



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF MACHAKOS
COUNTY ASSEMBLY OF MACHAKOS



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**THE BUDGET AND APPROPRIATIONS COMMITTEE’S
FIFTH REPORT ON THE**

COUNTY FISCAL STRATEGY PAPER (CFSP), 2024

*THEME: CONSOLIDATING ECONOMIC GAINS TO ENHANCE SUSTAINABLE GROWTH
THROUGH SOCIO-ECONOMIC EMPOWERMENT AND INFRASTRUCTURE DEVELOPMENT*

MARCH, 2024

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ACRONYMS

ADP	Annual Development Plan
ATC	Agricultural Training Centre
BAC	Budget and Appropriations Committee
BPS	Budget Policy Statement
CBC	Competency Based Curriculum
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CHP	Community Health Promoter
CIDP	County Integrated Development Plan
COVID	Corona Virus Disease
CRA	Commission on Revenue Allocation
EAC	East African Community
ECDE	Early Childhood Development and Education
EMDE	Emerging Markets and Developing Economies
EPZ	Export Processing Zone
FY	Financial Year
GBV	Gender Based Violence
GCP	Gross County Product
GDP	Gross Domestic Product
GIS	Geographic Information System
HPT	Health Products and Technologies
IB	Internet Banking
ICT	Information, Communication and Technology
KICOSCA	Kenya Inter-County Sports and Cultural Association
KMs	Kilometers

KRA	Kenya Revenue Authority
LEDs	Light Emitting Diodes
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MYS	Machakos Youth Service
NEMA	National Environment Management Authority
NLIMS	National Lands Information Management Systems
OSR	Own Source Revenue
PFM	Public Finance Management
PLWDs	Persons Living with Disabilities
SBP	Single Business Permit
SME	Small and Medium Enterprises
SRC	Salaries and Remuneration Commission
TVET	Technical and Vocational Education and Training
VTC	Vocational Training Centre
WHO	World Health Organization

1.0 INTRODUCTION

1. **Hon. Speaker**, the County Fiscal Strategy Paper (CFSP) is a policy document that outlines the County Government's fiscal strategy and priorities for a given Financial Year (FY) and serves as a guide for the County Government's budget. The Fiscal Strategy Paper is an important document as it sets the overall policy framework for resource allocation and informs budgetary allocation.
2. The Fiscal Strategy Paper contains elements such as economic analysis, revenue projections, expenditure priorities and ceilings, fiscal risks and constraints, performance targets, alignment with other policy documents and how the County Plans to manage its pending bills over the Medium Term. It also documents and considers the input of different stakeholders and the public at large as submitted during public participation fora.
3. The Fiscal Strategy Paper therefore, provides a strategic framework for the County Government's budget and will guide in decision-making around resource allocation and spending priorities for the Financial Year 2024-2025 and in the Medium Term.
4. The Machakos CFSP, 2024 is the second in the County's Plan period 2023-2027 and was submitted to the County Assembly on 28th February, 2024 as required by the law. Standing Order 205(3) states that "upon being laid before the Assembly the CFSP shall be deemed to have been committed to each Sectoral Committee without question put, for each such committee to deliberate upon according to their respective mandate and make recommendations to the Budget and Appropriations Committee".

1.1 LEGAL BASIS FOR PREPARATION OF THE CFSP

5. **Hon. Speaker**, the County Treasury, pursuant to Section 117(1) of the Public Finance Management (PFM) Act, 2012 is mandated to prepare and forward the Fiscal Strategy Paper to the County Executive Committee for approval and subsequently submit the approved CFSP to County Assembly, by 28th February of each year. Further, Section 117(6) of the PFM Act, 2012 as read with Standing Order 205(7) of Machakos County Assembly Standing Orders stipulates that the Assembly shall consider and may adopt the CFSP with or without amendments not later than fourteen (14) days after its submission.
6. Section 117(2) of PFM Act, requires the County Treasury to align the proposed revenue and expenditure plan to the national financial objectives in the Budget Policy Statement (BPS). In line with the PFM Act, 2012 Section 117(5) the County Treasury carried out public participation both at village and sub-County level from 19th to 24th February, 2024.

7. The County Assembly conducted Sectoral Committees’ interrogations on 5th and 6th March, 2024 and held public participations fora on 7th March, 2024 in all the nine (9) sub Counties (*Annex I Public Participation Advert*). The public was also invited to submit written memoranda on or before Friday, 8th March, 2024 by 5:00 pm. The submissions and priorities from these fora have been considered in the preparation of this report and on the recommended budget ceilings.

1.2 RATIONALE FOR THE FISCAL STRATEGY PAPER

8. **Hon. Speaker**, the strategy paper articulates priorities, socio-economic policies and structural reforms as well as sectoral expenditure programmes to be implemented in the fiscal year 2024/2025 and in the Medium Term.
9. The CFSP specifically aims to:
- i. 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;
 - ii. Provide linkage with the national objectives in the BPS;
 - iii. Provide the financial outlook with respect to County Government revenues, expenditures and borrowing over the Medium Term; and;
 - iv. Provide a basis for stakeholders’ engagement in the formulation and implementation of County priorities and budgeting.

1.3 MANDATE OF THE COMMITTEE

10. **Hon. Speaker**, The Budget and Appropriations Committee derives its mandate from Standing Order No. 186 which states that: “There shall be a select Committee to be known as the County Budget and Appropriations Committee. The functions of the Committee shall be to; investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget; discuss and review the estimates and make recommendations to the Assembly; Examine the County Budget Policy Statement presented to the Assembly; Examine Bills related to the county budget, including Appropriations Bills; and evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

1.4 MEMBERSHIP OF THE COMMITTEE

11. **Hon. Speaker**, the Committee comprises of the following Members:
1. Hon. Dominic Ndambuki - Chairperson
 2. Hon. Justus Mutuku - Vice Chairperson

3. Hon. Judas Ndawa - Member
4. Hon. Phoebe Koki “
5. Hon. Peter Kilonzo “
6. Hon. Nicholas Nzioka “
7. Hon. Stephen Mwanthi “
8. Hon. Margaret Ndalana “
9. Hon. Winfred Mutua “

SECRETARIAT

1. Ms. Evelyn Kimote - Senior Clerk Assistant
2. Mr. Sylvester Nzangi - Senior Fiscal Analyst
3. Mr. Shadrach Mbithi - Fiscal Analyst.
4. Ms. Mary Nzembi -Clerk Assistant
5. Ms. Margaret Wania - Legal Clerk
6. Ms. Ruth Mwikali - Hansard Officer
7. Ms. Abigael Mulei - Commissionaire

2.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

12. **Hon. Speaker**, achieving the County’s Medium-Term strategic objective is dependent on the performance of both the Global and the National Economy. The recent and future economic developments at the global, national and county levels impact either positively or negatively on the County economic development.
13. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated amid the long-term consequences of the pandemic, Russia’s war in Ukraine, and increasing geo-economic fragmentation. Despite signs of economic resilience earlier in 2023 and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic projections, especially in Emerging Market and Developing Economies (EMDEs).
14. Overall, global output for 2023 is estimated at 3.4% compared with a year earlier, outperforming forecasts while inflation has more than halved, from its peak of 11.6% in the second quarter of 2022 to 5.3% in the second quarter of 2023. However, global growth is projected to fall from 3.5% in 2022 to 3% in 2023 and 2.9% in 2024 on an annual average basis. At the same time, there are more sizable changes in the underlying growth trajectories of major economies, with stronger projections for the United States and downward revisions for China and the Euro Area.
15. In the sub-Saharan Africa, growth is projected to decline to 3.3% in 2023 from 3.9 % in 2022 before picking up to 4.0% in 2024, with growth remaining below the historical average of 4.8%.

