FEBRUARY
2026

COUNTY FISCAL STRATEGY PAPER (CFSP)

ACCELERATING HUMAN CAPITAL DEVELOPMENT FOR ECONOMIC GROWTH & SUSTAINABLE DEVELOPMENT IN GARISSA COUNTY.

COUNTY GOVERNMENT OF GARISSA
DEPARTMENT OF FINANCE & ECONOMIC PLANNING

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FORWARD

The Garissa County Fiscal Strategy Paper (CFSP) 2025 has been prepared in accordance with Section 117(1) and (6) of the Public Finance Management (PFM) Act, 2012, and Section 26 of the Public Finance Management (County Governments) Regulations, 2015. It outlines the fiscal policy direction for the 2025/2026 budget and sets the budgetary priorities for the third year of the County Integrated Development Plan (CIDP) 2023-2027. This document defines the county's fiscal policy framework, detailing economic priorities, financial projections, budget allocations, and strategic initiatives aimed at fostering sustainable economic growth and development.

The CFSP is aligned with the Approved Budget Policy Statement (BPS) 2026/27, ensuring responsible fiscal management, transparency, and accountability.

The policy paper provides an analysis of the global and national economic landscape and its implications for Garissa County's economy. It highlights the county's economic strengths, challenges, and opportunities, focusing on key sectors such as agriculture, trade, and tourism. Given the potential impact of external economic shocks, the strategy underscores the importance of resilience and adaptability. It also reviews the county's fiscal performance in the past financial year, including revenue collection trends, expenditure patterns, and budget execution rates.

Additionally, the document outlines future revenue projections and expenditure priorities, emphasizing fiscal discipline and efficient resource allocation to align spending with strategic objectives.

The CFSP identifies priority sectors that are fundamental to the county's economic growth and the overall well-being of residents. These include healthcare, education, infrastructure development, water and sanitation, and social protection programs.

The strategy proposes targeted initiatives in these sectors to enhance service delivery, attract investment, and improve livelihoods.

A comprehensive budget framework is presented, detailing the rationale behind sectoral allocations, ensuring that financial resources are distributed equitably and inclusively to promote balanced development across the county.

To ensure fiscal stability and economic resilience, the document also assesses potential fiscal risks and proposes mitigation measures. These include building fiscal buffers, improving revenue collection efficiency, and implementing cost-saving strategies. These measures aim

to strengthen the county's financial position while ensuring efficient use of resources.

Overall, the CFSP provides a well-structured fiscal policy framework to steer Garissa County toward sustainable economic growth and development. It reaffirms the county government's commitment to prudent financial management, strategic investments, and inclusive development.

The paper also emphasizes the need for collaboration between government entities, the private sector, and development partners to fully harness the county's economic potential.

Hon. ABASS ISMAIL KHAAR,

County Executive Committee Member- Finance and Economic Planning.
GARISSA COUNTY.

Acknowledgment

The Garissa County Fiscal Strategy Paper (CFSP) 2026 has been developed in compliance with Section 117(1) of the Public Finance Management Act, 2012, serving as the foundation for the FY 2026/2027 budget. It outlines key macroeconomic factors, revenue projections, and expenditure priorities, ensuring fiscal discipline, transparency, and public participation in line with Article 201 of the Constitution.

This document is the result of collaborative efforts from various county departments, semi-autonomous agencies, and stakeholders, whose valuable inputs have helped shape a realistic and strategic fiscal framework. I extend my deepest appreciation to all Chief Officers, Directors, Treasury staff, and technical teams for their dedication and professionalism in its preparation.

A special thanks to UNICEF, our esteemed partner, for their generous support in developing County Plans, finalizing this CFSP, and strengthening key initiatives. We look forward to continued collaboration to enhance service delivery and improve the livelihoods of Garissa County residents.

Finally, I appreciate the contributions of stakeholders, civil society organizations, and the people of Garissa, whose engagement remains vital in shaping our county's fiscal strategy. Together, we will build a more resilient, inclusive, and prosperous Garissa County.

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ABBREVIATIONS AND ACRONYMS

BPS: Budget Policy Statement

CBK: Central Bank of Kenya

CECM: County Executive Committee Member

CO: Chief Officer

CRA: Commission of Revenue Allocation

CBROP: County Budget Review and Outlook Paper

CFSP: County Fiscal Strategy Paper

FY: Financial Year

GDP: Gross Domestic Product

GoK: Government of Kenya

IBEC: Inter-Governmental Budget and Economic Council

ICT: Information and Communication Technology

IFMIS: Integrated Financial Management Information System

KNBS: Kenya National Bureau of Statistics

MTEF: Medium Term Expenditure Framework

MTP: Medium-Term Plan

PE: Personnel Emoluments

PFM: Public Finance Management

PWD: People with Disabilities

SRC: Salaries and Remuneration Commission

SWG: Sector Working Group

CHAPTER ONE

RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK

1.0 Introduction

The chapter outlines the recent economic development, focusing on the Global, Regional, domestic, and County scenes.

1.1 Recent Economic Development and Medium-Term Outlook

1.1.1 Global Economic Outlook

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

Table 1.0 Global Economic Performance

	Actual		Projections	
Economy	**2023**	**2024**	**2025**	**2026**
World	3.5	3.3	3.2	3.1
Advanced Economies	1.8	1.8	1.6	1.6
Of which: USA	*2.9*	*2.8*	*2.0*	*2.1*
Euro Area	*0.5*	*0.9*	*1.2*	*1.1*
Japan	*1.4*	*0.1*	*1.1*	*0.6*
Emerging and Developing Economies	4.7	4.3	4.2	4.0
Of which: China	*5.4*	*5.0*	*4.8*	*4.2*
India	*9.2*	*6.5*	*6.6*	*6.2*
Sub-Saharan Africa	3.6	4.1	4.1	4.4
Of which: South Africa	0.8	0.5	1.1	1.2
Nigeria	2.9	4.1	3.9	4.2

Source: IMF World Economic Outlook, October 2025

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

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

1.1.2 Domestic Economic Performance

Kenya's economy has demonstrated remarkable resilience over the past three years, consistently growing at a pace that outperforms both the global and regional averages. This strength is rooted in deliberate policies and the benefits of a diversified economy. The economy has thus been able to withstand the adverse impacts of domestic and external shocks. In 2024, the economy grew by 4.7 per cent, supported by positive growth in all sub-sectors except construction and mining and quarrying.

Further, in the first and second quarters of 2025, the economy remained strong with a growth of 4.9 per cent and 5.0 per cent, respectively, as shown in the table below. This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of the services sector. All economic sectors recorded positive growth rates in the first half of 2025, with varied magnitudes across activities.

Table 1.1 Sectoral GDP Performance

Sectors/Sub-sectors	Annual Growth Rates	Quartely Growth Rates			
	2024	2024 Q1	2024 Q2	2025 Q1	2025 Q2
1. Primary sector	**3.9**	**4.5**	**4.0**	**6.2**	**4.9**
1.1. Agriculture, Forestry and Fishing	4.6	5.6	4.5	6.0	4.4
1.2 Mining and Quarrying	(9.2)	(16.1)	(5.5)	10.8	15.3
2. Secondary Sector (Industry)	**1.5**	**1.5**	**0.5**	**2.6**	**3.3**
2.1. Manufacturing	2.8	1.9	3.2	2.1	1.0
2.2. Electricity and Water supply	1.9	2.8	1.2	3.6	5.7
2.3. Construction	(0.7)	0.4	(3.7)	3.0	5.7
3. Tertiary sector (Services)	**6.1**	**6.8**	**6.2**	**4.8**	**5.5**
3.1. Wholesale and Retail trade	3.8	3.6	2.5	5.4	4.0
3.2. Accomodation and Restaurant	25.7	38.1	35.0	4.1	7.8
3.3. Transport and Storage	4.4	4.1	3.4	3.8	5.4
3.4. Information and Communication	7.0	9.2	6.7	5.8	6.0
3.5. Financial and Insurance	7.6	9.6	8.0	5.1	6.6
3.6. Public Administration	8.2	7.5	9.0	6.5	6.0
3.7. Others	5.2	5.8	5.6	4.4	5.2
of which: Professional, Admin & Support Services	9.4	9.4	6.7	4.6	8.5
Real Estate	5.3	6.9	5.9	5.3	5.5
Education	3.9	2.4	3.2	2.9	3.2
Health	6.3	5.4	8.1	4.8	6.8
Taxes less subsidies	4.4	2.9	3.8	5.7	3.3
Real GDP	**4.7**	**4.9**	**4.6**	**4.9**	**5.0**

Source of Data: Kenya National Bureau of Statistics

In 2025, the primary sector grew by 6.2 percent in the first quarter and 4.9 percent in the second quarter compared to a growth of 4.5 percent and 4.0 percent in the corresponding quarters of 2024, as shown in the table above. This was because of the robust growth in the agriculture, forestry, and fishing sub-sector and a recovery in the mining and quarrying sub-sector. Activities in the agriculture, forestry, and fishing sub-sector expanded by 6.0 percent in the first quarter and 4.4 percent in the second quarter of 2025, compared to growth of 5.6 percent and 4.5 percent in the corresponding quarters of 2024. This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in production of milk, coffee, vegetables, fruits, and cut flowers. However, the sub-sector's performance was somewhat curtailed by a decline in tea production.

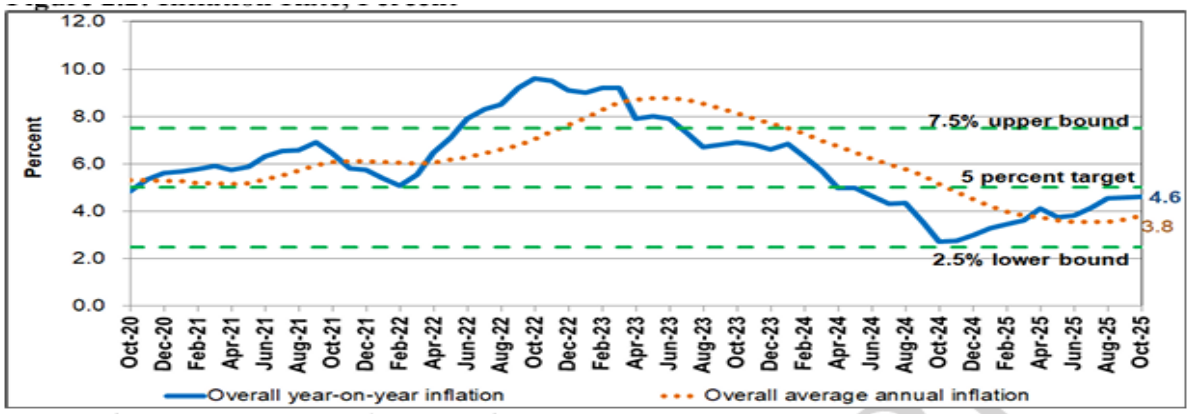
1.2 Inflation Rate

The overall year-on-year inflation has declined and remained below the mid-point of the policy target range of 5.0 ± 2.5 percent since June 2024. The stable inflation has been supported by an abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation

attributed to the stability of the exchange rate; lower international oil prices; and the decline in non-core inflation due to the impact of previous monetary policy tightening. Inflation stood at 4.6 percent in October 2025 compared to 2.7 percent in October 2024. The slight increase reflects the easing of monetary policy.

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

Figure 1.0: Overall annual Inflation Rate



Source of Data: Kenya National Bureau of Statistics

1.1.3 County Economic Policy Outlook

Garissa County serves as a pivotal economic hub within the Frontier Counties, with its Gross County Product (GCP) valued at approximately Ksh 102.7 billion. While the county maintains a consistent growth trajectory, its contribution to Kenya's national Gross Value Added (GVA) stands at 0.6 percent, with a GCP per capita of Ksh 81,775.

The county's economic architecture is primarily led by the Services sector, which constitutes 61.35 percent of the total output, driven largely by public administration and the wholesale and retail trade sub-sectors. Agriculture, centered on the livestock value chain (cattle, goats, and camels), remains a critical secondary pillar, contributing 29.20 percent to the GVA.

Despite this localized resilience, Garissa's overall contribution to the national economy remains modest. This underscores a strategic imperative for sustained investment in infrastructure, the diversification of economic activities, and the structural enhancement of key sectors to accelerate growth and elevate the living standards of its residents.

To address these gaps, strategic priorities under the Bottom-Up Economic Transformation Agenda (BETA) are focused on transitioning livestock production into high-value dairy and leather industries. Furthermore, the County Government is actively leveraging its natural resource endowments, most notably the 50 MW Garissa Solar Plant and the revitalization of gypsum and sand extraction to broaden the industrial base and optimize own-source revenue mobilization.

1.2 Impact of National Macroeconomic Variables on County Development

The global and national economic outlook has a great impact on the performance of the County, considering that the largest share of the total revenue originates from the National Government transfers. The stability of the macroeconomic environment, therefore, supports growth of the County since the dynamics of the macroeconomic framework have direct and/or indirect effects on the County's decision and operations.

The national performance influences the level of economic activities and developments in the County. For instance, non-performance of revenue in the National Government (as a result of a harsh economic environment) has a spillover effect on the implementation of the County Development Agenda since resources meant for development are less. Low and stable inflation rate, on the other hand, encourages more investments and reduces uncertainties, thus enabling the County to invest more in development, leading to improved economic growth and stability. Similarly, low and stable interest rates stimulate higher private sector lending, especially the Small and Medium Enterprises. This encourages more spending and investments in the County, leading to economic growth and improved quality of life for the residents.

Garissa County is predominantly a livestock County with the sector employing a large proportion of its population and contributing majorly to the Country's Gross Domestic Product (GDP). The sector has recorded a slowdown in performance, mainly attributed to unfavorable weather conditions due to the impact of climate change, which could adversely affect livestock production and result in domestic inflationary pressures and food insecurity. In this regard, the County will formulate prudent policies and interventions to support the agriculture sector and other critical sectors.

