft CFSP 25/26</p> <p>The CFSP outlines broad departmental ceilings which once firmed up will be realized and implemented through the programme-based budget where programs and sub programs are outlined.</p>
7	BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK	HOME-BASED CHILD CARE (HBCC) PROVIDERS	<p>Farming funding to support small-scale farming initiatives;</p> <p>Need for veterinary officers and extension services across the county.</p>	<p>Access to interest-free loans for impactful projects</p> <p>Government veterinarians to conduct regular visits to villages to ensure that animals are vaccinated and do not pose a risk to residents including children.</p>	<p>This can be pursued and undertaken in collaboration with the Department of Environment and Governance where the revolving fund is domiciled</p> <p>This is a multisectoral initiative that has to be realized in collaboration with the Department of Health services as the livestock rearing and product should be guided and inspected before consumption</p>

No	CFSP Sector/Department	Source	Community Development Needs/Issues Identified	Proposed Budget Project/Recommendations	Proposed Way Forward/Action Taken/Response
8	TRANSPORT AND INFRASTRUCTURE		<p>Training on disaster management and emergency response;</p> <p>Improvement of drainage and non-motorized transport infrastructure;</p>	<p>Maintenance and repair of storm water drainage</p> <p>Provision of road signage for kids crossing</p> <p>Pedestrian walkway improvement</p>	<p>This is an ongoing venture that has to be undertaken in collaboration with the National Government and agencies due to the unique classification of especially the roads in the County</p> <p>This is an ongoing activity undertaken and realized in the budget as projects</p>
		Nyali Neighbourhood	Construction of Lantana Drive Off Links Road with Cabro Blocks.	The residents are appealing to the County Government of Mombasa to have the Lantana Drive blocked for the residents to commute and enjoy the road surface.	The County will reach out to hold a consultative meeting with the residents to address the issue conclusively

**Annex 8: County Executive of Mombasa Response to Issues and Concerns by the County Assembly’s Committee on Finance, Budget and Appropriations on the CFSP 2024**

No.	General Observations and Findings	Legal Reference	General Observations and Findings	Executive Response
1	Sector Priorities and Budgetary Allocations	Constitution of Kenya, 2010: Article 201, 203 Public Finance Management Act, 2012: Sections 35, 125 County Governments Act, 2012: Sections 104, 105	The strategic priorities for the County have been outlined and described from <b>Pages 29 to 32</b> , providing a rationale for their selection. However, the document lacks appropriate budgetary allocations and a supporting schedule of projects to back these priorities. Additionally, it fails to include a review of the success or shortcomings of previous strategic priorities, making it challenging to assess the achievements or progress made.	- The County Fiscal Strategy Paper is a government policy that sets out <b>the broad strategic priorities</b> and policy goals to guide the County Government in preparing their budgets for the subsequent financial year and over the medium term. The review of the budget implementation is entailed in the County Budget Review and Outlook Paper as stipulated in law after the end of each FY. The list of projects is contained in the budget as it's the one that actualizes the priorities entailed in the CFSP Ceilings.
2	Sustainability of Recurrent Expenditures	Public Finance Management Act, 2012: Section 107 Public Finance Management (County Governments) Regulations, 2015: Regulation 25	The fiscal framework allocates a significant portion to recurrent expenses, with personnel emoluments comprising <b>48%</b> of the budget. This exceeds the regulatory threshold of <b>35%</b> established by the <b>Public Finance Management (County Governments) Regulations, 2015</b> . Such high recurrent spending raises concerns about long-term financial sustainability, especially if revenue targets are not met or economic conditions deteriorate.	The County's total allocation to development expenditure in the CFSP was 32% which is within the legal requirement. However, the personnel emoluments have depleted the operational cost due to the high wage bill that has occasioned by among others the inherited staff, existing CBAs, the SRC increments as well as the employer contribution for national schemes such as the housing levy.
3	Capital Expenditure Utilization	Public Finance Management Act, 2012: Section 47 County Governments Act, 2012: Section 117	Challenges in effectively utilizing development funds stem from unrealized local revenue and undisbursed external grants. This under-absorption highlights issues in project implementation and resource utilization. Addressing these challenges is crucial to ensure that development projects provide significant economic and social benefits.	The County Government is duty bound to factor in the budget all the allocation that has been earmarked for the County in the Allocation Bills despite the fact that there may be a delay or lack of disbursement of such grants. The County Executive continues to explore way of ensuring that there is an increase in the Own Source Revenue collection and that the projected target is realized.
4	Compliance with Legal and Statutory Requirements	Public Finance Management Act, 2012: Section 15 County Governments Act, 2012: Section 102	The allocation towards personnel emoluments, at <b>48%</b> , exceeds the regulatory threshold of <b>35%</b> , indicating a potential lack of fiscal discipline. In contrast, the forecasted development expenditure at <b>32%</b> aligns with the <b>Public Finance Management Act, 2012</b> , reflecting a focus on infrastructure and long-term projects. This duality underscores the need for balanced compliance with legal and strategic requirements.	The County has embarked on mobilizing resources that will be utilized for development projects undertakings.