The projected decline reflects, in a number of cases, worsening weather shocks, the global slowdown, and domestic supply issues especially in the electricity sector.

16. Real GDP in the East African region was estimated to have expanded by 4.9% compared to a growth of 6.7% that was recorded in 2021. The deceleration in growth was partly due to disruption in global supply chains, depressed agricultural activities and tightened policies, which led to declines in household demand.
17. On the domestic scene, Kenya's economic performance strengthened in 2023 despite continued challenges, with real GDP growth accelerating from 4.8% in 2022 to an estimate of 5% in 2023 due to a strong rebound in agriculture sector that had faced a persistent and severe drought as well as a moderate growth in the services sector. Tourism continued to expand while credit to the private sector improved and manufacturing activity is expected to improve from the anticipated growth in agro-processing sector.
18. The Kenya Economic Update 2023 (World Bank) projects that the real GDP will grow between 4.5% and 5.2% in 2024. Improved investor confidence and credit to the private sector, helped by reduced domestic borrowing, will strengthen private investment over the Medium Term. Kenya inflation rate for 2022 was 7.7%, a 1.6% increase from 2021 which averaged at 6.1%, up from 5.4% in 2020. The annual inflation rate in Kenya edged down to 6.6% in December 2023 from 6.8% in the previous month, remaining within the central bank's preferred range of 2.5% to 7.5%. It was also the lowest rate since April 2022, mainly due to a slowdown in prices for transport (11.7% vs 13.6% in November), driven by reduced fuel costs.
19. According to the Gross County Product (GCP) 2023, Machakos County was the sixth largest economy with a GCP estimate of Kshs. 378.4 billion after Nairobi, Kiambu, Mombasa, Nakuru and Meru in 2022 growing by 4% which was below the national average growth of 4.6%. Although the County's contribution to Gross value Added declined from 3.3% in 2018 to 3.1% in 2022, it averaged at 3.2% which was attributed to growth in manufacturing (7.8%) due to the hosting of Export Processing Zones (EPZ) in Athiriver- Mavoko Sub-County; other industry activities like mining & quarrying, construction etc (4.2%); Service activities (2.6%); Agriculture, Forestry & Fishing (2.2%).
20. Through strategic partnership with International Development partners, the County has embarked on a journey of economic transformation which aims at turning around the local economy through direct investments and creation of job opportunities. This will include establishment of various industries in the existing industrial parks, agriculture, health, water, infrastructure and learning institutions anchored on three pillars of Food Security, Socio-Economic Empowerment and Infrastructure.

2.1 Risks to the Economic Outlook

21. **Hon. Speaker**, in the short term, the World Economic Forum Global Risk Report 2024 enlists global risks as misinformation and disinformation; extreme weather events; societal polarization; cyber insecurity; interstate armed conflict; lack of economic opportunity; inflation; involuntary migration; economic downturn and pollution.
22. The Kenya Economic Outlook lists the effects of prolonged Russia's invasion of Ukraine on commodity prices, tight global financing, drought, and slow global economic recovery as the major risks with possible mitigation measures as diversifying exports and market destinations, enhancing domestic resource mobilization, deepening financial sector reforms, and accelerating structural reforms.
23. The County Specific Risks include shocks in National economic performance, low Own Source Revenue Collections, high wage bill and pending bills.

3.0 THE COUNTY STRATEGIC OBJECTIVES, PROGRAMMES AND PRIORITIES

24. **Hon. Speaker**, despite the ongoing economic challenges, the County is actively pursuing economic transformation, with plans for investments and job creation spanning industries, agriculture, healthcare, water, infrastructure, and education, with a focus on enhancing Food Security, Socio-Economic Empowerment, and Infrastructure. Towards this end, the Government will undertake targeted strategic interventions to support the realization of the County agenda through the following eight County Sectors:-

3.1 Agriculture and Cooperative Development Sector

25. The sector consists of Crops, Livestock, Veterinary services, Fisheries and Cooperative Development. The sectors priorities for FY 2024/25 and in the Medium Term include: distribution of chicks and hatchery equipment to farmers, continuous purchase and distribution of certified crop seeds across the County, purchase and distribution of coffee seedlings, purchase of pesticides for registered cooperative societies, purchase of beehives and honey harvesting equipment to registered groups, construction of animal yards, rehabilitation of and quality control in slaughter houses, animal vaccination program, acquisition of extension services motorcycles, facilitation of artificial insemination for livestock, provision of fish breeding stock to fish farmers, renovation of Agricultural Training Centre (ATC), training of farmers on climate change mitigation and encourage them to adhere to livestock movement regulations, recruitment of more extension officers, improvement of staff mobility, support of e-extension and digitalization of farmers, enhancing of farmers' linkage with research and development partners and promote climate smart agricultural innovations.

3.2 Health Sector

26. In the FY 2024/25 and over the Medium Term, the department will oversee: completion of mother child health facilities to reduce maternal mortality rates and also improve maternal & child health in the County; refurbishing of health facilities to meet international standards as prescribed by World Health Organization (WHO); completion of ongoing health facilities (level 4s,3s and 2s) for effective service delivery; quipping of all health facilities with the required medical drugs and other medical equipment; creation of awareness through outreach medical camps in every ward; Digitize health information systems in our health facilities; improving the skills of the healthcare workers such as doctors, nurses, pharmacists and technicians through continuous education and training programs to enable them provide quality curative and preventive care, emphasizing on preventive health care by empowering the Community Health Promoters (CHP) realizing their key role as grassroots advocates for health promotion and disease prevention in the community.