The County's performance depends on the formulation and implementation of prudent policies. The County Government will continue to pursue prudent fiscal policies and other appropriate measures to safeguard the County from adverse effects, if any; ensure stability and guide service delivery.

CHAPTER TWO
SECTOR STRATEGIC OBJECTIVE AND PERFORMANCE

2.0 Introduction

This chapter defines the critical linkage between the County Fiscal Strategy Paper (CFSP) and the strategic objectives established in key policy blueprints, including the Annual Development Plan (ADP), the Governor's Manifesto, and the County Integrated Development Plan (CIDP). These documents serve as the essential framework for the county's budgeting process, ensuring that financial allocations are strictly aligned with the administration's broader development agenda. The fiscal framework outlined in these policies adheres to the principles of public finance and fiscal responsibility as mandated by Article 201 of the Constitution of Kenya, 2010, and Section 107 (1) and (2) of the Public Finance Management Act, 2012. This alignment guarantees disciplined financial planning and the equitable distribution of resources.

To realize these objectives, the Garissa County Government is dedicated to enhancing transparency, efficiency, and accountability in the management of public funds. This commitment is central to maintaining fiscal discipline and ensuring value for money. Despite operational challenges in several priority sectors, the county has made significant strides toward achieving its strategic goals, as detailed in the following summary of sectoral progress.

2.1.1 EDUCATION, INFORMATION, AND ICT

The Department of Education, ICT, and Libraries is mandated to ensure equitable access to quality education, digital literacy, and library services in Garissa County. The core responsibilities include enhancing Early Childhood Development (ECD) through the construction and renovation of classrooms, School feeding, recruiting and training teachers, and the supply of teaching and learning materials. In the TVET sector, the department facilitates skills development through vocational training centers, equipping them with modern tools for market-relevant courses. ICT development focuses on automation, enhancing digital literacy, and improving county-wide ICT infrastructure. The library services sub-sector aims to promote a reading culture through digitization, provision of free internet, and modernization of library resources.

Financial Performance

In the last fiscal year (2024/25), the Education, Information, and ICT department had a total budget allocation of Kshs. 520.32 million, with Kshs. 413.51 million allocated for recurrent expenditure and Kshs. 106.80 million for development. The department successfully absorbed Kshs. 413.40 million in recurrent expenditure and Kshs. 10.39 million in development projects, achieving an absorption rate of 98% for recurrent spending but a lower 10% for development funds.

Consequently, Garissa County's ECDE sector saw significant progress, marked by a student enrollment increase from 23,923 to 25,791. This growth was fueled by enhanced County Government funding and strategic partnerships that expanded both resources and training. Key investments in infrastructure included the construction of 25 new classrooms, the renovation of 48 centers, and the establishment of two modern ECDE facilities. To ensure quality instruction, the county recruited 200 new teachers and facilitated advanced diploma training for 139 staff members through DICECE College. Furthermore, student welfare and academic standards were bolstered by providing 4,000 bags of fortified porridge and supplying learning materials to all centers. These initiatives are now anchored by the development of the Garissa County ECDE Bill, ensuring a sustainable legal framework for future educational success. Despite these strategic investments, challenges such as inadequate funding for development projects, limited teaching and learning resources, and infrastructure gaps continue to hinder the full realization of planned objectives. Moving forward, increased

development funding and better fund utilization strategies are necessary to improve education service delivery in Garissa County.

Non-Financial Performance

The department's strategic focus remains centered on four primary key indicators: the expansion of ECDE infrastructure, the professional development of teaching staff, the equipping of Vocational Training Centers (VTCs), and the comprehensive automation of ICT systems.

For the 2024–2025 period, significant milestones were achieved, most notably the successful launch of the Garissa County website and a critical upgrade to the GIS infrastructure. These technological gains were matched by advancements in the classroom, including a marked increase in TVET enrollments, the systematic procurement of school furniture, and the distribution of essential learning materials across the county. Furthermore, the expansion of school feeding programs has played a vital role in supporting student health and retention during this period.

Partners Contributions

Strategic collaborations with development partners have been vital in augmenting the county's budget and advancing key educational and technological mandates. UNICEF and WFP have served as cornerstone partners, providing essential teaching and learning materials, teacher training, and robust support for school feeding programs. The county's digital transformation and spatial data capabilities were further strengthened through the technical contributions of Mercy Corps and FAO toward GIS infrastructure, alongside the ICT Authority's role in deploying broader digital frameworks. Additionally, Save the Children and EIDU have enhanced classroom outcomes by supplying modern instructional tools and digital learning platforms.

A landmark achievement of these multi-stakeholder efforts is the development of the Garissa County ECDE Bill, a collaborative effort involving UNICEF, UNHCR, Save the Children, and the Lutheran World Federation (LWF). This legislative framework is particularly significant as it establishes the formal integration of refugee education into the national system, ensuring inclusive access for all learners. Collectively, these partnerships have not only expanded access to quality education and modernized library services but have also accelerated ICT adoption, ensuring a more resilient and future-ready department.

2.1.2 TRADE, INVESTMENTS, INDUSTRIALIZATION, AND ENTERPRISE DEVELOPMENT

The Department of Trade, Investment, and Enterprise Development is dedicated to fostering a globally competitive and sustainable trade sector in Garissa County. Its primary role is to facilitate domestic and external trade, encourage private sector growth, and create an enabling environment for business development. The department oversees several sub-sectors, including Trade Development, Enterprise Development, Investment, Industrialization, Weights and Measures, and Tourism. These sectors collectively aim to improve market access, ensure fair trade practices, support small businesses, and enhance the county's economic growth.

To achieve its objectives, the department is responsible for several key functions. A critical mandate is ensuring compliance with internationally recognized measurement standards to protect consumers and promote fair trade. This includes verifying weighing and measuring equipment used in commercial transactions. The department also plays a vital role in promoting trade and investment by facilitating business growth, attracting investors, and creating new markets for local products.

Additionally, the department is committed to improving market infrastructure through the development and renovation of trading spaces, including the establishment of the County Aggregation and Industrial Park.

Access to finance is another priority, with a focus on microfinance credit to small businesses, youth, and women entrepreneurs. Furthermore, the department is actively involved in the identification and promotion of tourism attractions in the county, such as the conservation of the Hirola, an endangered antelope species unique to Garissa County.

Financial Performance

During the 2024/2025 financial year, the Department of Trade, Investments, and Enterprise Development has been allocated a total of Kshs. 545.11 million. This budget is split into Kshs. 95.31 million for recurrent expenditure to support operational efficiency and Kshs. 449.80 million for development expenditure aimed at enhancing market infrastructure and industrial parks.

In terms of financial performance, the department has achieved a recurrent expenditure absorption rate of 92.23%, demonstrating a high level of efficiency in utilizing funds for administrative and operational requirements. In contrast, the development expenditure absorption rate stands at 69.36%, reflecting the ongoing implementation of capital-intensive projects across the county. These figures underscore the department's commitment to balancing robust internal operations with the physical expansion of trade and industrialization initiatives.

Non-Financial Performance

Despite navigating a constrained fiscal environment, the department has achieved significant milestones in promoting economic equity and regional development. A primary focus has been the protection of consumer rights and fair commerce through the systematic calibration and verification of weighing and measuring equipment. To improve administrative efficiency, the department invested in the construction and renovation of trade offices, while simultaneously fostering local economic empowerment by facilitating the disbursement of credit facilities to small and micro-enterprises.

In the tourism and conservation sector, strategic progress was marked by the comprehensive mapping of key regional tourism sites and the formulation of the Hirola Conservation Plan. These initiatives are designed to unlock the county's unique tourism potential, preserve biodiversity, and generate sustainable economic opportunities for the community.

However, several systemic hurdles continue to impede full-scale progress. Chronic budgetary shortfalls have delayed the completion of key projects, while underdeveloped infrastructure and limited ICT integration create persistent bottlenecks in service delivery. Operationally, the department is hampered by a shortage of technical personnel and the absence of a comprehensive trade policy to regulate and stimulate enterprise growth. Furthermore, local traders face significant barriers to success due to limited access to market information and a general gap in advanced entrepreneurial and business management skills. Addressing these challenges through policy development and enhanced resource allocation remains a top priority for the department's future agenda.

Partners' Contributions

The department actively collaborates with a diverse network of development partners and stakeholders to strengthen service delivery and realize its strategic economic objectives. The National Government remains a foundational partner, providing the necessary support for trade infrastructure and large-scale industrial development initiatives. Complementing this, the Kenya National Chamber of Commerce and Industry (KNCCI) serves as a vital bridge for the private sector, facilitating business linkages and creating networking platforms that allow local traders to expand their reach.

On the international stage, the department leverages the expertise of the International Labour Organization (ILO) and USAID to drive capacity-building programs tailored for small and medium-sized enterprises

(SMEs). These high-impact partnerships have been instrumental in financing trade exhibitions, delivering specialized business training, and spearheading initiatives that improve credit accessibility for local entrepreneurs. By integrating these external resources, the department effectively overcomes financial and technical bottlenecks, ensuring its programs foster sustainable economic growth and long-term enterprise development within Garissa County.

2.1.3 GENDER, SOCIAL SERVICES, CULTURE, YOUTH & SPORTS

The strategic objectives of the department are to: -

- Promote social inclusion in the county,
- Enhance equitable access to opportunities,
- Promote gender mainstreaming and socio-economic empowerment for women, girls, PWDs and minorities,
- Promote conducive policy and legal framework policies and programs, including disability and child-friendly policies,
- Promote youth participation in the national and county development processes and promote, advocate, and monitoring youth led initiatives; developing and managing youth innovation and leadership centres,
- Promotion and preservation of culture and promotion of languages and traditional practices harmonious with county and national development aspirations,
- Undertaking cultural research and dissemination of cultural information, establishment and management of cultural infrastructure (Cultural Centres, community museums and art galleries).

Financial performance

The Department of Gender, Social Services, and Sports is mandated to promote social inclusion throughout the county, overseeing diverse directorates, including Gender, Social Protection, Culture, Youth, and Sports, that serve eighty percent of the population. For the 2024/2025 financial year, the department was allocated a total budget of KShs. 170.26 million, comprising Kshs. 68.26 million for recurrent expenditure and Kshs. 102 million for development initiatives.

The department demonstrated exceptionally high financial performance during this period, characterized by strong fund utilization across both categories. The recurrent expenditure absorption rate reached 91.22%, ensuring the smooth operation of its various directorates and social programs. More significantly, the department achieved a development absorption rate of 97.81%, reflecting a near-total utilization of funds designated for capital projects and long-term community investments. This high level of fiscal discipline underscores the department's effectiveness in translating its budgetary allocation into tangible services for its large constituent base.

Non-financial performance

In the 2024/2025 financial year, the Department of Gender, Social Services, and Sports achieved significant milestones across its core mandates, beginning with the youth and sports sub-sector, where it formulated the Youth Development Policy and Agribusiness Strategy, established sub-county dialogue forums, and trained 250 individuals in agri-entrepreneurship and financial linkages.

The department further empowered youth through the Ajira Digital program, mentored ambassadors on health and GBV, hosted a major Youth Conference in August 2024, and invested in modern sports infrastructure such as Garissa's new stadiums, alongside a successful participation in the KICSA games in Malindi. Within the Social Protection sector, the department institutionalized support for vulnerable groups by drafting the Social Protection Policy and Bill, distributing food to OVCs and assistive devices to PWDs, and

training 100 people on social inclusion following the International Day of People with Disabilities on December 3, 2024.
Cultural heritage was equally prioritized through the Garissa Cultural Week and a victory in the folk song and dance category at the Kenya Music and Cultural Festival in Taita Taveta, bolstered by the recruitment of 30 cultural ambassadors and the documentation of indigenous knowledge. Finally, the Gender sub-sector successfully implemented the Gender Policy, established Gender-Based Violence desks at police stations and hospitals, and strengthened child protection through active participation in the Court Users Committee, resulting in the successful prosecution of cases under the Sexual Offences and Children Acts of 2022.

2.1.4 AGRICULTURE, LIVESTOCK & PASTORAL ECONOMY

The mandate of the sector is to create an enabling environment for sustainable development of crop, Livestock, fish and cooperative sub sectors for food and nutrition security, employment creation and economic development in the County. Key functions of the sector include: promotion of crop development and animal husbandry; development and management of livestock sale yards, development and management of county abattoirs, plant and animal disease control; development of sector policies and cooperatives and fisheries development.

Financial performance

During the 2024/2025 financial year, the Department of Agriculture, Livestock, and Pastoral Development was allocated a total budget of Kshs. 594.76 million, marking a strategic shift in resources with Kshs. 150.66 million designated for recurrent expenditure and Kshs. 444.10 million for development initiatives. The department demonstrated a strong capacity for operational management, achieving a recurrent expenditure absorption rate of 92%, which reflects the efficient utilization of funds for day-to-day administrative and sectoral activities.

In contrast, the development expenditure recorded a lower absorption rate of 29.48%. This performance indicates significant challenges in the timely execution of capital projects, primarily driven by prolonged procurement processes, delayed disbursement of funds, and a lack of seamless coordination between the County Treasury and implementing units. While the overall allocation reflects a slight decrease from previous levels due to reduced funding for programs such as ASDSP II and ELRP, addressing these systemic bottlenecks remains critical for improving service delivery and ensuring that the allocated development funds translate into tangible benefits for the agricultural and pastoral communities.