No.	General Observations and Findings	Legal Reference	General Observations and Findings	Executive Response
5	Alignment with National Policies and SDGs	Constitution of Kenya, 2010: Article 10 County Governments Act, 2012: Section 103	The budget allocations in the CFSP, 2024 generally align with national government policies and strategic priorities, emphasizing health, infrastructure, and education, thus supporting developmental goals and Sustainable Development Goals (SDGs). However, the minimal allocation to the County Attorney's Office and the lack of detailed rationales for some expenditure ceiling allocation decisions indicate areas needing improved transparency and accountability. This alignment and disparity reveal both strengths and areas for improvement in budget planning.	The County Attorney's expenditure is guided by the CRA ceilings of the County Executive. The County Executive Ceiling consists of the following votes; County Executive, Public Service Board and the County Attorney.
6	Fiscal Allocations Overview and Comparison	Public Finance Management Act, 2012: Section 107 Public Finance Management (County Governments) Regulations, 2015: Regulation 25	A high proportion of the budget is allocated to personnel emoluments, raising sustainability concerns. While development expenditure meets statutory requirements and shows a commitment to growth and infrastructure, the overall budget composition highlights the need for better balance and adherence to fiscal responsibility principles. This balance is essential for achieving long-term financial stability.	As noted previously the high personnel has been occasioned by among others the inherited staff, existing CBAs, the SRC increments as well as the employer contribution for national schemes such as the housing levy.
7	Risks to Economic Outlook	Public Finance Management Act, 2012: Section 35 County Governments Act, 2012: Section 104	The identification of risks such as revenue shortfalls, unrealized local revenue, and a bloated wage bill is critical for proactive risk management. However, the policy document lacks concrete mitigation measures, which need to be addressed to manage these risks effectively. Without such measures, the county may face significant economic challenges.	The County Executive has laid down some measures to address the risks including; identifying and expanding the revenue base, operationalize the solid waste management act, digitization of the revenue collection to seal leakages, halting of non-essential recruitment, staff rationalization, and development of payment plans to repay creditors. The County Executive has also written a memorandum to the CRA advocating for an increase in equitable share that is commensurate to the County.
8	Fiscal Responsibility Principles	Public Finance Management Act, 2012: Section 107	The county government's commitment to sound financial management is evident in the discussion on fiscal responsibility principles. However, non-compliance in managing debt levels and wage expenditure raises questions about adherence to these principles. Ensuring strict compliance is vital for maintaining financial discipline.	The County Executive has identified revenue raising strategies that will help the County acquire resources that will be utilized to service the pending bills. The increase in Own Source Revenue will also lead to a reduction in personnel emolument percentage in the long run.