3.3 Energy, Infrastructure and ICT Sector

27. This sector includes Energy, Roads, Transport, Public Works, Urban Planning and ICT sub-sectors. It plays an integral role in supporting sustainable development, enhancing quality of life, and promoting economic prosperity in Machakos County. Over the Medium-Term, the sector will; complete the construction of “Thin Tall Building” which is set to house several government departments, carry out routine maintenance of government buildings, introduce a ward road grading programme, carry out routine maintenance of 22 new rural access roads, construction of a toilet block and waiting area at the governor’s office, completion of a public facility at the Machakos new city, renovate and equip the county garage to be able to support the routine maintenance of all County Government equipment, construct the Governor’s and Deputy Governor’s official residences as per the SRC specifications, complete a boundary wall at the County HQ, enhance and approve Municipal/ Towns Boards and charters which will help to create governance framework that promotes community development, inclusivity, and the overall prosperity of residents, renovate staff houses so as to comply with safety standards, procure garbage collection trucks, exhausters, skip bins, tools, equipment’s, protective gears and cleaning materials, construct drainages, waste material recovery facilities and sewerage systems to create sustainable, resilient, and healthy urban environments, tarmac urban roads and install cabros to bring about a range of benefits that improve transportation, safety, aesthetics, and overall quality of life in urban areas, establish and maintain recreational areas which contributes significantly to the holistic development and happiness of communities, making them essential components of urban and suburban planning, ensure household access to clean energy which will address

environmental concerns, adopt solar technology in county public facilities which aligns with broader efforts to transition towards sustainable and resilient energy systems, offering numerous economic, environmental, and community-related benefits, install, repair and maintain floodlights will create safe, secure, and functional environments in various settings, benefiting both individuals and communities, increase household connectivity to the national grid will which offer numerous benefits, impacting various aspects of individual households and the broader community

3.4 Public Administration

28. This Sector is comprised of Office of the Governor, County Assembly, Devolution, County Public Service, County Public Service Board, Office of the County Attorney, Finance, Revenue and Economic Planning sub-sectors. In FY 2024/25 the sector commits to implement the following programmes: continue entrenching performance contracting and evaluation in the public service, completion and equipping of Kathiani Sub-county offices, capacity building and verification of human capital to enhance effectiveness and efficient service delivery; provide staff with a medical insurance cover, group life and last expense cover, installation of fire hydrants and assembling points to enhance fire safety, protect communities, and ensure efficient response capabilities in the event of a fire emergency, enhancing public participation by promoting good governance, strengthening institutional structures on ethics, integrity and civic engagement, enhancing collaboration and partnership with national government agencies and other non-state stakeholders through continuous engagement and updating the existing database of all state stakeholders operating in the County, development of disaster risk profile, implementation of disaster mitigation and preparedness plans, coordinating timely responses to emergencies and stakeholders' engagements in support of emergency management in the county, purchase of firefighting equipment for improved fire and emergency services, training of the inspectorate and emergency services officers as part of the departmental reforms, recruitment of officers and purchase of uniforms for inspectorate and emergency services, purchase of motorcycles and motor vehicles for efficient mobility of inspectorate staff, renovate sub county fire offices for improved fire and emergency response and services, upgrading of the revenue collection system to ensure it is up-to-date, verification and payment of pending bills, equipping the Kyumbi emergency operations center, constructing multi-purpose sub county offices for enhanced service delivery in Kalama, Mwala, Yatta and Masinga, construction and equipping ward offices and operationalization of village council structures

3.5 Education, Youth and Social Welfare

29. This sector is composed of sub-sectors of ECDE, Youth Empowerment, Vocational Training, Sports, Gender and Social Welfare. In FY 2024/2025 and over the medium term, the sector will undertake the following projects and strategies so as to achieve its objectives; construction of Matuu day care center; provide a platform to promote the digital economy, set up five additional digital hubs, revamp the existing digital hub at the Machakos Youth Center, hold public awareness engagement activities in the 9 sub counties on the digital literacy and the opportunities available for economic growth & employment in the digital arena, construct 20 ECDE classes; provide sports equipment to County sports clubs, develop the Machakos sports policy and legislation, provide learning materials for ECDE-CBC, construct a twin workshop and ablution block at Kamwanyani; sustain the school feeding programme which includes the '*Maziwa ya Mama*' initiative; equitable and fair allocation and award of bursaries to needy and deserving students, refurbishment and equipping of Vocational Training Centers (VTCs); disbursement of capitation to VTCs, carrying monitoring and evaluation for quality assurance of the VTCs, construction of workshops in VTCs, establishment and Operationalization of the Machakos Youth Service (MYS), equipping and upgrading stadiums and playing grounds; active identification, development, and promotion of sporting talent in the County; identification, nurturing, development and promotion of sporting talent in the County; creation of a marketing strategy for the county as premier sporting destination; endeavor to sign Memorandum of Understanding (MOUs) with stakeholders in sports on how to develop and nurture budding talent, formation and operationalization of Gender-Based Violence (GBV) technical working groups and establishment of County committees at the County, sub-County and ward levels, presentation of the Draft Youth Policy for adoption to the Cabinet, establishment of a revolving fund specifically designed for women, youth, and Persons with Disabilities (PWDs); mainstreaming of disability considerations across all sectors and departments, provision of assistive devices to individuals identified as persons with disabilities, construction of social halls for enhancing community life, promoting cultural activities, and providing a versatile space for a variety of social, educational, and civic functions.

3.6 Water and Irrigation Sector

30. This sector comprises Water, irrigation, Sewerage, Sanitation and Waste Management sub-sectors. Recognizing the pivotal role of this sector in provision of clean and safe water, as well as improved sewerage and sanitation services, the County will implement the following programs: extending water reticulation networks from boreholes and dams to various water points, drilling new boreholes and rehabilitating existing ones to ensure a sustainable water supply, procurement

of modern hydrological machine, distribution of 10,000 litres water tanks, repair and maintenance of drilling rigs and other equipment, development of County water master plan and policy documents for climate change matters, erecting elevated water steel tank structures to ensure adequate water storage and distribution, constructing earth dams and undertaking desilting and fencing of existing dams to enhance water storage capacity, establishing mega dams equipped with treatment plants and associated reticulation infrastructure, acquiring administrative and surveillance vehicles through leasing or purchasing to support operational efficiency and monitoring efforts, purchase of equipment to improve access to sewer services and sanitation, including shovels, tippers, excavators, boosters, drilling rigs, and exhauster trucks, expansion and rehabilitation of existing irrigation schemes and canals, construction of gabions and water weirs to prevent soil erosion and retain water in catchment areas.