Non-financial performance

Key activities are logistical support for key activities like livestock vaccination campaigns and drought response efforts**,** while investing in capacity building for both departmental staff and farmers through training programs on disease surveillance**,** rangeland management**,** and value chain development**.** This collaborative approach has significantly strengthened the sector's ability to deliver services, respond to emerging challenges, and promote sustainable agricultural practices, ultimately enhancing food security**,** livelihood resilience, and economic growth **i**n Garissa County In the 2024/2025 financial year, the Agriculture, Livestock, and Pastoral Development sector realized significant milestones, most notably in veterinary services where over 1.8 million livestock were vaccinated against zoonotic diseases, supported by a Kshs. 65 million investments in medical supplies and the solarization of vaccine storage. The department further enhanced livestock resilience by rehabilitating 400 acres of rangeland, enrolling 18,791 farmers in livestock

insurance, and constructing milk storage facilities and livestock markets. Crop productivity also saw gains through the opening of 10 farm access roads serving 23 irrigation schemes and the formation of 12 Farmer-Producer Organizations. However, these successes were heavily countered by severe challenges, including the Tana River flooding that caused Kshs. 500 million in losses to crops and infrastructure, as well as administrative bottlenecks like delayed procurement and a declining technical workforce. Despite these hurdles, the sector-maintained momentum through vital technical and financial support from partners such as the WFP, FAO, and programs like BREFONS and FSRP, which provided the essential infrastructure and agricultural inputs necessary to sustain the county's food security and climate resilience goals.

2.1.5 HEALTH & SANITATION

The health department mandate is derived from the CoK that assigns the provision of essential health services delivery and promotion of primary health care. This includes for the day-to-day management of health facilities, community health programs, disease surveillance, ambulance services, and the procurement of medical supplies within their jurisdiction.

Financial Performance

For the 2024/2025 financial year, the Department of Health and Sanitation remains the county's highest-funded sector, with a total budget allocation of Kshs. 3,574.6 million. This allocation is structured with Kshs. 3,116.7 million dedicated to recurrent expenditure—prioritizing human resources and health products—and Kshs. 457.9 million for development projects. This funding level reflects a substantial 20% increase from the previous fiscal period, underscoring the county's prioritized commitment to expanding healthcare infrastructure and service delivery.

The department demonstrated high fiscal efficiency during this period, showing a marked improvement in project execution. The recurrent expenditure absorption rate reached 93.25%, ensuring the consistent funding of medical supplies and personnel. Notably, the development absorption rate rose to 85%, indicating a successful acceleration in the implementation of capital projects and health facility upgrades. This financial performance is supported by a robust funding model where 99.5% of the budget is government-sourced, with additional support from partners such as DANIDA. Furthermore, the sustainability of primary care facilities has been bolstered by contracts with the Social Health Authority (SHA), allowing for the retention of 100% of reimbursements at the facility level to finance operational costs.

Non-Financial Performance

During the 2024/2025 financial year, the Department of Health and Sanitation made substantial progress in strengthening health infrastructure and service delivery. Key physical achievements include the renovation and facelifts of eight hospitals and 15 primary care facilities, alongside the consistent quarterly supply of essential drugs and laboratory reagents to all public health centers. To address human resource gaps, the department absorbed 119 locum staff into contracts and is currently recruiting 160 technical staff, while supporting 2,500 Community Health Promoters (CHPs) with monthly stipends.

Furthermore, emergency and referral services were significantly enhanced through a strategic partnership with E-plus to lease five ambulances, which, working alongside government units, have markedly reduced referral turnaround times.

The department's impact is reflected in several critical health indicators. Immunization coverage has reached 82%, a significant climb from 55% in 2017, while skilled deliveries have risen to 65%, up from 23% in 2014.

Nutrition indicators have also shown improvement, with underweight and stunting rates among children dropping to 14% and 9%, respectively. In the fight against HIV/AIDS, the county has achieved a 76% identification rate and 80% ART coverage. Additionally, the county maintains a robust disease surveillance system, with a non-polio AFP detection rate of 9.3, well above the national target.

Despite these strides, the sector continues to face significant vulnerabilities. Severe food poverty affects 50% of children aged 6–23 months, and maternal nutrition remains low, with only 17.6% of women of reproductive age consuming a diverse diet. The health system also grapples with stalled projects—including the Cancer Centre and Afya House—systemic delays in fund disbursements, and the ongoing strain of disease outbreaks. These challenges are exacerbated by a shortage of specialized human resources and limited physical space in certain facilities.

The department's success is bolstered by strong collaborations with development partners, all of whom operate under formal MOUs to ensure accountability. Key partners such as UNICEF, WFP, WHO, UNHCR, Save the Children, and the Kenya Red Cross have been instrumental in capacity building, nutrition commodity distribution, and outreach to hard-to-reach populations. Notably, DANIDA continues to provide vital support for the operations and maintenance of primary health facilities, contributing Kshs. 10.822 million in the most recent fiscal cycle to sustain community-level care.

2.1.6 LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT

The Lands, Physical Planning, and Urban Development sector plays a crucial role in ensuring sustainable land management, spatial planning, and urban development. It focuses on providing a structured framework for land use, facilitating efficient land administration, and promoting well-planned urban growth to enhance livelihoods and economic activities. Through policies and programs, the sector aims to improve land tenure security, infrastructure development, and service delivery in urban areas. Key areas of focus include land administration, physical and spatial planning, housing development, and urban management. Additionally, the sector addresses challenges such as unplanned settlements, environmental sustainability, disaster risk management, and climate change resilience to foster organized and livable urban spaces.

Financial Performance

The Department of Lands, Physical Planning, Housing, and Urban Development was allocated a total budget of Kshs. 835.79 million for the 2024/2025 financial year, reflecting a strategic intent to balance administrative efficiency with urban expansion. This budget was divided into Kshs. 438.93 million for recurrent expenditure and Kshs. 396.86 million for development initiatives. The department demonstrated a high level of operational stability, achieving a recurrent absorption rate of 95.74%. This suggests that the department effectively manages its internal costs, including the maintenance of staff, the processing of land registration documents, and the day-to-day oversight of urban zoning and physical planning mandates.

However, the fiscal year was characterized by a significant disparity between administrative readiness and physical project execution, as evidenced by a development absorption rate of only 11.57%. This low utilization indicates that while the department is fully operational on a recurrent level, capital-intensive projects faced severe implementation bottlenecks. Out of the nearly Kshs. 400 million earmarked for development, only a minimal portion was actually spent, resulting in the likely stalling of critical infrastructure projects. These delays can be attributed to several factors, including prolonged procurement cycles, slow disbursement of funds, and complex land tenure challenges that often halt urban development projects before they can break ground.

The implications of this low development spending are far-reaching for the county's urban landscape. Stalled expenditure directly impacts the rollout of the County Spatial Plan, the automation of land records through

GIS mapping, and the provision of affordable housing and improved street lighting. Without a significant acceleration in project implementation, the department risks a growing backlog of essential urban services. Addressing these gaps will require a concerted effort to streamline the transition from the planning phase to the actual construction and delivery of housing and urban infrastructure, ensuring that the allocated development funds translate into tangible benefits for the community.

Non-Financial Performance

The Department of Lands, Physical Planning, Housing, and Urban Development continues to drive a comprehensive mandate focused on sustainable land use, housing equity, and urban modernization. In the area of land administration, a significant milestone was reached with the planning and surveying of five settlements in Garissa Town, resulting in the preparation of 2,000 title deeds. Furthermore, the sector achieved a historic breakthrough by facilitating the registration of Kamuthe Community Land, the first of its kind under the Community Lands Act 2016. These efforts are part of a broader spatial framework designed to ensure coordinated development and secure land tenure for the county's residents.

Urban infrastructure and market development also saw major advancements during this period. The department successfully completed and operationalized the Qorohey Market, constructed new stalls at the Bus Park Market, and facilitated cabro paving for access roads to Suuqmudi. To improve safety and connectivity, street lighting projects were rolled out across Bulla Medina, Lamu Road, and Bulla Sambul. Additionally, the county’s urban administrative capacity expanded significantly with the chartering of four new municipalities—Masalani, Bura, Dadaab, and Modogashe—while Balambala is in the final stages of attaining similar status.

In the housing and environmental sectors, the department has made steady progress on the Garissa Town affordable housing project, emphasizing the use of modern building technologies. Collaborative efforts with partners like UNHCR and UN-Habitat have also been pivotal, particularly in the cleanup and maintenance of the stormwater drainage system in Garissa Camp. By integrating disaster risk management, waste management, and climate change adaptation into its core operations, the sector is working to ensure that its growing municipalities are not only economically vibrant but also resilient and compliant with national development standards.

Partners Contributions

The sector has received significant support from development partners, including the World Bank and UNHCR. The World Bank has played a crucial role in funding and strengthening municipalities, contributing to urban infrastructure development and improving municipal service delivery.

Through its financial and technical assistance, the World Bank has supported capacity-building initiatives aimed at improving governance and planning. These contributions have facilitated the enhancement of urban services, waste management, and climate resilience projects, ultimately improving the quality of life in urban areas.

UNHCR has also been instrumental in supporting infrastructure development, particularly in areas hosting refugees. Its contributions have enhanced urban planning efforts, improved service delivery, and supported sustainable urban growth in affected regions.

2.1.7 ROADS, TRANSPORT, AND PUBLIC WORKS

The department's mandate includes the construction, upgrading, and maintenance of roads, management of county and public transport services, and supervision of public works projects such as buildings and other

infrastructure. The department is responsible for ensuring that all classified and unclassified county roads are well-maintained and that public transport systems are functional and efficiently managed. Additionally, it provides technical expertise in public works, including planning, designing, and overseeing the construction of government buildings such as hospitals, schools, and markets.

The Directorate of Roads, Transport, and Public Works in Garissa County is responsible for developing and maintaining the county's road network, transport services, and public infrastructure. The Annual Development Plan (ADP) for FY 2025/2026 outlines key priorities aimed at improving road connectivity, public transport systems, and infrastructure to facilitate socio-economic growth. This plan builds on previous achievements while addressing existing challenges to ensure efficient service delivery and sustainable development.

Financial Performance

For the 2024/2025 financial year, the Department of Roads, Transport, and Public Works was allocated a total of Kshs. 703.43 million, structured to address critical infrastructure gaps while maintaining operational capacity. This budget is split into Kshs. 84.82 million for recurrent expenditure and Kshs. 618.61 million for development initiatives. The department demonstrated strong administrative performance with a recurrent absorption rate of 90.80%, ensuring that transport management and general support services remained fully functional.

Despite the heavy emphasis on capital growth, the development sector achieved a moderate absorption rate of 58.99%. While this indicates that over half of the development funds were successfully deployed to upgrade 2 km of roads to bitumen standard, construct box culverts, and gravel 48 km of roads across various sub-counties, it also highlights that significant work remains. The unutilized portion of the development budget reflects ongoing challenges in fully meeting targets for road network expansion and the procurement of heavy equipment. Moving forward, the department aims to leverage these existing allocations to stabilize project execution and bridge the infrastructure deficit identified in previous cycles.

Non-Financial Performance

For the FY 2025/2026, the Directorate of Roads, Transport, and Public Works has identified critical infrastructure benchmarks aimed at fostering regional connectivity and urban modernization. A primary objective includes the upgrading of 10 km of the road network to bitumen standard, alongside the routine maintenance of 400 km of rural access roads to ensure year-round navigability. These efforts are complemented by the expansion of drainage systems, which are vital for protecting road assets from environmental degradation and ensuring the longevity of the county's transport corridors.

In the transport sub-sector, the strategic focus shifts toward enhancing operational efficiency and order within urban centers. This includes the development of organized bus parks and designated parking zones to streamline traffic flow. To support these physical improvements, the department intends to recruit additional traffic marshals and formulate comprehensive policy frameworks designed to provide a structured approach to transport management and safety regulation.

The Directorate is also spearheading significant public works projects intended to transform Garissa's urban landscape. High-priority initiatives include the construction of the Garissa Central Market, the rehabilitation of sub-county administrative offices, and the development of flagship facilities such as the Garissa Stadium and a modern convention center. These projects are envisioned as catalysts for both social cohesion and local economic growth.

Despite these ambitious targets, the Directorate faces substantial systemic hurdles that threaten the pace of implementation. Chronic funding deficits remain the most significant barrier, often resulting in project delays or narrowed scopes of work. This is exacerbated by a shortage of specialized construction

equipment, which necessitates a costly reliance on external contractors. Furthermore, the department must navigate complex social issues such as road encroachments, a shortage of technical personnel in specialized engineering fields, and the need for more robust policy coordination. Resolving these bottlenecks through strategic resource mobilization and legislative support will be essential for the successful realization of the 2025/2026 infrastructure agenda.

Partners' Contributions

The Department of Roads, Transport, and Public Works maintains a robust framework of strategic collaborations with national agencies and development partners to optimize resource mobilization and technical synergy. Through active engagement with the Kenya Urban Roads Authority (KURA) and the Kenya Rural Roads Authority (KeRRA), the department ensures the seamless integration of county road networks with national trunk and rural link roads. Furthermore, cooperation with the National Transport and Safety Authority (NTSA) remains central to the county's agenda of improving road safety standards and enhancing regulatory oversight across all transport corridors.

Financial sustainability for these capital-intensive projects is anchored in diversified funding streams, most notably through the Road Maintenance Levy Fund (RMLF) disbursed by the Kenya Roads Board (KRB) and various County Government Grants (CGG). These resources are strategically directed toward the routine maintenance of existing infrastructure and the modernization of urban transport systems to prevent asset depreciation. The department also recognizes that long-term infrastructure resilience depends on deep-rooted partnerships with public transport associations, private sector contractors, and investors, whose participation is vital for the delivery of sustainable transport solutions.

For the FY 2025/2026 Annual Development Plan (ADP), the county has committed to a policy shift that prioritizes infrastructure expansion, enhanced transport system efficiency, and the professionalization of public works management. By focusing on these core areas, Garissa County aims to improve physical connectivity between remote sub-counties and commercial hubs, thereby reducing logistical costs and unlocking significant economic potential for its residents. This strategic focus ensures that every kilometer of road developed contributes directly to the county's broader socio-economic transformation.