No.	General Observations and Findings	Legal Reference	General Observations and Findings	Executive Response
9	Budget Projections	Public Finance Management Act, 2012: Section 126 County Governments Act, 2012: Section 125	The medium-term budget projections raise concerns due to the uncertainty surrounding local revenue projections. It is essential to reassess these projections based on historical revenue collection patterns to ensure they are realistic and achievable. Accurate projections are crucial for effective budget planning and management.	The County has been progressively increasing in the Own Source Revenue Collection, and with the increase with the revenue base for the example in the parking sector we are optimistic that the County can realize the projected revenue.
10	Transparency and Accountability	Constitution of Kenya, 2010: Article 201 Public Finance Management Act, 2012: Sections 68, 70	Detailed reporting on revenue breakdowns and expenditure per program enhances transparency and allows stakeholders to scrutinize fiscal management practices. This level of detail fosters trust and provides a basis for assessing the effectiveness and efficiency of resource utilization. Improved transparency can guide future budget adjustments and enhance overall financial management.	The detailed analysis of revenue collected per stream is contained in Annex 2 of the CFSP (Page 84). As per the PFM County Regulations, 2012 Section 26 1(b) a medium-term fiscal framework defining a top-down <b>aggregate resource envelope and broad expenditure levels</b> is what should be contained in the CFSP
11	Sector Priorities and Budgetary Allocations	Constitution of Kenya, 2010: Article 201, 203 Public Finance Management Act, 2012: Sections 35, 125 County Governments Act, 2012: Sections 104, 105	The <b>CFSP 2024</b> lacks clarity on fund allocations for priorities and the criteria used. It also fails to explain the status of previous priorities and their achievements, limiting stakeholders' ability to form informed opinions about budget allocations. This affects transparency and accountability in the budgeting process.	The allocation of the funds for the priorities are contained in the various departmental ceilings as aggregates as per the per the PFM County Regulations, 2012 Section 27 (1c) (iii) which stipulates that <i>expenditure policy including expenditure priorities, aggregate expenditure intentions, including the county consolidated budgets, and expenditure ceilings and other targets or limits implied by or required by the fiscal responsibility principles.</i> The achievements are entailed in the CBROP.
12	Tentative Programme-Based Budget	Public Finance Management Act, 2012: Section 125 County Governments Act, 2012: Section 104	The <b>CFSP 2024</b> does not include a detailed Programme-Based Budget for the upcoming fiscal year which is pursuant to <b>Regulation 30(1)(a)</b> of the <b>Public Finance Management (County Governments) Regulations, 2015</b> , which is necessary for justifying departmental ceilings. Instead, it only provides a schedule of expenditures for <b>FY 2022/2023</b> . This omission hampers effective budget planning and justification.	The CFSP contains broad sector ceilings as per the Section 117 of the PFM Act. The CBROP on the other hand in accordance with Section 118 of the PFM Act, 2012 2(b) should contain the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper as contained in the CBROP 22/23 (September 2023) The PFM Act Section 129 stipulates what the PBB entails in its entirety.
13	Flagship Projects and Programmes	County Governments Act, 2012: Section 102, 103 Public Finance Management Act, 2012: Section 125	The document lacks detailed schedules or demonstrated linkages of county flagship projects and programs with the <b>County Integrated Development Plan (CIDP)</b> and the <b>Annual Development Plan (ADP)</b> . Such linkages are essential for coherent project planning and execution.	In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term. The schedules of the county flagship projects and programs are contained in the County Budget estimates.