3.7 Lands, Environment & Natural Resources Sector

31. This sector comprises of the following sub sectors: Lands and Physical Planning; Housing and Urban Development, Environment & Natural Resources and Climate Change. In order to support achievement of the County agenda through this sector the Government over the Medium Term will undertake the following programs; construction of offices that includes a Geographic Information System (GIS) lab, Web and GIS based physical addressing system alongside National Lands Information Management System (NLIMS), capacity building for institutions involved in physical and land use planning, conducting public participations and engagement forums, issuance of title deeds to individuals, digitization of cadastral layers, development of County physical planning laws and policies, public land acquisition and repossession and securing of public land in urban areas, Machakos new city planning, increase in forest cover and rehabilitation of degraded areas, protection, conservation, and management of the environment and natural resources, establishment of tree nurseries, public awareness forums on waste management, construction and operation of the County Recycling Plant at Machakos New City, enhancement of adaptive capacity and resilience to climate change, implementation of County Climate Change Action Plans, water catchment area protection, rehabilitation, and conservation, construction of weirs and water distribution for domestic use and irrigation through locally-led County Climate Change Adaptation Programs, building sanitation blocks, rehabilitating sewer treatment plants and networks, establishing Fecal Sludge Management Treatment Plants, constructing, refurbishing, and maintaining modern public toilets and pit latrines, enhancing existing sewerage systems and implementing effective sanitation management practices and rehabilitation of water drainage systems.

3.8 Commercial, Tourism and Labour Affairs Sector

32. This Sector is comprised of sub-sectors of Trade, Industrialization, Investment, Tourism and Labour Affairs. One of the core functions of the sector is to create conducive environment for trade, investment, tourism and industrialization. The County Government aims to foster a favorable business environment conducive to tourism activities, vibrant trading activities and heightened investor interest, thereby promoting industrialization and private investment growth. To achieve this goal, the Government will; build solar-powered market sheds to enhance trading conditions and support local businesses, establish, equip, and activate Business Incubation and Acceleration Hubs to nurture entrepreneurship and facilitate the growth of startups and small enterprises, develop business parks to provide strategic locations for commercial activities and attract investors, establish fully operational and equipped Digital Innovation Hubs to foster technological advancements and digital entrepreneurship within the County, construct a Formula E racing track and a III circuit to promote motorsports and tourism, thereby stimulating economic activity and investment opportunities, completion of the Machakos Industrial Aggregation Park, development of Kyamwilu Anti-gravity site and operationalization of Mavivye market.

4.0 FISCAL POLICY AND BUDGET FRAMEWORK

4.1 Fiscal Responsibility Principles

33. **Hon. Speaker**, as outlined in the Section 107 of PFM Act, 2012, the County Treasury shall enforce the following fiscal responsibility principles;

- i. The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
- ii. Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;
- iii. The County Government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- iv. Over the medium term, the Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- v. The County debt shall be maintained at a sustainable level as approved by County assembly;
- vi. The fiscal risks shall be managed prudently.

4.2 Performance Review

34. **Hon. Speaker**, the County's approved budget for FY 2023/2024 was Kshs.14.75 Billion which was revised to Kshs. 16.58 Billion during the reporting period. This was made up of Kshs. 11billion, Kshs. 12.9 Million, Kshs. 1.45 Billion, Kshs. 4 Billion and Kshs. 100 Million as Equitable Share, Equalization Fund, Conditional Grants, Own Source Revenue and Asset Disposal respectively.
35. As at 31st December, 2023 or at the end of the first half, the County received Kshs. 5.19 Billion in the compared to Kshs. 3.86 Billion during the same period in FY 2022/2023. These comprised of Kshs. 4.86 Billion and Kshs. 295 Million from equitable share and own source collections respectively.
36. The total Expenditure as at 31st December, 2023 was Kshs. 4.03 Billion consisting of Kshs. 3.68 Billion and Kshs. 0.35 Billion of recurrent and development expenditures respectively.
37. The overall budget execution declined to 24% in the reporting period compared to 28% over the same period in FY 2022/2023 with the department of Health recording the highest absorption at 37%. This was attributed to delayed disbursement from exchequer and low collection due to low economic activities in the County. Despite this decline, development expenditure increased from 4% last financial year to 6% in FY 2023/2024.
38. The recurrent expenditure constituted of Compensation of employees at Kshs. 2.54 Billion and Use of Goods at Kshs. 1.14 Billion representing 15.3% and 6.9% of budget execution respectively.

4.3 The Proposed County Resource Envelope for FY 2024/25 and Over the Medium Term

39. **Hon. Speaker**, the County has not been able to achieve its targets on OSR over the years. There is need for the County to look beyond the regular revenue sources as Equitable Share and this includes options for supplementing its budget like Grants, Donations, Loans, Public Private Partnerships, Bonds, Joint Ventures among others. The table below presents the revenues expected to finance the County budget in the FY 2024/2025 and over the medium term.

S/No	Description	Printed Revenues FY 2023/2024	Proposed Estimates FY 2024/2025	Projected Estimates FY 2025/2026	Projected Estimates FY 2026/2027
1	Equitable Share	9,547,295,309	9,689,368,198	9,865,000,000	9,865,000,000
2	Equalization Fund	-	12,923,347	12,923,347	12,923,347
	Leasing of Medical Equipment	124,723,404.30	-	-	-
	Roads Maintenance Levy Fund	-	314,847,146	314,847,146	314,847,146
	Aggregated Industrial Parks Programme	100,000,000	-	-	-
	Fertilizer Subsidy Programme	195,350,986	-	-	-
	Court Fines	14,436,324	14,436,324	14,436,324	14,436,324
	Mineral Royalties	99,716.30	99,716	99,716	99,716
	Kenya Devolution Support Program	-	35,000,000	35,000,000	35,000,000
	Kenya Climate Smart Agriculture Project (KCSAP)-World Bank	90,000,000	-	-	-
	Universal Healthcare in Devolved Context (PHCDC) - DANIDA	14,148,750	14,148,750	14,148,750	14,148,750
	Agricultural Sector Development Support Programme (ASDP) II – Sweden	3,761,966	-	-	-
	Emergency Locust Response Project (ELRP) -World Bank	105,095,561.15	105,095,561.15	105,095,561.15	105,095,561.15
	Aquaculture Business Development Programme (ABDP) - IFAD	15,401,768	15,401,768	15,401,768	15,401,768
	Locally Led Climate Change Action Programme (FLLoCA) - World Bank	133,000,000	137,500,000	137,500,000	137,500,000
	FLLoCA County Climate Institutional Support - World Bank	11,000,000	11,000,000	11,000,000	11,000,000
	Livestock Value Chain Support Project – Poland	35,809,200	-	-	-
	National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	250,000,000	250,000,000	250,000,000
3	Total Conditional Grants	1,092,827,676	897,529,265	897,529,265	897,529,265
4	Own Source Revenue	2,998,879,462	2,694,783,195	2,829,522,355	2,970,998,472
5	Hospital Revenues	1,008,000,000	500,000,000	550,000,000	605,000,000
6	Asset Disposal	100,000,000			
	Total County Budget	14,747,002,447	13,794,604,005	14,154,974,967	14,351,451,085