2.1.8 WATER, ENVIRONMENT, NATURAL RESOURCES & CLIMATE CHANGE

The Water, Environment, and Natural Resources sectors play a crucial role in ensuring sustainable access to essential services for communities. This sector encompasses various sub-sectors, including water services, irrigation services, environmental management, climate change mitigation, and the sustainable use of energy, natural resources, and wildlife.

The primary goal of this sector is to enhance access to clean, safe, adequate, and affordable water for all. This includes improving sanitation systems, promoting hygienic practices, and ensuring the availability of quality water for human consumption, livestock, irrigation, and wildlife. Schools and health facilities are also a key focus, with efforts directed at providing safe and sustainable water and sanitation services.

The sector is committed to strengthening environmental management systems, ensuring the responsible use and conservation of forestry and wildlife resources, and promoting the sustainable exploration of renewable energy sources such as wind, solar, biogas, and wood fuel. The sustainable management of mineral resources and the integration of climate change mitigation and adaptation measures in all sectoral plans are also priorities. Regular coordination forums are organized to foster collaboration and efficiency in these initiatives.

Financial Performance

In the 2024/2025 financial year, the Water, Environment, and Natural Resources sector reached a pivotal turning point in its fiscal management and infrastructure delivery. The sector was allocated a total budget of Kshs. 1,875.69 million, marking a strategic 13.7% increase in development funding specifically designed to

bridge the county's water and sanitation gap. This total was categorized into Kshs. 212.29 million for recurrent expenditure and Kshs. 1,663.40 million dedicated to high-impact development projects.
The department achieved an extraordinary turnaround in its execution capacity compared to the previous fiscal year. While the FY 2023/2024 period was marked by a modest development absorption rate of 43.7% due to implementation hurdles, the current year saw this surge to an impressive 92.90%. Simultaneously, the recurrent budget was utilized with near-perfect efficiency, boasting a 99.86% absorption rate. This shift signifies a highly effective transition from administrative planning to ground-level project delivery, ensuring that personnel, maintenance teams, and essential services are fully supported while capital projects move forward at an accelerated pace.
This enhanced financial performance has directly translated into tangible milestones for the community. The high development absorption rate fueled the successful drilling of deep-aquifer boreholes, the expansion of the Modogashe-Kone pipeline, and the achievement of 90% water coverage in Masalani town. By optimizing the use of nearly Kshs. 1.66 billion in development funds, the department has been able to settle long-standing utility debts for GAWASCO, solarize irrigation schemes, and establish 24-hour rapid response teams for water emergencies. This fiscal discipline has not only restored investor and partner confidence but has also solidified the county's resilience against climate-induced water scarcity

Non-financial performance

The Water, Environment, Natural Resources, and Climate Change sector has undergone a transformative period, successfully blending long-term institutional reform with an aggressive expansion of physical infrastructure. A primary achievement during this period was the institutionalization of climate resilience through the formation of a Technical Working Group on Participatory Climate Risk Assessment (PCRA) and the establishment of Ward Climate Change Planning Committees across all 30 wards, culminating in a validated five-year County Climate Change Action Plan. On the infrastructure front, the department achieved significant milestones, including the drilling of four deep-aquifer boreholes in Kone and the installation of a 40-kilometer HDPE pipeline for the Modogashe-Kone project. Urban water security was further bolstered as Masalani town reached 90% water coverage, while the Maalimin Water Project progressed to 80% completion. Additionally, the department addressed critical local needs by replacing collapsed boreholes in Makkah, Jarajara, and Dertu, and extending last-mile connectivity to neighborhoods like Bulla Nur and Bulla Tawakal.
Parallel to infrastructure growth, the department prioritized the stabilization of its water utility, GAWASCO, by resolving deep-seated financial and operational challenges. These interventions included clearing seven months of salary arrears, negotiating a repayment plan for a Kshs. 79 million electricity debt, and successfully unfreezing the company's bank accounts through structured arrangements with the KRA. To ensure immediate service reliability, rapid maintenance teams were deployed to handle repairs within a 24-hour window, while emergency water trucking supported over 150 sites during peak drought cycles. These internal efforts were significantly amplified by a robust ecosystem of strategic partners, including UNICEF, the World Bank, WFP, and Islamic Relief Kenya, who contributed technical expertise and funding for borehole solarization, desilting of water pans, and the expansion of irrigation schemes. This collaborative approach has not only optimized the utilization of the sector's Kshs. 1.87 billion budgets but has also created a resilient framework for sustainable water and environmental management across the county.

2.1.9 FINANCE AND ECONOMIC PLANNING

The Department of Finance and Economic Planning derives its mandate from the Constitution of Kenya 2010 and key financial legislation, including the Public Finance Management Act 2012 and the County Government Act 2012. Its core responsibilities encompass implementing financial and economic planning policies, preparing the annual county budget, and mobilizing resources for county projects. The department also

manages county public debt and financial obligations while ensuring prudent financial management and control of county resources.
Additionally, it maintains financial records, provides financial reports to the County Assembly, and strengthens fiscal relations between the National and County Governments. It also oversees revenue collection, procurement processes, and supports county development planning, including the implementation of Vision 2030.

FINANCIAL PERFORMANCE

In the 2024/2025 financial year, the Finance and Economic Planning department was allocated a total budget of KShs. 1,275.73 million, reflecting its central role in managing the county's fiscal health and economic strategy. This allocation is divided into Kshs. 1,075.73 million for recurrent expenditure—prioritizing personnel emoluments, debt management, and administrative operations—and Kshs. 200 million for development initiatives. The department demonstrated high efficiency in its operational spending, achieving a recurrent absorption rate of 92.38%, which ensured the seamless continuity of the county's financial and planning services.
However, the department encountered significant implementation challenges within its capital portfolio, resulting in a development absorption rate of 24.74%. This performance indicates that while the administrative engine is running effectively, the transition to physical development projects—such as the automation of revenue systems and long-term economic infrastructure—has faced bottlenecks. These delays are often linked to prolonged procurement cycles and the prioritization of debt repayments, such as the successful negotiation of GAWASCO's electricity arrears and KRA settlements mentioned in previous reports.
Despite these spending challenges, the department remains a standout performer in revenue mobilization. Building on the previous year's success, where local revenue grew by 27.2% to reach Kshs. 248.97 million and surpassed targets by 108.2% the focus for the current year remains on enhancing own-source revenue through improved collection strategies. By bridging the gap between its high operational efficiency and its development execution, the Finance and Economic Planning department aims to provide a more stable foundation for the county's overall economic growth and long-term financial sustainability.

NON-FINANCIAL PERFORMANCE

The Department of Finance and Economic Planning has achieved several critical milestones in policy development and fiscal management for the 2024/2025 financial year. High-level achievements include the successful completion and validation of the County Annual Development Plan (ADP) 2024-2025, the County Indicator Handbook, and the Annual Progress & Budget Costing Report. To provide a more robust legal framework for accountability, the department drafted the Monitoring & Evaluation Bill and the Statistical Bill, both of which are essential for evidence-based decision-making.
Furthermore, the county has modernized its financial operations by fully integrating the Integrated Financial Management Information System (IFMIS) and drafting plans for the full automation of revenue collection to curb leakages.
Despite these policy wins, the department's operational effectiveness is constrained by significant systemic hurdles. Inconsistent funding and delayed exchequer releases from the national government often stall project timelines and administrative functions. These issues are exacerbated by limited technical staff capacity and a lack of essential infrastructure, such as office space, vehicles, and modern equipment.

Furthermore, the current reliance on manual revenue collection processes in some sectors remains a primary cause of financial leakages, while a persistent gap in coordination between planning, budgeting, and final execution continues to affect the department's overall efficiency.

To overcome these challenges, the department is prioritizing a shift toward automation and institutional strengthening through key partnerships. Collaborations with USAID, UNICEF, and WFP have been instrumental in providing technical assistance for development planning and resilience building. Additionally, the Council of Governors and CARE Kenya have supported capacity-building initiatives to enhance the skills of the county's workforce. By investing in revenue automation, strengthening monitoring and evaluation systems, and fostering closer ties with national authorities, the department aims to create a more sustainable and transparent financial ecosystem that effectively tracks and implements the county's development priorities.

2.1.10 COUNTY AFFAIRS, PUBLIC SERVICE, DEVOLUTION AND INTERGOVERNMENTAL RELATIONS.

The County Affairs, Public Service, Devolution, and Intergovernmental Relations sector is responsible for disaster risk management, humanitarian response, and strengthening intergovernmental partnerships. The department ensures effective disaster preparedness, response, and recovery, coordinates relief efforts for affected communities, and develops legal and policy frameworks for disaster and emergency management. Additionally, it fosters peacebuilding and social cohesion, ensures coordination among stakeholders, and promotes intergovernmental collaboration for efficient service delivery.

Financial Performance

In the 2024/2025 financial year, the Department of Intergovernmental Relations and Special Programs saw a substantial increase in its total budget allocation, rising to Kshs. 671.13 million. This funding was primarily directed toward recurrent expenditure, which received Kshs. 658.53 million, while a new provision of Kshs. 12.60 million was introduced for development projects. This fiscal period marked a major improvement in financial management; the department achieved a recurrent absorption rate of 83.58% and a remarkably high development absorption rate of 95.23%. These figures represent a significant jump from the previous year's 63.1% absorption rate, signaling a more robust execution of the department's mandate to coordinate between the national and county governments.

The department's non-financial performance was characterized by a strengthened focus on disaster management, humanitarian relief, and policy harmonization. By effectively utilizing its recurrent budget, the sector was able to maintain seamless intergovernmental coordination through active participation in the Council of Governors (CoG) and other intergovernmental forums. The successful deployment of the development budget—achieving over 95% absorption—was centered on critical "Special Programs," including the fortification of relief distribution networks and the enhancement of emergency response infrastructure. These efforts were vital in ensuring that despite broader fiscal constraints like delayed exchequer releases, the county remained equipped to manage social protection programs and inter-agency collaborations effectively.

Non-Financial Performance

The Department of Intergovernmental Relations and Special Programs has made significant progress in transitioning from reactive relief to a structured Disaster Risk Management (DRM) framework. A cornerstone of this shift is the formulation of the DRM Policy and Implementation Matrix, supported by the establishment of disaster committees across all 30 wards. To ensure localized resilience, 15 of these committees have already undergone specialized capacity-building training in risk reduction. Furthermore, the department has institutionalized data-driven decision-making by conducting food security assessments following both the short and long rainy seasons and developing a comprehensive Early Warning

Communication Strategy to alert vulnerable populations ahead of climate shocks.

On the operational front, the department has been instrumental in coordinating humanitarian interventions, including the distribution of relief food to those affected by floods, droughts, and communal conflicts. In collaboration with the Kenya Red Cross, the county successfully established an Emergency Operations Center (EOC) to serve as the nerve center for disaster response. Key tactical milestones also included flood impact assessments along the Tana River and a Logistical Capacity Assessment designed to map available response resources. These efforts have been significantly amplified by a robust partner network, with agencies such as WFP, UNICEF, UNHCR, and the National Drought Management Authority (NDMA) providing critical support in food logistics, early warning systems, and technical training.

Despite these achievements, the department faces acute structural and logistical bottlenecks. Bureaucratic hurdles in accessing emergency funds often delay time-sensitive interventions, while the absence of a formalized Disaster Management Bill limits the legal and policy framework for long-term action. Logistically, the sector is hampered by a severe lack of specialized rescue equipment—such as motorboats and diving gear for Tana River operations—and the current non-operational status of the Emergency Response Center.

Moving forward, the department's priorities are centered on fast-tracking the Disaster Management Bill, securing sustainable funding, and acquiring the technical assets necessary to ensure a more resilient and rapid response to emergencies in Garissa County

CHAPTER THREE
FISCAL POLICY AND BUDGET FRAMEWORK

3.1 Overview

The fiscal framework for FY 2026/27 aims to stimulate economic growth and development, help end Drought Emergencies, reduce vulnerabilities, operate a balanced budget, ensure the effective delivery of services, and support sustainable economic growth in the County.

This policy underscores the need to prioritize crucial Recurrent Expenditure and undertake high-impact Capital Expenditure to enhance economic growth. The 2026/2027 Fiscal Strategy Paper highlights the following:

- The county aims to improve revenue collection and efficiency by reducing unnecessary expenses and prioritizing specified priorities.
- Maintaining an efficient workforce can help manage payroll expenses. This will set up fiscal resources for spending on major county priorities, particularly in the social sectors and other development projects. This will also leave plenty of possibilities for future economic fiscal action in the case of a shock.
- Fiscal consolidation while ensuring that county resources are adequate to promote growth. The County Government is committed to reducing recurrent expenditure to allocate 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.

3.2 Fiscal Performance

In the FY 2024/2025, the County received Kshs.10.67 billion in revenues to fund its development and recurrent activities. This amount represented an increase of 17 per cent compared to the amount received in FY 2023/24 of Kshs.9.16 billion. The total revenue consisted of Kshs.8.28 billion from the equitable share of revenue raised nationally. Other revenue streams included additional allocations from the national government and development partners, amounting to Kshs.432.14 million, as well as own-source revenue (OSR) collection of Kshs.478.87 million. Additionally, the County had a cash balance of Kshs.1.48 billion from FY 2023/24. The total OSR collection of Kshs.478.87 million included Facilities Improvement Financing (FIF) of Kshs.384.15 million, and Kshs.94.72 million from ordinary OSR sources.

Revenues are expected to progressively improve in the current 2025/2026 financial year. This is because the County continues to implement revenue collection strategies, lifting the ban on the extraction of gypsum and sand, and conducting extensive land registration processes in the county, which will ensure that its own-source revenue collection is optimized. Going by the above revenue performance, it is anticipated that the revenue targets for the FY 2026/27 will be achieved.