No.	General Observations and Findings	Legal Reference	General Observations and Findings	Executive Response
14	Linkage with Fiscal Documents	Public Finance Management Act, 2012: Section 123 County Governments Act, 2012: Section 104	The CFSP 2024 does not sufficiently demonstrate linkage with other fiscal plans, such as <b>sectoral plans, the CIDP, the ADP and the County Budget Review and Outlook Paper (CBROP)</b> . Strengthening these linkages is vital for cohesive fiscal planning. This alignment ensures that budget planning is integrated and strategic.	The CFSP contains broad priorities that are later expounded by the Budget. The CIDP is programme based and it is realized through the consecutive Annual Development Plans (ADPs) that are implemented through the annual budget guided by the resource allocation in the CFSP hence the linkages.
15	Achievements of Previous Programmes and Projects	Public Finance Management Act, 2012: Section 125 County Governments Act, 2012: Section 104	There is no detailed analysis or schedule explaining the achievements of past projects and programmes, which is essential for justifying future allocations. Providing such analysis would enhance accountability and inform future planning. This retrospective assessment is crucial for continuous improvement.	Achievement of the previous programmes and projects is outlined in the Annual Development Plan and the CBROP whose main objectives 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)
16	Public Participation and Revenue Allocation	Constitution of Kenya, 2010: Article 174 County Governments Act, 2012: Section 87, 115	Although a report on public participation is included, it lacks detailed coverage of events and forums. It is important to know who provided views, when, where, and whether these views were considered or incorporated in the final draft. Detailed documentation of public participation enhances transparency and inclusiveness.	The details covered in the attached public participation report are issue based captured from the public views from the fora and from the memoranda submitted however there are records of the participants and the entities that they represent.
17	Pending Bills/Loans	Public Finance Management Act, 2012: Section 141 County Governments Act, 2012: Section 121	The document lacks detailed information on pending bills, a critical aspect of financial management. The <b>Debt Management Strategy Paper, 2024</b> , submitted alongside the <b>Fiscal Strategy Paper, 2024</b> , highlights the issue. Addressing pending bills is crucial for maintaining financial credibility and stability.	The CFSP mandate is to outline the broad strategic priorities and policy goals for the coming FY. In this essence the Debt Management Strategy Paper, (DMSP) outlines all issues related to pending bills.
18	Unremitted Statutory Deductions	Public Finance Management Act, 2012: Section 109 Constitution of Kenya, 2010: Article 201(b)	The issue of unremitted statutory deductions is critical and has adversely affected the well-being, livelihood, and welfare of both current and retired staff. The document does not provide sufficient reasons for this non-compliance with the law and making fiscal allocations to clear them. Addressing this issue is essential for legal compliance and employee welfare.	The County has an existing payment plan to net off the unremitted statutory deductions.
19	Decentralization of Administration	County Governments Act, 2012: Sections 48, 50, 54 Constitution of Kenya, 2010: Article 174	The document lacks detail on the decentralization of administration through the establishment of municipalities and sub-county administrations to the village level. Legislative proposals for sub-county administration exist, but allocations for this purpose have not been indicated. Clear details are needed for effective decentralization.	The CFSP is Departmental/Sector based thus decentralization issues are not feasible.

No.	General Observations and Findings	Legal Reference	General Observations and Findings	Executive Response
20	Expenditure Absorption	Public Finance Management Act, 2012: Sections 35, 37 Public Finance Management (County Governments) Regulations, 2015: Regulation 30(1)(b)	There is insufficient explanation for the under-absorption of development expenditure and over-absorption of recurrent expenditure in FY 2022/2023. Understanding these discrepancies is crucial for improving budget execution and planning. Addressing these issues can enhance the efficiency of fiscal management.	The reasons for under-absorption of development expenditure and over-absorption of recurrent expenditure in FY 2022/2023 is expounded in the ADP and the CBROP with reasons cited amongst them personnel emolument being the first charge when there is availability of resources which has addressed the issue of salary delays on the other hand there have been delays and lack of disbursement of the donor funds which forms a high percentage of the development budget thus leading to the low absorption.
21	Sectoral Plans Submission	County Governments Act, 2012: Sections 104, 105 Public Finance Management Act, 2012: Section 126	The lack of approved departmental sectoral plans impairs proper fiscal planning and management, as these plans form the basis for crucial fiscal documents such as the CIDP, ADP, and CFSP. Ensuring timely submission and approval of these plans is essential for effective fiscal management.	According to the County Government Act 2012, Section 109, County sectoral plans (1) A County department shall develop a ten-year county sectoral plan as component parts of the county integrated development plan. In this regard the Department of Finance and Economic Planning has an approved Sector plan 2022/2023 – 2032/2033.
22	MTEF Sectoral Reports	Public Finance Management (County Governments) Regulations, 2015: Regulation 30(1)(a)	According to Regulation 30(1)(a) of the Public Finance Management (County Governments) Regulations, 2015, the failure to regularly publish and submit Medium-Term Expenditure Framework (MTEF) sector reports undermines fiscal planning. These reports should be submitted by January of each year and include printed estimates for the current year. Regular submission of MTEF reports is critical for informed fiscal planning.	The Department of Finance and Economic Planning prepares monthly, quarterly and annual expenditure as required by the law.

## Annex 9: CFSP 2025 Public Participation Report



CFSP AND  
PROGRAMME BASED

## Annex 10: Memos



Ajenda Kenya  
Memorandum.pdf



2. KADZANDANI  
YOUTH.pdf



3. **Medical  
Practitioners.jpeg**



4. Memorandum  
Submission -CFSP -MHome-Based Child Ca



5. Mombasa



6. Nyalii N.pdf



7. Provident  
Community Initiative |



8. SEYA YOUTH.pdf



9. Swahili Pot.pdf



10. USAID CFSP 2025  
AND PBB MEMO.pdf