4.4 Criteria for Resource Allocation

40. **Hon. Speaker**, the following criteria guided the allocation of resources for the County entities for FY 2024/25 and over the Medium Term:

- i. **Compliance with legal Requirements** - Requirements for furtherance and implementation of the Constitution, PFM Act 2012, PFM (County Governments) Regulations, 2015 and other relevant fiscal regulatory frameworks;
- ii. **Non – discretionary expenditure** - In the recurrent expenditure category, non-discretionary expenditures take the first charge and include statutory obligations such as salaries, gratuity and pension;
- iii. **CRA Ceilings** – The ceilings provided by the Commission on Revenue allocation (CRA) for the Executive and County Assembly have to be adhered to first before allocation to the other County entities. In relation to this, the Executive comprises Office of the Governor and County Public Service Board;
- iv. **Development expenditures** are shared out on the basis of CIDP priorities as well as strategic interventions to boost revenue base and stimulate the economic growth as outlined in the National Government Policy documents, the Governor’s Manifesto and views of the Public as collected during the Public participation exercise held from 19th to 24th February, 2024;
- v. **On-going projects**: emphasis was given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation;
- vi. **Conditional grants**: priority was also given to adequate allocations for donor funds both own contribution and the donors contribution as per the BPS provisions; and;
- vii. **Strategic policy interventions**: further priority was given to policy interventions covering food security, access to healthcare, infrastructure, social welfare and environmental conservation.

41. **Hon. Speaker**, the criteria outlined above helped in developing the budget ceilings for each of the County Entity.

5.0 SECTORAL INTERROGATIONS AND PUBLIC PARTICIPATION SUBMISSIONS

42. **Hon Speaker**, the County Assembly interrogated the chief officers from all the county sectors on 5th and 6th March, 2024 and conducted Public participation in nine (9) Sub Counties on 7th March 2023. The Following is a summary of the submission from the Sectors and public;

5.1 SECTORAL COMMITTEES INTERROGATIONS

1. Social Welfare and Sports Committee

43. The Committee recommends that the budget committee raises the departments ceiling for both development and recurrent expenditures in order to facilitate the Payment of pending bills, pay staff salaries and other essential commitments and completion of stalled stadia. That the department to ensure procurement is done early enough so as maximize proper utilization of resources provided for the department to benefit residents of the county.

2. Decentralized Units Committee

44. The Committee noted that the Department of Urban and Housing Development has pending bills amounting to Kshs.13, 639,121.00. The Sectoral committee recommends that the ceiling for the recurrent expenditure be reviewed to Kshs. 224,893,080.71

3. Health Committee

45. The Committee noted that the Department of Health had an absorption rate for the FY 2023/2024 of recurrent 68% and development 4.9%. The reason for low absorption rates on the Development budget was that the procurement officers in the Department did not have procuring rights. Further the department has a Pending bill of Kshs. 369,866,015.00. The sectoral Committee recommends that the ceilings for the Department be revised as follows;

- i. Recurrent Ceilings be revised to Kshs. 4.4 Billion to cater for recruitment of more medical personnel, purchase of drugs, non- pharmaceuticals and food rations
- ii. Development Ceilings be revised to Kshs. 1Billion to cater for construction of Health facilities in all Wards and equipping of the newly constructed Health facilities

4. Finance and Revenue Collection Committee

46. The Sectoral Committee noted that the department houses the County pending bills and have settled Kshs. 34 Million to contractors and Kshs. 170 Million to KRA on tax arrears since 2014. This Financial year the budgeted pending bill to be settled by the department is Kshs.176 Million which is at Internet Banking (IB) stage. After interrogation on the ceilings proposed by the County Treasury the Committee recommended that the ceilings be retained as proposed.

5. Lands and Energy Committee

47. The Committee has recommended enhancement of the Development ceiling to cater for transformers, promotion of solarization, acquisition and rehabilitation of existing streetlights/

floodlights, and market lighting. The committee noted that the department has pending bills amounting to Kshs. 28,347,465.00 for the Energy and Kshs. 12,295,873 for Lands and Physical Planning which should be factored for payment and priority be given to the old pending bills which had been verified by the Pending Bills Taskforce. Further, the Department of Energy should be involved in the process of settling the pending bills since unpaid contractors report their grievances to the department and not to the Department of Finance where they are currently domiciled.

48. The committee recommended that the development vote assigned for spatial planning be enhanced as well as the recurrent budget to enable the recruitment of new staff such as planners, surveyors and valuers.

6. Trade, Economic Planning and Industrialization Committee

49. The committee concurred with the proposed ceilings under the department of trade and external relations, SMEs, Industry and Innovation. The committee further noted that most of the programs were at procurement stage hence underperformance during the first half of the current Financial Year.
50. The committee recommends the recurrent ceiling for Economic Planning be increased from Kshs. 79,242,752.00 to Kshs. 147,723,078.00

7. Agriculture Committee

51. The Committee noted that the department has total pending bills of Kshs. 36,875,170.00. The Committee recommended an increase from Kshs. 238 Million to Kshs. 248 Million to cater for salaries and annual increment. Further, the committee requested for an increase in the Development ceiling from Kshs. 518,789,949.00 to Kshs. 911,080,257.00. The committee further noted that there was no receipt of donor funds in the first half of the current Financial Year.

8. Water and Irrigation Committee

52. The committee was concerned that the budget absorption for the department was way too low at 8% and was informed that the delay was on the side of procurement at the department of Finance, Economic planning and revenue collection. This is because the department had initiated procurement as early as September, 2023 and as at the time of interrogations the requisitions were still lying at the desk of the CECM finance and revenue Collection.
53. The committee further requested the development and recurrent ceiling for both Water and Irrigation and Sewerage, Sanitation and Waste Management be increased to cater for construction of public toilets, sewer-line restoration, construction of ablution and sanitation blocks, Capital Grants and support to sanitation companies, purchase of two exhauster trucks.

9. Transport, Roads and Public Works Committee

54. The committee noted that the current absorption rate of Roads and Transport is 19% and Public Works is 15%. The Committee recommends increasing the development ceiling to accommodate major roads by Kshs. 308 Million and for access roads by Kshs. 200 Million which will have a distribution of Kshs. 5 Million per Ward. The committee was informed that the Roads and Transport department had total pending bills amounting to Kshs. 363,227,893.61 and Public Works department Kshs. 89,706,532 as at 30th June, 2023.

10. Education Committee

55. The Committee noted that the absorption rate for the Department was 0% for the Development budget. The reason for the zero (0) absorption rate was that they had no control on what happens after forwarding the requisition forms and certificates to the Department of Finance. The Committee recommends that the department's ceiling be increased to cater for the construction of Model daycare in Mavoko, construction of ECDE classes, bursary funding, capitation for subsidized vocational training grants, construction of workshops and ablution blocks, refurbishment of VTCs and recruitment of instructors.