On the expenditure, the County Government plans to embark on expenditure rationalization by promoting fiscal discipline, allocative and operational efficiency, and prioritization to improve efficiency as well as reduce wastage by ensuring the expenditures are on the most impactful Programmes that yield the highest welfare benefits to the people of Garissa. Expenditure management will be strengthened with the continued

implementation of the Integrated Financial Management Information System (IFMIS) across all departments.

3.2.1 Revenue Performance

County Resource Envelope: Previous First Half

Table 1.2 presents a fiscal performance comparison of the last five half years. Over the years, OSR collections have been in upward trajectory, highlighting a policy shift that aimed to enhance OSR mobilization.

The increase in OSR is largely attributed to user fee collections from 1 Level V and 7 Level IV hospitals and fees from public health in the county. This was a result of the County Executive's enactment of the County Facility Improvement Financing Act 2024, which ringfenced the retention of collections from facilities to defray expenses and enhance seamless operations and the continuity of services in the health sector.

Generally, the continuous delay in budget disbursement limits the county's operations and the timely

Table 1.2 Revenue Performance First Half

Revenue Source	First Half FY 2021/2022	First Half FY 2022/2023	First Half FY 2023/2024	First Half FY 2024/2025	Annual Target FY 2025/2026	First Half FY 2025/2026*	% of Achievement FY 2025/26
Exchequer Releases / Equitable Share	3,289,793,087	2,615,980,043	2,722,086,874	3,426,774,887	8,877,784,676		
Proceeds from Domestic and Foreign Grants (Conditional Grant)	421,264,720	0	160,022,276	11,000,000	1,354,922,448		
County Own-Generated Receipts	32,722,000	33,678,610	76,518,391	160,091,049	450,000,000	317,850,910	71%
Fiscal Balance	609,092,586	661,757,470	634,176,980	1,566,887,583	2,011,923,772		
Total Receipts	**4,352,872,393**	**3,311,416,123**	**3,592,804,521**	**5,164,753,519**	**12,694,630,896**		

3.2.2 County Resource Envelope FY 2026/2027

The county's resource envelope is projected to grow steadily over the medium term, increasing from an actual expenditure of **KShs. 10.67 billion in FY 2024/2025** to **KShs. 13.80 billion in FY 2026/2027**, and further to **KShs. 16.86 billion by FY 2029/2030**.

Table 1.3 County Revenue Performance Trends

Financial Year	2024/2025 Actual Expenditure	2025/2026 Approved Budget Estimates	2026/2027 Proposed Estimates	2026/2027 Proposed Estimates	2027/2028 Projected Estimates	2028/2029 Projected Estimates	2029/2030 Projected Estimates	% 2026/2027 Totals
Equitable Shares	8,276,686,506	8,877,784,676	9,004,831,466	9,455,073,039	9,927,826,691	10,424,218,026	10,945,428,927	65%
Loans and Grants	432,141,988	1,354,922,448	2,173,512,948	2,282,188,595	2,396,298,025	2,516,112,926	2,641,918,573	16%
Own Source Revenue	478,870,868	450,000,000	570,000,000	632,000,000	703,200,000	738,360,000	775,278,000	4%
Other Receipts	1,484,282,379	2,011,923,772	2,052,162,248	2,154,770,360	2,262,508,878	2,375,634,322	2,494,416,038	15%
Total	**10,671,981,741**	**12,694,630,896**	**13,800,506,661**	**14,524,031,994**	**15,289,833,594**	**16,054,325,274**	**16,857,041,538**	**100%**

As shown in Table 1.3 above, the financing structure of the county is anticipated to heavily depend on equitable share transfers, which account for 65 percent of total resources in FY 2026/2027, underscoring continued reliance on national government allocations to fund county operations and development programmes

Loans and grants account for the second-largest source of financing at 16 percent, reflecting increased engagement with development partners and external financing to support capital projects. Other receipts, which include loans and grants, will contribute 15 percent, also play a significant role in supplementing the county's budget, while own-source revenue will contribute a relatively modest 4 percent of total resources in FY 2026/2027, despite gradual growth over the projection period. This composition highlights the county's limited fiscal autonomy and the need to strengthen local revenue mobilization.

Overall, while the medium-term projections indicate positive growth in available resources, the dominance of equitable share and external funding exposes the county to risks associated with national fiscal constraints and conditional financing. Strengthening own-source revenue collection and diversifying financing sources will be critical to improving fiscal sustainability and enhancing the county's capacity to independently fund priority development initiatives.

3.2.3 OSR Performance

County OSR

Article 209 of the Constitution 2010 mandates the County governments to generate revenue from local sources, by imposing taxes and levies from services they offer to the public. This is commonly known as Own Source Revenues (OSR).

Own Source Revenue (OSR) forms a critical component of Garissa County's financing framework, supplementing equitable share and conditional grants from the national government, thus a significant factor in the sustainable development and fiscal autonomy of county governments.

Since the onset of devolution, the County has made deliberate efforts to strengthen revenue mobilization to fund its development agenda and reduce dependence on transfers. Over the last five years, OSR has grown gradually from Ksh 96 million in FY 2020/21 to Ksh 478 million in FY 2024/25, though it still falls short of its full potential.

Figure 1.1: Trends in Own Source Revenue from FY 2017/18-2024/25

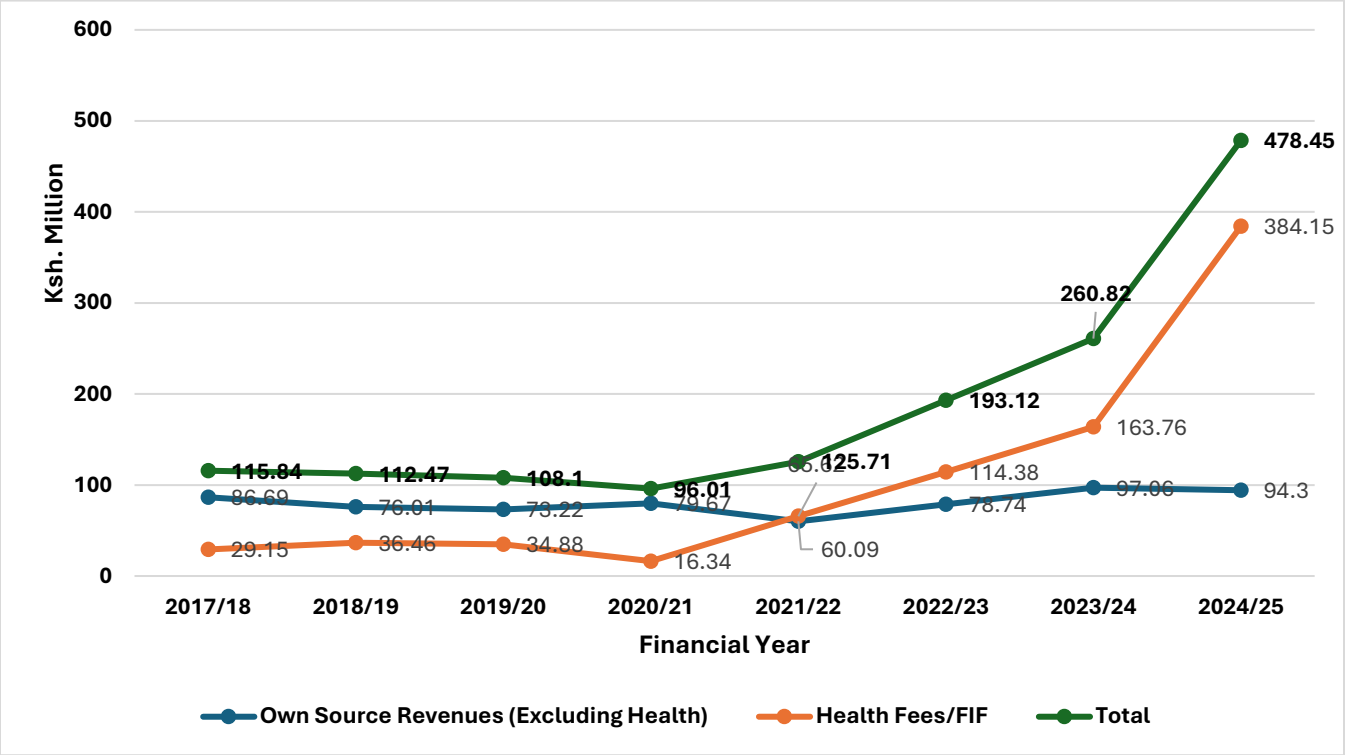


Figure 1.1 shows that the county has shown a steady upward growth in total actual OSR collections (from Ksh. 96M in 2020/21 to Ksh. 478.47M in 2024/25). This represents a fivefold increase in OSR collections within 5 years.

In the FY 2024/2025, the county managed to attain and surpass the annual target of Ksh. 400 million. However, the increase is mainly attributed to collections from FIF streams (Health and Public Health user fees/charges).

The hospital and public health fees that were collected by the entities were used at source in line with the National FIF Act 2023 and the County FIF Act 2024 as guided by section 109 (2)(a)(b) of the PFM Act, 2012.

3.2.4 County Own Source Revenue (OSR) Estimates and Projections

As indicated in Table 1.4, Garissa County's Own Source Revenue (OSR) target for FY 2025/2026 is KShs. 540 million, with projected growth to KShs. 570 million in 2026/2027, KShs. 632 million in 2027/2028, and KShs. 703.2 million in 2028/2029, reflecting an average annual growth rate of approximately 5.56%. This gradual increase underscores the county's commitment to strengthening internal revenue generation while supporting key sectors that drive local development.

Health & Sanitation, primarily from cost-sharing at Level 4 and 5 hospitals, remains the largest contributor to OSR. The sector is targeted to generate KShs. 380 million in 2025/2026, increasing to KShs. 400 million in 2026/2027 and reaching KShs. 500 million by 2028/2029. This growth, at an annual rate of about 5%, is driven by higher utilization of health services and improved collection mechanisms, highlighting the county's efforts to optimize revenue from essential public services.

Property and Land Rates & Housing revenues are also projected to grow significantly, from KShs. 22 million in 2025/2026 to KShs. 30.3 million in 2026/2027, and KShs. 40 million by 2028/2029. The strong annual growth rate of approximately 10.99% reflects ongoing initiatives to enhance property valuation and collection efficiency, ensuring that the county capitalizes on its real estate and land resources.

Revenue from Urban Planning & Municipalities, which includes building plan approvals, parking fees, market stalls, and advertisement charges, is expected to increase sharply from KShs. 3.2 million in 2025/2026 to KShs. 24.76 million in 2026/2027 and KShs. 30 million by 2028/2029. This represents a high growth rate of 13.79%, driven by expanding urban development and stronger compliance enforcement, signaling a positive trend in municipal revenue performance.

Livestock and Agriculture, primarily through auction and export fees, are projected to grow from KShs. 25.55 million in 2025/2026 to KShs. 33 million over the medium term, reflecting the critical role of pastoralism and agriculture in the county's economy. Environment, Energy & Natural Resources, mainly sourced from sand cess and related levies, is expected to rise significantly from KShs. 900,000 in 2025/2026 to KShs. 15.4 million in 2026/2027 and KShs. 20 million by 2028/2029, achieving nearly 15% annual growth due to strengthened regulation of natural resource exploitation.

Trade revenues from Single Business Permits and Market Entry & Exit Cess, including Miraa cess, are anticipated to experience moderate growth, targeting KShs. 25.7 million and KShs. 40 million respectively in 2026/2027, with steady increases in subsequent years. Other smaller revenue streams, including veterinary services, fees from slaughterhouses, and fines, continue to contribute marginally to the total OSR, providing supplementary income that supports the county's overall fiscal strategy.

Table 1.4: County Own Source Revenue (OSR) Estimates and Projections

Revenue Main Streams	Sub-Streams	Estimates FY: 2025/2026		CFSP Projection	Projections		Annual Growth	% Growth
		Target (Ksh.)	Total (Ksh.)	2026/2027	2027/2028	2028/2029		2026/2027
1. Livestock & Agriculture	Auction & Export: Goat, Camel, Cattle, Donkey	25,550,000	**32,980,000**	**32,980,000**	**35,000,000**	**38,000,000**	**0**	**0**
	Slaughter Houses	4,000,000						
	Vet Services	1,800,000						
	AMS	300,000						
	Agricultural produce cess	1,000,000						
	FTC Hall Hire	50,000						
	Livestock Trader License	100,000						
	Slaughterman License	100,000						
	Meat Career License	30,000						
	Public Toilet	50,000						
2. Trade	SBP	25,000,000	**25,700,000**	**25,700,000**	**27,000,000**	**30,000,000**	**0**	**0**
	Weight & Measures	700,000						
3. Health & Sanitation: (FIF/AIA)	Cost sharing: Level 5 and Level 4 Hospitals	365,000,000	**380,000,000**	**400,000,000**	**450,000,000**	**500,000,000**	**20,000,000**	**5.26**
	Public Health	15,000,000						
5. Lands & Housing	Property/Land Rents & Rates	22,000,000	**27,300,000**	30,300,000	33,000,000	40,000,000	3,000,000	10.99
	Way Leave	5,000,000						
	Technical service Fees: Survey	300,000						
6. Urban Planning & Municipalities	Building Plan Application & Approvals	3,200,000	**21,760,000**	**24,760,000**	**27,000,000**	**30,000,000**	**3,000,000**	**13.79**
	Building Inspection and Compliances	200,000						
	Construction Site Boards	100,000						
	Solid Waste Management: Collection & License	500,000						
	Fire Clearance	870,000						
	Parking	7,500,000						

	Market Stalls	3,050,000						
	Fines & Penalties	500,000						
	Outdoor Advertisement	3,500,000						
	County Asset Leases: Public Land Rents	1,000,000						
	Public Toilet	**100,000**						
	Daily Market Fees	1,000,000						
	Impounding & Storage Charges on roaming animals	40,000						
	Refuse Disposal and Dumping	100,000						
	Environmental License for Garbage Collectors	100,000						
7. Environment, Energy & Natural Resources	Sand Cess	900,000	**13,400,000**	**15,400,000**	**17,000,000**	**20,000,000**	**2,000,000**	**14.93**
	Murrum Cess	700,000						
	Gypsum	10,000,000						
	Ballast Cess	500,000						
	Hardcore & Pumice stones	700,000						
	Firewood	600,000						
8. Social Services	Liquor Licensing	500,000	**860,000**	**860,000**	**1,000,000**	**1,200,000**	**-**	**-**
	Leases: Children Park	360,000						
9. Bridge Entry & Exit Cess	Entry, Exit & Miraa Cess	38,000,000	**38,000,000**	40,000,000	42,000,000	44,000,000	2,000,000	5.26
		Grand Total	**540,000,000**	**570,000,000**	**632,000,000**	**703,200,000**	**30,000,000**	**5.56**

3.2.5 First Half Own Source Revenue Performance by Stream

The observed performance indicates a notable improvement in overall own-source revenue collection compared to previous financial years, particularly FY 2023/2024 and FY 2024/2025, pointing to strengthened revenue administration systems, enhanced enforcement measures, and improved service delivery in selected sectors. Despite this progress, revenue performance remains uneven across streams, with a small number of sources accounting for the bulk of collections while several others continue to record minimal or no revenue, exposing structural weaknesses in the county's revenue base.