11. Labour, Public Service and ICT Committee

56. The committee noted that the department of public service had pending bills of Kshs. 2,945,219.00. The committee recommended that both Recurrent and Development ceilings be reviewed upwards to cater for training, research and development, upgrade and expand records management offices, purchase of office furniture, registry filing system and purchase of protective gears for registry officers.

12. Culture and Tourism Committee

57. The committee recommended that the development and recurrent ceilings for culture and Tourism committee be increased to cater for liquor management and management of recreational facilities.

13. Justice and Legal Affairs Committee

58. The Committee noted that the absorption rate for the office of the county attorney was zero (0) % for the Development Budget during the first half of the current Financial Year due to delays at procurement stage in the department of Finance and Revenue collection

14. Budget and Appropriations Committee

59. The committee noted that the absorption rate for development budget for the Office of the Governor was zero (0) % due to delays in the procurement process which the department promised to fast track the process before the end of the Financial Year. The committee also noted that the department has pending bills of Kshs. 103,594,392.77. The proposed

development ceiling for the office is Kshs. 59,830,059.00 to cater for acquisition of the Deputy Governor's office, borehole water reticulation and construction of Governor's residence.

15. Environment and Natural Resources Committee

60. The Committee recommended that the department of Environment and Natural resources ceilings be enhanced to enable the department undertake tree planting project, rehabilitation of wetlands and fragile ecosystem, research feasibility study and acquisition of three (3) noise meters. On Climate Change department the committee recommended that the ceilings be retained as proposed.

5.2 PUBLIC PARTICIPATION REPORTS

61. **Hon. Speaker**, the Assembly conducted public participation in the nine (9) Sub Counties on 7th March 2024. The Following is a summary of the submissions as per Sub County:

1. Mwala Sub County

62. Members of the public were taken through the proposed CFSP ceilings for each of the department and the priority projects. Members observed that the CFSP 2024 document was not aligned to the projects given in the ADP for 2024/2025 where most of the priorities were in water, roads and health but allocation of development funds was not adequate in these departments. The public recommended that:

- i. The projects given and captured in the ADP for FY 2024/2025 should be costed and inform the ceilings in the CFSP.
- ii. The ceilings of the following departments should be increased in the order of priority as shown:
 - a. **Priority 1:** Water – to undertake construction of more dams, drilling of boreholes and reticulation of water, construction of weirs, rehabilitation of irrigation schemes...
 - b. **Priority 2:** Health – to undertake construction of dispensaries and other health facilities, provision of drugs and employ more health workers.
 - c. **Priority 3:** Roads – for doing roads in the County
 - d. **Priority 4:** Education – for provision of bursaries at Kshs. 6 Million per Ward, employment of ECDE teachers and VTCs instructors, construction and equipping of ECDE classes and VTCs.
 - e. **Priority 5:** Agriculture – for provision of inputs and extension services, construction of silos, marketing of farm produce like milk and mangoes...
 - f. **Priority 6:** Trade – for construction of markets and mangoes processing industry.

2. Kathiani Sub County

63. The members of public proposed the following:

- i. Timely distribution of agricultural inputs such as certified seeds and fertilizers and to increase the quantity issued to farmers.
- ii. Increase in ceilings for the Department of education to cater for recruitment of additional ECDE teachers and vocational instructors and for bursary issuance.
- iii. The County Government to put in place measures for water conservation.

3. Machakos Sub County

64. The public proposed an increase in development ceilings in the Departments of Department of water and irrigation, Education for the construction of ECDE classrooms, Trade, Industry, tourism and innovation to cater for market sheds, toilets and SMEs, roads and transport and a reduction in the Department of Finance and Office of the Governor.

4. Mavoko Sub County

65. Members of public proposed that the overall County Development budget be increased to at least 35%. Members of the public were concerned that the department of Health had the highest budget allocation yet this does not reflect the current status of the health facilities in the County which is in dire situation. The County Government has existing health facilities which are not operational and therefore in the next budget cycle they should be given priority to fully operationalize them before embarking on building new ones.

5. Kalama Sub County

66. The public proposed the following:

- i. An increase of ceilings in the department of water and irrigation.
- ii. That the budget ceiling for education be increased to cater for bursaries
- iii. That the budget allocated under the health sector should be increased for purchase of medical supplies and upgrade Kimutwa Level III hospital to Level IV.
- iv. Increase the development ceiling for the Department of Trade, Industry, Tourism, and Innovation for the construction of a modern Market in Kimutwa and a public toilet at Kalama Market.
- v. A reduction of development ceilings in the Department of Finance, Economic Planning and Revenue Management as the department does not undertake development projects.
- vi. Enhancement of the County Assembly budget ceiling to cater for civic education and public participation.

6. Masinga Sub County

67. The public proposed increment of ceiling in the department of Education to cater for construction of ECDE classes and recruitment of teachers, Department of Health to ensure availability of drugs and non-pharmaceuticals as well as recruitment of medical practitioners, and Agriculture department for irrigation schemes.

7. Kangundo Sub County

68. Members of the public gave the following recommendations:

- i. Enhancement of the Development ceilings for the department of Water and Irrigation.
- ii. An increase in the Education Department ceiling to cater for construction of workshops and dormitories in Vocational Training Centers. Further, they recommended that budget should be enhanced to aid in completion of stalled ECDE classes as well as construction of new ECDE classes.
- iii. A reduction in the proposed development budget ceiling in the Department of Finance to be reallocated to priority departments such as education, roads and water.
- iv. Increase in both recurrent and development budget ceilings for the Health Department to cater for drugs and other hospital supplies and upgrading of different medical facilities within the sub county.
- v. Enhancement of the proposed development budget ceilings for the Energy Department for installation of *mlika mwizi* lights in the County.

8. Yatta Sub County

69. Members of the public proposed the following:

- i. A reduction of Kshs. 84 Million in the development ceiling for the department of Trade, Industry, Tourism and Innovation and be allocated in different departments.
- ii. Reduction of Kshs. 100 Million from the Department of Finance development ceiling and reallocated to other departments.
- iii. A reduction of Kshs. 200 Million from Development budget in the department of Agriculture, Food Security and Cooperative Development and be reallocated to Departments of Health, Education and Roads, Transport and Public Works.
- iv. An increase of the Development ceiling in the department of Gender, Youth, Sports and Social Welfare for construction of a rehabilitation Centre in Machakos County.

9. Matungulu Sub County

70. The Public made the following proposals:

- i. In the Department of Agriculture, Food Security and Co-operative Development an increase of budget ceiling to cater for construction of slaughter houses, Artificial

Insemination, fruit farming, tree planting, provision of livestock feeds and certified seeds.

- ii. Increase ceilings under the Department of Health for facility improvement, drugs and non-pharmaceuticals and equipment.
- iii. Increase development ceiling for the department of water, irrigation, environment and climate change for reticulation of boreholes and fencing of dams.
- iv. That ceiling in the department of Education should be increased to cater for bursary issuance and vocational training grants.

6.0 SUBMISSIONS FROM THE CECM FINANCE

71. **Hon Speaker**, the Committee was concerned on the low absorption rate on Development budget where most of the projects were at procurement stage. Also, during Sectoral interrogations committees were informed that the departments' requisitions were at the Department of Finance since procurement officers in respective departments have no procuring rights. The CECM Finance submitted that the procurement process is decentralized, and all procurement officers have rights to facilitate procurement process for their respective departments. Further the committee was informed that the under absorption of funds was also caused by delayed exchequer releases.

72. On pending bills cutting across all departments the CECM Finance informed the Committee that;

- i. Total pending bills as at 30th June, 2023 was Kshs. 3,163,747,597.00
- ii. Amount paid to date Kshs. 76,155,751.00
- iii. Current pending bills balance is Kshs. 3,087,591,846.00
- iv. Current funds requisitioned for pending bills amounts to Kshs. 109,089,841.00
- v. Further bills being processed for payment is Kshs. 341,741,616.00
- vi. This will leave a Pending bills balance of Kshs. 2,636,387,388.00

73. The CECM Finance informed the Committee that Own Source Revenue (OSR) estimates was based on some of the key revenue streams such as rates, building plan approvals and SBPs on anticipation that the new valuation roll will be in use in the current Financial Year. However, due to involvement of the National Government on the same, it has taken a longer time but it will be finalized by end of May to take effect the next Financial Year. Revenue collection will improve due to enforcement and individual departments being given revenue collection targets that fall within their jurisdictions.

74. The Committee was concerned that the proposed Compensation to Employees is at 47%. The CECM Finance informed the Committee that the high wage bill is occasioned by crucial sectors such as the Health Sector which accounts for 54% of the proposed budget on compensation to employees for Financial Year 2024/2025 (Proposed ceilings for Compensation of employees amounts to Kshs. 6,502,230,319.00 for FY 2024/2025 which includes Kshs. 3,508,357,191.00 for the department of Health).
75. On the major deviations from the CBROP primary ceilings, the Committee was informed that the outer years in CBROP were based on estimation which are normally confirmed in the subsequent Budget Policy Statement.
76. On non-receipt of any conditional grants during the first half of the year the Committee was informed that this was due to the absence of County Additional Allocations Act to facilitate release of the funds which was approved by the National Assembly and Senate on 21st and 22nd February, 2024 respectively.

7.0 SUBMISSION OF WRITTEN MEMORANDUM

77. **Hon. Speaker**, the Assembly received a written memorandum on 7th March, 2024 from Wavumilivu Self Help Group in Mavoko Sub County requesting for enhancement of the budget ceilings for the Departments of Health, Youth and Education to cater for HIV/AIDS prevention and sensitization of the youth on alcohol, drugs and substance abuse. The Committee deliberated on the submission and incorporated the concerns in the setting of the ceilings.

8.0 PROPOSED AND RECOMMENDED DEPARTMENTAL CEILINGS

78. **Hon. Speaker**, the County Treasury has proposed the following departmental ceilings for FY 2024/25:

	DEPARTMENT	RECURRENT	DEVELOPMENT	TOTAL
1	Office of the Governor	580,874,154.00	59,830,059.00	640,704,213.00
2	Trade, Industry, Tourism and Innovation	174,927,292.00	184,145,112.00	359,072,404.00
3	Finance, Economic Planning and Revenue Management	969,712,272.00	410,636,670.00	1,380,348,942.00
4	Devolution	998,776,935.00	154,910,474.00	1,153,687,409.00
5	Agriculture, Food Security and Co-operative Development	285,086,746.00	518,789,949.00	803,876,695.00
6	Health	4,172,490,010.00	495,335,643.00	4,667,825,653.00
7	Roads, Transport and Public Works	244,405,006.00	869,916,379.00	1,114,321,385.00
8	Education	571,903,754.00	143,410,378.00	715,314,132.00
9	Lands, Urban Development, Housing and Energy	199,613,016.00	272,741,084.00	472,354,100.00

10	Gender, Youth, Sports, and Social Welfare	138,671,815.00	296,358,502.00	435,030,317.00
11	Water, Irrigation, Environment and Climate Change	169,150,496.00	546,350,000.00	715,500,496.00
12	County Public Service Board	38,013,709.00	21,796,951.00	59,810,660.00
13	County Assembly	1,008,995,826.00	174,400,000.00	1,183,395,826.00
14	County Attorney	86,851,773.00	6,510,000.00	93,361,773.00
	TOTAL	9,639,472,804.00	4,155,131,201.00	13,794,604,005.00

79. The Committee recommends the following Departmental ceilings in the FY 2024/2025:

	DEPARTMENT	RECURRENT	DEVELOPMENT	TOTAL
1	Office of the Governor	580,874,154.00	59,830,059.00	640,704,213.00
2	Trade, Industry, Tourism and Innovation	174,927,292.00	184,145,112.00	359,072,404.00
3	Finance, Economic Planning and Revenue Management	969,712,272.00	410,636,670.00	1,380,348,942.00
4	Devolution	998,776,935.00	154,910,474.00	1,153,687,409.00
5	Agriculture, Food Security and Co-operative Development	285,086,746.00	518,789,949.00	803,876,695.00
6	Health	4,172,490,010.00	495,335,643.00	4,667,825,653.00
7	Roads, Transport and Public Works	244,405,006.00	869,916,379.00	1,114,321,385.00
8	Education	571,903,754.00	143,410,378.00	715,314,132.00
9	Lands, Urban Development, Housing and Energy	199,613,016.00	272,741,084.00	472,354,100.00
10	Gender, Youth, Sports, and Social Welfare	138,671,815.00	296,358,502.00	435,030,317.00
11	Water, Irrigation, Environment and Climate Change	169,150,496.00	546,350,000.00	715,500,496.00
12	County Public Service Board	38,013,709.00	21,796,951.00	59,810,660.00
13	County Assembly	1,008,995,826.00	174,400,000.00	1,183,395,826.00
14	County Attorney	86,851,773.00	6,510,000.00	93,361,773.00
	TOTAL	9,639,472,804.00	4,155,131,201.00	13,794,604,005.00

9.0 GENERAL COMMITTEE OBSERVATIONS

80. The Budget and Appropriations Committee made the following observations;

- (i) That the personnel emolument is at 47% of the total revenue against a set limit of 35%.