The Health Centres Services and public health fees (FIF/AIA) remained the dominant contributor, generating KShs. 294.18 million, equivalent to 80.60 percent of its annual target. This strong performance reflects increased utilization of health services, improved billing and collection mechanisms, and better management of Facility Improvement Funds at health facilities. Market Entrance and Gate Fees also showed steady growth, realizing KShs. 9.75 million or 38.68 percent of the annual target, supported by enhanced market operations and improved compliance by traders. Additionally, revenue from the sale of trees, seedlings, firewood, produce, including miraa, recorded KShs. 6.28 million, achieving 52.30 percent, indicating improved regulation and commercialization of natural resource products.

Livestock-related revenues demonstrated mixed performance. Livestock Movement Permits achieved 55.09 percent of the annual target, reflecting sustained livestock trade and improved permit enforcement, while Livestock Cess, at 14.40 percent, showed modest performance and highlights the need for strengthened compliance and monitoring along livestock trade routes. Right-of-Way and Way-Leave Fees achieved 18.69 percent, suggesting ongoing infrastructure development activities, though enhanced billing, monitoring, and enforcement could further improve collections. Food Quality Inspection Fees (FIF/AIA), which achieved 7.34 percent, point to low compliance levels and possible operational and capacity challenges in inspection services.

Conversely, several revenue streams recorded persistently low or zero collections during the period under review. Land Rates, Business Permits and Licenses, Building Plan Approval Fees, and Slaughterhouse-related revenues performed poorly, while Market Stall Rents, Parking Fees, Fire-Fighting Services, Advertisement Fees, and Mineral Extraction Royalties recorded no collections. These underperformances may be attributed to weak enforcement mechanisms, limited automation, low economic activity in certain sectors, outdated valuation rolls, and policy or administrative bottlenecks that constrain effective revenue mobilization.

Overall, while the county has surpassed the mid-year threshold by collecting over half of its annual OSR target, revenue generation remains heavily concentrated in the health sector, posing sustainability risks. To enhance revenue performance in the second half of the financial year, the county should prioritize diversification of revenue sources, strengthen enforcement and automation of revenue systems, regularly review and rationalize fees and charges, intensify public sensitization and compliance efforts, and address operational and policy challenges affecting underperforming revenue streams. These measures will improve revenue sustainability, enhance fiscal resilience, and reduce overreliance on a single dominant revenue source.

Table 1.5: First Half Own Source Revenue Performance by Stream

First Half Own Source Revenue Performance by Stream							
DESCRIPTION	**First Half 2021/2022**	**First Half 2022/2023**	**First Half 2023/2024**	**First Half 2024/2025**	**First Half 2025/2026**	**Annual Target Fy 2025/2026**	**% of Achievement FY 2025/2026**
Land Rates	4,106,400	777,013	715,458	514,367	214,800	22,000,000	0.98
Business Permits & Licenses	547,500	231,655	2,335,700	2,050,100	491,501	25,580,000	1.92
Livestock Cess	2,643,740	7,507,860	7,490,830	10,500,562	3,678,750	25,550,000	14.40
Sand, Gravel, and Ballast Extraction Fees	589,400	564,000	2,030,500	139,701	-	2,800,000	0.00
Mineral Extraction Royalties (Cement, Gypsum,etc.)	10,392,750	12,448,700	4,568,000	-	-	10,000,000	0.00
Sales of Flowers, Plants, Firewood, Produce, etc.	-	1,091,400	210,000	454,500	45,000	600,000	7.50
Council Vehicles Hire - AMS	87,206	-	335,000	-	-	350,000	0.00
Market Entrance / Gate Fee	3,733,895	6,929,941	6,444,906	12,608,148	9,746,874	25,200,000	38.68
Market Stalls Rent	298,000	152,720	425,780	1,080,770	-	6,350,000	0.00
Weight Produce Inspection Fee	72,800	47,100	238,700	12,000	-	700,000	0.00
Street Parking/ motorbike/tuktuk/cars etc.	751,300	512,550	332,300	447,600	-	8,500,000	0.00
Food Quality Inspection Fee **FIF/AIA**	712,940	85,800	404,500	1,271,750	1,100,400	15,000,000	7.34
Health Centres Services Fee/Hospital tranfer **FIF/AIA**	24,645,797	55,552,722	45,067,403	118,400,277	294,183,295	365,000,000	80.60
Sale of Trees-Seedlings-Firewood-Flowers-Produce, etc. Miraa	2,154,820	2,933,000	1,662,550	6,061,240	6,276,250	12,000,000	52.30
Slaughtering Houses Inspection Fee	690,000	612,760	1,485,200	387,480	105,000	4,000,000	2.63
Livestock Movement Permit	364,045	718,330	711,665	803,175	991,650	1,800,000	55.09
Buildings Plan Approval Fee	1,281,300	383,500	639,200	308,001	27,000	4,400,000	0.61
Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	600,800	808,968	1,212,399	1,038,209	990,390	5,300,000	18.69
Sign Boards & Advertisement/promotion Fee	9,800	-	179,300	15,000	-	4,000,000	0.00
Fire-Fighting Services	-	-	5,000	8,000	-	870,000	0.00
TOTAL	**53,682,493**	**91,358,019**	**76,494,391**	**156,100,880**	**317,850,910**	**540,000,000**	**58.86**

3.3 Expenditure Performance

Table 1.6 indicates that in the FY 2024/2025, the County Executive incurred Kshs.3.95 billion for compensation of employees, Kshs.1.95 billion for operations and maintenance, and Kshs.2.97 billion for development activities. Similarly, the County Assembly spent Kshs. 603.27 million on compensation of employees, Kshs. 269.70 million on operations and maintenance, and Kshs.155.36 million on development activities.

Table 1.6: Summary of Budget and Expenditure by Economic Classification FY 2024/2025

Expenditure Classification	Revised Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**6,368,497,045**	**975,235,453**	**5,901,271,588**	**872,968,372**	93	90
Compensation of Employees	4,317,196,227	643,700,000	3,947,199,797	603,273,057	91	94
Operations and Maintenance	2,051,300,818	331,535,453	1,954,071,791	269,695,315	95	81
Development Expenditure	**4,469,073,066**	**193,000,000**	**2,974,845,851**	**155,364,908**	67	80
Total	**10,837,570,111**	**1,168,235,453**	**8,876,117,439**	**1,028,333,280**	**82**	**88**

3.3.1 Expenditures Performance by Departments

As shown in Table 1.7, examination of the County expenditure by departments illustrates that the Department of Culture, Gender, Youth and Sports recorded the highest absorption rate of development budget at 98 per cent, followed by the Department of County Affairs, Public Service and Intergovernmental Relations at 95 per cent. The Department of Water, Environment and Natural Resources had the highest percentage of recurrent expenditure to budget at 98 per cent, while the Department of County Affairs, Public Service and Intergovernmental Relations had the lowest at 84 per cent.

Table 1.7: Expenditures Performance by Departments FY 2024/2025

	Revised Budget Allocation (Kshs. Millions)		Exchequer Issues (Kshs. Millions)		Expenditure (Kshs. Millions)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
Department	**Rec**	**Dev**	**Rec**	**Dev**	**Rec**	**Dev**	**Rec**	**Dev**	**Rec**	**Dev**
Agriculture, Livestock and Pastoral	150.66	444.10	148.63	130.92	138.60	130.92	93	100	92	29
Culture, Gender, Youth and Sports	68.26	102.00	63.86	99.77	62.77	99.77	98	100	92	98
Roads, Transport and Public Works	84.82	618.61	77.02	364.91	77.02	364.91	100	100	91	59
Education, Information and ICT	413.51	106.80	413.40	10.39	403.58	10.39	98	100	98	10
Lands, Physical Planning and Urban Development	438.93	396.86	420.25	45.92	420.25	45.92	100	100	96	12
Finance and Economic Planning	1075.73	200.00	1032.43	49.48	993.76	49.48	96	100	92	25
Health and Sanitation	3116.70	457.90	2906.43	389.22	2906.43	389.22	100	100	93	85
Trade, Investments and Enterprise Development	95.31	449.80	87.90	312.00	87.90	312.00	100	100	92	69
Water, Environment and Natural Resources	212.29	1663.40	211.99	1545.30	208.89	1545.30	99	100	98	93
County Affairs, Public Service and Intergovernmental Relations	658.53	12.60	651.28	12.00	550.42	12.00	85	100	84	95
County Public Service Board	53.74	17.00	53.74	14.93	51.66	14.93	96	100	96	88
County Assembly	975.24	193.00	872.95	155.36	872.97	155.36	100	100	90	80
Total	**7343.72**	**4662.07**	**6939.88**	**3130.20**	**6774.25**	**3130.20**	**98**	**100**	**92**	**67**

3.4 Fiscal Policy

3.4.1 Overview and Objectives of the County Fiscal Policy

According to CRA's recommendations on the Basis for Equitable Sharing of Revenue between the National and County Governments for the Financial Year 2026/2027, the County's Fiscal Policy framework reflects a slight growth in the equitable share revenues, leading to adjustments in sector allocations and ceilings. However, fiscal consolidation remains a challenge, particularly due to the rising personnel emoluments, which have exceeded the 35% threshold set by the PFM Act. The County Government aims to realign this trend with current revenue realities.

The medium-term fiscal policy approach aims to reinforce the County Government's socio-economic transformation agenda by consistently implementing a fiscally responsible consolidation plan that responds to growth. This plan is crafted to alleviate the annual increase of liabilities while instituting an efficient strategy for liability management, all without compromising the provision of essential public services. The overarching goal is to realize a transformative development agenda anchored in providing core services, ensuring equity, minimizing costs through the elimination of duplication and inefficiencies, creating employment opportunities, and enhancing the livelihoods of the people, ultimately contributing to the revitalization of Garissa County.

Further, the fiscal policy aims to continue boosting revenues for FY 2026/27 and the medium term. As part of the economic recovery plan, the County Government will intensify its efforts in revenue collection. To achieve this objective, the County Government will implement a combination of administrative and policy reforms in revenue mobilization. This will be achieved through the introduction of revenue enhancement initiatives to expand the revenue base and strengthen revenue administration. In addition, the County Government will put in place measures to broaden the revenue base and rationalize expenditure in order to reduce the fiscal deficits.

3.4.2 Fiscal Policy Strategies

Why Focus on OSR Mobilization

Adequate mobilization of OSR is the key to counties' improved ability to provide various public goods and services to eradicate poverty and achieve development goals. In the face of rising liabilities and increasing expenditure needs, OSR mobilization is key to enabling counties to bridge funding gaps occasioned by inadequate disbursements from the National Government. Additionally, the enhancement of OSR mobilization can improve fiscal autonomy through more predictable access to revenue, thereby allowing the County to have greater control over its development agenda. The success of devolution in Kenya is dependent on the existence of a sound revenue system in the country, including OSR.

Challenges in OSR Mobilization

The main challenges identified that have hampered revenue collection include; shortage of revenue collection staff, lack of adequate facilitation towards revenue collection activities, political interference in undertaking duties, absence of robust enforcement mechanism, forgeries, impersonation, lack of databases, bureaucracy and centralization of services, lack of synergies and proper interdepartmental coordination, particularly in municipalities, among others.

Recommendations and strategic interventions in OSR Mobilization

To overcome the hurdles in OSR collection, the County Government is investing in technology, such as the automation of revenue collection, to enhance efficiency and ensure quality service delivery. Moreover, staff training and development opportunities are provided to equip county employees with the necessary skills and knowledge required for delivering high-quality services.

The County Government will implement a combination of revenue administrative and policy measures to enhance revenue collection efforts over the medium term, thereby supporting economic activity.

Specifically, the County will concentrate on mobilizing own resource revenue through initiatives that include;

- Enhancing staff capacity by training revenue officers and officers involved in monitoring revenue collection.
- Developing and enacting policies and legal frameworks that relate to revenue collection.
- Equipping of Sub-Counties' offices with office equipment to facilitate the collection of revenue.
- Targeting the community through short messages to encourage compliance. The Introduction of systems that will send reminders via text to the residents, reminding them to pay as per the deadlines set.
- Implementation of a cashless system of revenue collection. The GCTRH stopped the use of cash handling by the revenue collectors to reduce the chances of theft and increase accountability.
- Strengthening the Audit function in the auditing of revenue collection.
- Sensitizing the public to pay by educating them on the correlation between paying the revenues due and the service delivery by the county government.
- Providing easier access to payment points in marginalized areas. This will be achieved by providing mobile revenue collection offices in the areas to encourage residents to pay their dues conveniently.
- Introduction of the updated valuation roll that will improve land rates revenue collections by great margins.