- (ii) During sectoral interrogations all departments presented a list of pending bills to be considered for budgetary allocation and that all the bills are domiciled at the department of Finance hence they have no control over them.
- (iii) That the 2023/2024 half year absorption rates are too low especially under the development vote.
- (iv) That the own source revenue target for the next FY 2024/25 is Kshs. 3.19 billion.
- (v) That there were major deviations from the CBROP primary ceilings and the CFSP ceilings.
- (vi) That there was no receipt of any conditional grant during the first half of the current financial year.
- (vii) That there were additional projects which were attached in the CFSP document and not captured in the Annual Development Plan FY 2024/2025.

10.0 GENERAL RECOMMENDATIONS

81. **Hon Speaker**, the 2024 CFSP provides an all-inclusive state of the County enabling the Budget and Appropriations Committee to properly scrutinize the proposed ceilings and draw proper recommendations. Some of the guiding areas include the criteria for resource sharing, half year departmental expenditures absorption rates, trends, views of the CECM – Finance, current Financial Year CRA recommendations on ceilings, submission from Sectoral Committees and Public participation, pending bills and county own source revenues. The Committee recommends as follows:

- 1) The county Treasury should come up with mitigation measures to control the wage bill which now stands at 47% against a set limit of 35% of the total revenue as per Section 107 of the PFM Act, 2012 read together with Regulation 25 (1) (b) of the PFM Regulations, 2015.
- 2) That the Pending bills taskforce finalizes its report to enable the county clear the eligible pending bills because some bills may lead to accumulation of penalties on the amounts due causing strain on the budget.
- 3) That the procurement processes under the development budget should be initiated in good time to facilitate timely completion and payment of the projects. This will also aid in addressing the issue of pending bills as projects will be executed and paid for in the FY in which they were initially budgeted for.
- 4) That strategies be put in place to realize the own source revenue target as it has been on a declining trend over the previous years.

- 5) That the County Treasury should consider policy documents such as CBROP while preparing the CFSP ceilings.
- 6) The County should meet the conditions set for donors in order to be able to access conditional grants
- 7) The County Treasury should ensure that all the projects in the CFSP are as captured in the ADP
- 8) Regulation 37(1) of the PFM Regulation, 2015 stipulates that where a County Assembly approves any changes in the Annual Estimates of the Budget under Section 131 of the PFM Act, 2012, any increase or reduction in expenditure of a vote shall not exceed 1 percent of the vote ceilings. Pursuant to this provision, any changes in the forthcoming budget estimates should adhere to this provision.
- 9) The Committee recommends prioritization of the programs which impart directly to wananchi such as water, education, health, roads, agriculture and Energy.
- 10) That the County should keep on increasing the budgetary provisions for development budget estimates as this will lead to more & better services to the people.
- 11) The committee recommends that the projected ceilings should greatly guide the preparation of the FY 2024/25 budget estimates.
- 12) That the County Treasury adheres to the FY 2024-2025 budget calendar.

11.0 ACKNOWLEDGEMENT

82. **Hon. Speaker**, the Committee wishes to thank the Office of the Speaker and that of the Clerk for the support extended to the Committee by facilitating it to fulfill its mandate. I wish to acknowledge the Honorable Members of the Committee for their time as well as ideas in the meetings and in preparation of this report. Our sincere gratitude is extended to the County Treasury for being part of this critical process of preparing and reviewing the 2024 CFSP. It is therefore my pleasant undertaking, on behalf of the Budget and Appropriation Committee to table this report and recommend it to the House for adoption.

Thank you, **Hon Speaker**.



SIGNED: _____



DATED: _____

13/03/2024

HON. DOMINIC NDAMBUKI (MCA KATHIANI CENTRAL WARD)
CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

	REPUBLIC OF KENYA COUNTY GOVERNMENT OF MACHAKOS COUNTY ASSEMBLY OF MACHAKOS OFFICE OF THE CLERK		
County Hall Along Mwatu wa Ngoma Rd P O Box 1168 – 90100 Machakos – Kenya		Email: info@machakosassembly.go.ke Tel: 020 2100981	
In the Matter of Consideration of the Machakos County Fiscal Strategy Paper (CFSP) 2024/2025			
PUBLIC HEARINGS/ RECEIPT OF MEMORANDA FOR THE MACHAKOS COUNTY FISCAL STRATEGY PAPER (CFSP) 2024/2025			
<p>Pursuant to the provisions of Article 196 (1)(b) of the Constitution of Kenya 2010, Section 87 (a) and (b) of the County Governments Act, 2012, Section 117 of the Public Finance Management Act, 2012 and the County Assembly of Machakos Standing Order no. 205, the Assembly committee on Budget and Appropriations invites members of the public and stakeholders to submit their views on the Machakos County Fiscal Strategy Paper 2024/25.</p> <p>The views can be submitted in the following manner:</p> <p>1) Public hearings for the Machakos County Fiscal Strategy Paper for FY 2024/25 which shall be held on the dates, venues and time indicated below;</p>			
DATE	SUB-COUNTY	VENUE	TIME
07.03.2024	MATUNGULU	MATUNGULU DEB CHIEF'S CAMP, MATUNGULU EAST WARD	10.00AM
07.03.2024	MASINGA	KAEWA CHIEF'S CAMP, KIVAA WARD	10.00AM
07.03.2024	YATTA	MATUU MCA'S OFFICE	10.00AM
07.03.2024	MWALA	WAMUNYU TOWN BAPTIST CHURCH	10.00AM
07.03.2024	KANGUNDO	HOLY SPIRIT CATHOLIC CHURCH, KANGUNDO CENTRAL	10.00AM
07.03.2024	KALAMA	KIMUTWA CHIEF'S CAMP	10.00AM
07.03.2024	KATHIANI	AIC KOMBU, LOWER KAEWA	10.00AM
07.03.2024	MAVOKO	GITHUNGURI PUBLIC BOREHOLE, MUTHWANI WARD	10.00AM
07.03.2024	MACHAKOS	MACHAKOS SOCIAL HALL	10.00AM
<p>2) Written memoranda and recommendations may be forwarded to the Clerk of the County Assembly through Post Office Box Number 1168-90100, Machakos or hand delivered to the Office of the Clerk, County Assembly of Machakos at the County Hall Building, along Mwatu Wa Ngoma Road, Machakos Town or by email through info@machakosassembly.go.ke so as to reach the Clerk on or before Friday, 8th March, 2024 by 5:00 pm.</p> <p>The Machakos County Fiscal Strategy Paper 2024/25 may be accessed on the County Assembly of Machakos website http://www.machakosassembly.go.ke/</p>			
<p>DENIS MUTUI A.G CLERK, COUNTY ASSEMBLY OF MACHAKOS.</p>			