Through these comprehensive strategies, the County Government strives to uphold its commitment to efficient resource mobilization, prudent utilization, and the provision of essential services to its residents.

Focus on Expenditure Management

On the Expenditure side, the County Government will sustain efforts to improve efficiency in public spending and ensure value for money by eliminating non-priority expenditures, scaling up the use of Public Private Partnerships financing for commercially viable projects, and rolling out an e-GP system. Adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance. To achieve this target, the County Government will continue to restrict growth in recurrent spending, endeavor to absorb more on development budget, and put more effort in own source of revenue mobilization.

Promoting fiscal discipline, allocative, and operational efficiency is a primary focus for the County. The County Government aims to align its expenditure with total revenues, ensuring that budgets are allocated to programs, projects, and activities that will have a significant positive impact on society. In addition to financial prudence, the County is dedicated to ensuring the delivery of high-quality services at a reasonable cost.

The County Government is committed to the strategic allocation of resources to priority areas that will contribute to the transformation of the county. This involves dedicating more resources to crucial sectors such as healthcare, agriculture, water, education, transport infrastructure, and housing.

CHAPTER FOUR
MEDIUM-TERM EXPENDITURE FRAMEWORK

4.1 Introduction

Garissa County continues to face inherent socio-economic and climatic challenges. Poverty remains pervasive in the county, with more than half of the population living below the national poverty line. The Kenya Poverty Report 2022 by KNBS places the County among the counties with the highest overall poverty rate of 67.8%, indicating that the rate is higher than the national average level, which stands at 39.8%. Similarly, the county had food poverty rates 51.2% this is way above the national rate, which stood at 31.7%. This can be attributed to many factors, including limited economic diversification, low household incomes, inadequate access to basic services, and recurrent climate shocks. The Kenya Economic Survey 2025 underscores that while Kenya's economy has continued to grow, the benefits of this growth are unevenly distributed, with arid counties like Garissa remaining highly vulnerable due to their heavy dependence on climate-sensitive livelihoods, particularly pastoralism.

Education outcomes in Garissa County remain among the weakest nationally. The County is synonymous with low school enrolment rates, high dropout rates, low uptake in skill development, and low literacy levels. For instance, as per the County Statistical Abstract 2024, the Gross Enrolment Rate in ECDE stands at 20%, highlighting the need for the county to invest in ECDE, conduct sensitization and enrolment drives across the county, construct modern ECDE Centres, recruit qualified ECDE teachers, and regularly train them.

The County Drought Assessment Bulletin, December 2025, by NDMA indicates that the County experiences frequent and prolonged drought occurrences, with the county often remaining in drought alert or alarm phases. Below-average rainfall, pasture depletion, and water scarcity continue to undermine household food security and livestock productivity, and probably results conflict over limited resources. Additionally, the report proves that the most prevalent illnesses currently affecting both children under five and the general population across the county are upper respiratory tract infections (URTIs), diarrhea, and malaria. The high frequency of these diseases is closely linked to a combination of poor sanitation and hygiene practices, unsafe water sources, inadequate disease prevention measures and underlying malnutrition.

Further, the report shows that drought conditions have resulted in significant proportions of the population requiring humanitarian assistance, including food aid, water trucking, and cash transfers through social protection programmes such as the Hunger Safety Net Programme. These climatic shocks directly exacerbate poverty levels and indirectly affect social outcomes, particularly education and health.

Garissa County continues to face significant health and nutrition challenges, as highlighted by the Kenya Demographic and Health Survey (KDHS) 2022. Among children under five years, 9% are stunted, 15% wasted, and 14% underweight, reflecting persistent issues of malnutrition and food insecurity in the region. These figures underscore the vulnerability of young children to poor growth outcomes, which are closely linked to poverty, limited dietary diversity and recurrent droughts affecting pastoralist communities. Maternal and child health indicators remain a big concern. The maternal mortality ratio (MMR) stands at 641 per 100,000

live births, far above the national average while the infant mortality rate (IMR) is 41 per 1,000 live births. Garissa's facility-based maternal mortality ratio in 2025 was 234 per 100,000 live births, more than double the national figure of 95 per 100,000. This disparity points to systemic gaps in access to skilled birth attendance, emergency obstetric care, and referral systems within the county. Garissa County's health system continues to grapple with multiple challenges, including inadequate health infrastructure and high teenage pregnancy rates that heighten maternal risks. These are further compounded by limited health digitalization, which constrains efficiency and data-driven decision-making as well as recurring droughts and insecurity that disrupt service delivery.

This year's County fiscal policy framework will provide clear policy direction focused on resilience and inclusive development, sustained investment in health, education, infrastructure, water, and economic livelihoods. Further, effective implementation and coordinated interventions remain crucial to improving livelihoods, inclusive economic empowerment programmes, reducing poverty, cushioning climatic shocks, and long-term socio-economic outcomes in the County.

For the 2026/2027 Financial Year, the medium-term fiscal framework is built upon the current micro and macroeconomic policy environment. Sectoral expenditure ceilings have been established based on the specific priorities identified during sector discussions, alongside the resources available under the Commission on Revenue Allocation's proposed fourth basis for revenue sharing. Consequently, social sectors are projected to receive the highest funding priority due to their significant and direct impact on the well-being of the community.

4.2 Resource Envelope FY 2026-2027

In the 2026/2027 financial year, Garissa County's total revenue is projected at Ksh 11.75 billion. This budget is anchored by an equitable share of Ksh 9 billion, supplemented by Ksh 298.74 million in national government conditional grants and Ksh 1.87 billion in grants from development partners. Internal revenue generation is expected to contribute Ksh 570 million, with Ksh 400 million sourced from the Facility Improvement Fund (FIF) and Ksh 170 million derived from other local streams.

The upward adjustment in the Equitable Share is a direct result of the Commission on Revenue Allocation's (CRA) proposed fourth revenue-sharing formula, which significantly favors the county's current allocation. While the county anticipates sustained growth in FIF collections, projections for other local revenue sources have been held constant. This cautious outlook is a strategic response to the underperformance of these specific streams during the current financial year, ensuring the budget remains grounded in realistic fiscal expectations.

To reverse this trend and boost performance in the coming year, the county is implementing a robust set of revenue mobilization strategies. These include the full automation of collection systems to minimize manual leakages and the expansion of the tax base through updated valuation rolls for property rates. Additionally, the county will focus on strengthening administrative capacity and improving taxpayer compliance by demonstrating a direct link between revenue collection and enhanced public services. By formalizing small-scale businesses and simplifying payment processes via mobile platforms, the county aims to unlock untapped potential in the "other" revenue category and ensure a more resilient financial future.

Table 1.8: The Resource Envelope FY 2026/2027 and the MTEF period

MTEF COUNTY RESOURCE ENVELOPE 2025/2026				
NATIONAL REVENUE ALLOCATIONS FOR GARISSA COUNTY	**FY 2025-2026**	**FY 2026-2027**	**FY 2027-2028**	**FY 2028-2029**
Break down	**Actual**	**Budgeted**	**Projected**	**Projected**
Equitable Shares	8,877,784,676	9,004,831,466	9,905,314,613	10,895,846,074
County Own Source Revenue	*450,000,000*	570,000,000	627,000,000	689,700,000
Conditional and Unconditional Grant from the National Government	**298,743,746**	**298,743,746**	**328,618,120**	**361,479,933**
Road Maintenance levy fund (RMLF)	188,410,093	188,410,093	207,251,102	227,976,212
Conditional Grant community Health Promoters	74,520,000.00	74,520,000	81,972,000	90,169,200
transfer of museum Function		-	-	-
mineral Royalties	844,692	844,692	929,161	1,022,077
Settlement of Doctor's Salary Arrears	32,981,339	32,981,339	36,279,473	39,907,420
Allocations for 0.5% Housing Levy Fund to the county Rural & Urban AHC	1,987,622	1,987,622	2,186,384	2,405,023
Conditional Grant from Development Partners	**1,056,178,702**	**1,874,769,202**	**2,062,246,122**	**2,268,470,734**
Framework for the Management of Food Systems Resilience Project (FSRP)-IDA	246,153,846.00	246,153,846	270,769,231	297,846,154
DANIDA Grant-Primary health care in devolved context (PHDC) Program	11,322,000.00	11,322,000	12,454,200	13,699,620
Kenya devolution support program KDSP11	72,909,500.00	37,500,000	41,250,000	45,375,000
Kenya Devolution Support Program KDSP11 Development Grant	352,500,000.00	352,500,000	387,750,000	426,525,000
Kenya Urban Support Program -KUSP UIG	35,000,000.00	91,000,000	100,100,000	110,110,000
Kenya Urban Support Program -KUSP UDG		648,000,000	712,800,000	784,080,000
Water and Sanitation Development Project (World Bank) WSDP	150,000,000	150,000,000	165,000,000	181,500,000
Kenya Watershed Services Improvement Project (KEWASIP)		150,000,000	165,000,000	181,500,000
Financing locally led climate action program (FLLoCA), County climate Institutional support (CCRI)	188,293,356	188,293,356	207,122,692	227,834,961
Financing locally led climate action program (FLLoCA), County climate Institutional support (CCIS), Grant level 1 (World Bank)	0	-	-	-
TOTAL REVENUES	**10,682,707,124**	**11,748,344,414**	**12,923,178,855**	**14,215,496,741**

4.3 Medium Term Expenditure Estimate

The Medium-Term Expenditure Framework (MTEF) for the FY 2026/2027 is designed to provide a consistent and strategic roadmap for resource distribution. It ensures that funding remains aligned with the high-priority programs and development objectives established in the Annual Development Plan (ADP) 2025. This framework is not merely a budgetary exercise but a reflection of intensive sectoral consultations, where each department's unique resource needs and performance targets were meticulously evaluated to ensure maximum impact.

To drive sustainable growth, the MTEF prioritizes the completion of ongoing capital projects while ensuring that essential public services are adequately funded. By balancing the immediate needs of the community with long-term economic goals, the framework aims to optimize the use of limited resources and enhance the overall standard of living within the county. Below are the Economic and Sectoral MTEF allocations.

4.4 Sector Allocations and the medium term

The total county budget increases from KSh 7,194.22 billion in 2023/2024 to KSh 14,215.48 Billion in 2028/2029, reflecting strong overall growth in county spending over the medium term. The temporary dip observed in 2026/2027 is largely attributable to the non-factoring of carry-forward balances, and it is anticipated that actual expenditure growth will be higher after the close of the 2025/2026 financial year. Health and Sanitation consistently receive the highest allocation across all years, rising from KSh 2,403.43 million to KSh 4,266.33 million, clearly indicating healthcare as the county's top priority.

Table 1.9: Sector Allocations and the medium-term projections

Allocations in Ksh Millions	2023/24	2024/25	% Increase/ Decrease	2025/26	% Increase/ Decrease	2026-27	% Increase/ Decrease	2027-28	% Increase/ Decrease	2028-29	% Increase/ Decrease
County Department	**Actual Budget**	**Actual Budget**		**Budgeted**		**proposed**		**projected**		**projected**	
Agriculture, Livestock & pastoral	636.13	624.93	-2%	640.56	3%	749.66	17%	824.626	10%	907.0886	10%
Culture, Gender, Youth & Sports	166.21	253.73	53%	339.8	34%	167.93	-51%	184.723	10%	203.1953	10%
Roads, Transport and Public Works	296.07	535.33	81%	1,058.81	98%	591.89	-44%	651.079	10%	716.1869	10%
Education, Information and ICT	639.9	542.61	-15%	565.16	4%	833.93	48%	917.323	10%	1009.055	10%
Lands, Physical Planning and Urban Development	658.04	478.93	-27%	1,039.57	117%	1,390.07	34%	1529.077	10%	1681.985	10%
Finance & Economic Planning	1807.24	1,408.72	-22%	1,157.22	-18%	1,162.79	0%	1279.069	10%	1406.976	10%
Health & Sanitation	2786.5	3,356.22	20%	3,870.48	15%	3,525.89	-9%	3878.479	10%	4266.327	10%
Trade, Investments and Enterprise Development	460	565.31	23%	190.81	-66%	191.34	0%	210.474	10%	231.5214	10%
Water, Environment and Natural Resources	1461.08	1,655.36	13%	1,631.46	-1%	1,225.24	-25%	1347.764	10%	1482.54	10%
County Affairs, Public Service and Intergovernmental Relations	499.77	601.56	20%	971.96	62%	826.8	-15%	909.48	10%	1000.428	10%
County Public Service Board	34.07	70.74	108%	77.3	9%	72.58	-6%	79.838	10%	87.8218	10%
Assembly	1081.82	1,366.78	26%	1,151.50	-16%	1,010.21	-12%	1111.231	10%	1222.354	10%
TOTAL	**10,526.83**	**11,460.23**	**9%**	**12,694.63**	**11%**	**11,748.33**	**-7%**	**12,923.16**	**10%**	**14,215.48**	**10%**

Infrastructure and development-oriented sectors record significant growth, demonstrating a strong focus on service delivery and long-term development. Roads, Transport and Public Works increases from KSh 187.99 million in 2023/2024 to KSh 1,058.81 million in 2025/2026 before stabilizing and rising again to KSh 716.19 million by 2028/2029, reflecting major investments in transport infrastructure. Lands, Physical Planning and Urban Development grows sharply from KSh 404.64 million to KSh 1,681.99 million over the

period, highlighting an emphasis on urban development and land management. Water, Environment and Natural Resources funding also remains substantial, increasing from KSh 799.60 million to KSh 1,482.54 million, underscoring the importance of water security and environmental sustainability.

Finance and Economic Planning maintains high allocations throughout the period, rising from KSh 1,077.45 million to KSh 1,406.98 million, supporting fiscal management, planning, and coordination functions. Education, Information, and ICT grow steadily from KSh 488.75 million to KSh 1,009.06 million, signaling increased investment in education and digital development. Agriculture, Livestock and Pastoral Development also records consistent growth from KSh 317.10 million to KSh 907.09 million, emphasizing food security and livelihoods.

Social sectors show mixed trends. Culture, Gender, Youth, and Sports increases significantly from KSh 27.58 million to KSh 339.80 million in 2025/2026 but declines thereafter before gradually rising again, suggesting project-based or fluctuating prioritization. Trade, Investments, and Enterprise Development remain relatively low and volatile, increasing marginally from KSh 204.17 million to KSh 231.52 million by 2028/2029, indicating limited but sustained support for enterprise development.

Governance and administration sectors record steady growth over the period. The County Assembly allocation increases from KSh 986.52 million to KSh 1,222.35 million, County Affairs, Public Service and Intergovernmental Relations rises from KSh 270.99 million to KSh 1,000.43 million, and the County Public Service Board grows from KSh 26.00 million to KSh 87.82 million, strengthening oversight, public service management, and intergovernmental coordination.

Overall, the allocations reflect a development-focused budget that prioritizes healthcare, infrastructure, urban development, and governance, while steadily supporting education, agriculture, and environmental management. However, the comparatively lower and fluctuating funding for trade and social empowerment sectors suggests the need for stronger alignment to promote inclusive and sustainable economic growth.

Table 2.0 Sector Economic classification for the FY 2026/2027

Sector/Sub-sector	Allocations from Shareable Revenue (local and equitable)	Salaries	O&M	Dev	Sector % Allocation
Agriculture, Livestock & pastoral	749,662,682.00	165,568,204.81	15,437,729.58	568,656,747.61	6.4%
Culture, Gender, Youth & Sports	167,934,282.00	52,787,754.39	11,485,724.28	103,660,803.33	1.4%
Roads, Transport and Public Works	591,892,591.00	92,382,032.40	11,646,425.28	487,864,133.32	5.0%
Education, Information and ICT	833,927,840.00	362,644,696.32	93,462,822.36	377,820,321.32	7.1%
Lands, Physical Planning and Urban Development	1,390,074,089.00	353,282,845.62	233,321,920.62	803,469,322.76	11.8%
Finance & Economic Planning	1,162,787,886.00	500,630,974.62	510,414,633.06	151,742,278.32	9.9%
Health & Sanitation	3,525,892,327.00	2,393,938,191.54	1,015,393,128.18	116,561,007.28	30.0%
Trade, Investments and Enterprise Development	191,339,347.00	84,973,064.52	7,650,000.00	98,716,282.48	1.6%
Water, Environment and Natural Resources	1,225,237,792.00	158,747,894.82	42,962,400.00	1,023,527,497.18	10.4%
County Affairs, Public Service and Intergovernmental Relations	826,799,664.00	433,909,258.68	170,401,248.96	222,489,156.36	7.0%
County Public Service Board	72,583,046.00	50,325,389.34	22,257,656.66		0.6%
Assembly	1,010,212,868.00	-	-	1,010,212,868.00	8.6%
Grand Total Kshs.	**11,748,344,414.00**	**4,649,190,307.06**	**2,134,433,688.98**	**4,964,720,417.96**	**100.0%**

The total allocation from shareable revenue amounts to KSh 11,748.34 million, with expenditure distributed across salaries, operations and maintenance, and development activities. Health and Sanitation receive the largest share at 30.0 percent of the total allocation, amounting to KSh 3,525.89 million, with the bulk of this funding directed toward salaries and operations, reflecting the labour-intensive nature of healthcare service delivery and the county's strong commitment to the health sector. Lands, Physical Planning and Urban Development accounts for 11.8 percent of the total allocation at KSh 1,390.07 million, with a significant proportion devoted to development expenditure, highlighting a strong focus on urban development, land management, and physical planning.

Water, Environment and Natural Resources receive KSh 1,225.24 million, representing 10.4 percent of the total allocation, with most resources channeled toward development, underscoring the county's emphasis on water infrastructure, environmental conservation, and natural resource management. Finance and Economic Planning is allocated KSh 1,162.79 million, or 9.9 percent, with a large share going to salaries and operations and maintenance, reflecting the administrative and coordination role of the department in fiscal management and planning. The County Assembly receives KSh 1,010.21 million, accounting for 8.6 percent of the total allocation, fully classified as development expenditure, reflecting its institutional and oversight functions.

Education, Information and ICT is allocated KSh 833.93 million, representing 7.1 percent of the total, with a balanced distribution between salaries, operations, and development, indicating continued investment in human capital and digital infrastructure. County Affairs, Public Service and Intergovernmental Relations receives KSh 826.80 million, equivalent to 7.0 percent, largely driven by salary costs, reflecting staffing and coordination responsibilities across county functions. Agriculture, Livestock and Pastoral Development is allocated KSh 749.66 million, accounting for 6.4 percent of the total, with a strong emphasis on development expenditure, signaling support for food security and livelihood enhancement.

Roads, Transport and Public Works receives KSh 591.89 million, or 5.0 percent of the total allocation, with most resources directed toward development, highlighting continued investment in transport and public infrastructure. Trade, Investments and Enterprise Development and Culture, Gender, Youth and Sports receive relatively smaller shares at 1.6 percent and 1.4 percent respectively, though both allocate a notable portion of their budgets to development activities, supporting enterprise growth and social empowerment initiatives. The County Public Service Board receives the smallest allocation at 0.6 percent, largely driven by salary and operational costs.

Overall, the expenditure structure shows a strong emphasis on health, infrastructure, urban development, water services, and governance, with development expenditure accounting for KSh 4,964.72 million of the total budget. While this reflects a development-oriented budget aligned with service delivery and long-term growth, the relatively high share of salaries and operations in key sectors also highlights the need for continued efficiency and fiscal sustainability to ensure optimal utilization of county resources.

4.5 Sector Spending Priorities

This section provides a summary of the strategic spending priorities for the 2026/2027 financial year, categorized by sector. These priorities are designed to align with the County Integrated Development Plan (CIDP 2023–2027) and the Annual Development Plan (ADP) 2026/2027, focusing on high-impact interventions that promote sustainable growth and community well-being.

4.5.1 Health and Sanitation

The Constitution of Kenya marks a transformative milestone in advancing health standards and human dignity. It enshrines the fundamental rights of every citizen, affirming that all people have the right to life and to the highest attainable standard of health including reproductive health and access to emergency treatment. It further guarantees freedom from hunger through the provision of food of acceptable quality, the right to clean, safe and sufficient water and access to reasonable standards of sanitation. In addition, it safeguards the right to a clean and healthy environment, underscoring the nation's commitment to holistic well-being. These constitutional provisions embody the high expectations of citizens and lay a strong foundation for equitable, sustainable and inclusive health for all.

The health infrastructure remains a critical pillar in the delivery of quality healthcare services. In recognition of the growing needs of its population, the county has prioritized investments aimed at expanding and modernizing healthcare facilities. Central to this vision is the improvement of RMNCAH services through enhanced access and quality of care. Major projects prioritized include the completion of a modern Maternal and Child Health (MCH) unit at GTRH, construction of three 30-bed inpatient wards at Iftin, Hulugho, and Medina hospitals and fencing of Bura Sub-County Hospital. Further developments encompass the construction and equipping of 20-bed Newborn Units (NBU) at Masalani and Modogashe hospitals, establishment of two Health Records and Information Units in Masalani and Modogashe hospitals, and construction of a dedicated mental health unit at GTRH. In addition, 15 existing health facilities are planned for renovation. Equally acquiring advanced medical equipment to enhance diagnostic and treatment capacity across facilities is prioritized. Collectively, these initiatives underscore the county's commitment to strengthening its healthcare infrastructure and ensuring equitable, modern, and high-quality services for all residents.

To strengthen the healthcare system and accelerate progress toward universal health coverage, the department will recruit an additional 100 healthcare workers across diverse cadres and promote 750 existing staff. These measures are designed to optimize workforce performance, expand access to quality services and advance health equity for all citizens. In recognition of their vital role in community-level health promotion, 2,500 community health promoters will also receive a monthly stipend of Kes 2,500. Together, these initiatives will enhance service delivery, empower frontline health workers and contribute to improved population health outcomes.

Ensuring the consistent availability of essential health products and supplies within a well-functioning health system is vital to meeting patient needs. To achieve this, the department is committed to providing a quarterly supply of drugs and other critical commodities through KEMSA and MEDs. The procurement and distribution process will also prioritize key interventions, including nutrition commodities, NAS-G and UBT for maternal health to strengthen service delivery and safeguard the well-being of patients.

The department is committed to implementing targeted strategies that address emergencies and significantly reduce maternal and newborn mortality. A key intervention is the strengthening of referral services which play a critical role in ensuring patients are promptly transported to the most appropriate health facilities for advanced care and treatment. To achieve this, the department will continue to engage 5 ePLUS ambulance services and provide support to 5 GoK ambulances. This initiative will expand access to high-quality emergency medical services (EMS), ensuring rapid response and timely interventions that save lives and improve health outcomes for mothers and newborns.

Investing in and expanding coverage of RMNCAH (Reproductive, Maternal, Newborn, Child, and Adolescent Health) and nutrition programs remains a top priority for the department. This year, greater focus will be placed on eliminating preventable maternal and child deaths, reducing stunting and wasting while improving

overall health outcomes. To achieve this, the department will implement key strategies including: expanding theatres and newborn units, building capacity in critical skill areas, enhancing community engagement, ensuring consistent provision of nutrition commodities, baby friendly community and Hospital initiative, maintaining an uninterrupted supply of essential drugs, and strengthening primary health care services through effective multidisciplinary teams (MDTs). These interventions are designed to deliver equitable, high-quality care and safeguard the health and wellbeing of mothers, children and adolescents.

For many years, preventive and promotive health services have suffered from inadequate funding leading to outbreaks of preventable diseases and limited community ownership of health. To reverse this trend, the department is committed to scaling up interventions that strengthen resilience and improve public health outcomes. Key priorities include enhancing WASH (Water, Sanitation, and Hygiene) in health facilities, intensifying health promotion services, community awareness campaigns, expanding and strengthening community health units, supporting critical public health programs (HIV, TB, Malaria, and disease surveillance), health education and ensuring the procurement of water treatment chemicals. These efforts will foster healthier communities, reduce the burden of preventable diseases and promote sustainable health ownership at both facility and community levels.

A comprehensive Health Information System and digital health program is central to transforming healthcare delivery by leveraging technology to make services more accessible, efficient and transparent. At present, only a few public health facilities are digitalized or automated, limiting effective patient management and data sharing. To address this gap, the department plans to automate all public health facilities through the procurement of computer desktops and backup systems. In addition, emphasis will be placed on mentorship at the operational level to strengthen implementation. Equal priority will be given to research, surveys, performance reviews, supervision, data quality audits and capacity building. These initiatives will collectively enhance patient care, improve decision-making and ensure a robust, data-driven health system that supports accountability and continuous improvement. In addition, the County will expand population coverage under the Social Health Authority (SHA) to increase access to affordable care and implement measures to boost health revenue at hospitals and public health units

Health quality of care standards is essential to ensuring safe, effective and high-quality healthcare for all patients. To fully realize the benefits of quality healthcare, the department is prioritizing improvements in infection prevention and control through the procurement of IPC materials, capacity building on the Kenya Quality Model for Health, formation of work improvement teams and rolling out community KQMH. In addition, targeted quality of care assessments for maternal and child health will be undertaken. These initiatives will strengthen service delivery, enhance patient safety and promote continuous improvement in healthcare outcomes.

The health department's policy is anchored on eliminating communicable diseases, halting and reversing the rising burden of non-communicable diseases and mental disorders, reducing violence and injuries, and ensuring the provision of essential primary healthcare. It also seeks to minimize exposure to health risk factors while strengthening universal health coverage for all residents. To achieve these goals, the county will collaborate closely with the national government and partners in implementing key priorities. The sector will focus on completing all pending projects, equipping health facilities and ensuring the continuous supply of health products and commodities. Strategic investments will be directed towards human resource recruitment, capacity building and strengthening timely maternal referral systems. In addition, the sector will sustain and expand support for disease surveillance, nutrition, and interventions against HIV/AIDS, TB, and Malaria that are currently funded largely by health partners. In addition, the department will focus on the digitalization of health facilities to enhance accountability and efficiency in patient management. This initiative will include the integration of electronic health records, adoption of telemedicine platforms and

deployment of data-driven decision-making tools to improve service delivery. These collective efforts will drive the realization of the overall objectives and strategies of the health sector, ensuring healthier communities and a stronger, more resilient health system.

4.5.2 Agriculture, Livestock & pastoral Economy

In the 2026/2027 financial year, the sector has prioritized several strategic interventions aimed at enhancing agricultural and livestock productivity, improving livestock health, and strengthening priority value chains. Key priorities include interventions supporting the 2025/2026 drought recovery to affected communities as well as enhancing livelihood resilience. Within the pastoral livelihood zone, key livestock interventions include rangeland rehabilitation and restoration activities as well as as enhanced monitoring of rangeland health to inform appropriate interventions. Livestock health will be supported through scheduled disease surveillance and reporting to inform appropriate vaccination and treatment. Availability and access to livestock vaccines and drugs will be strengthened through enhancing the cold chain supply systems. In line with national disease control efforts, the department will contribute to the National Livestock Vaccination Program through the procurement of vaccines and the vaccination of an estimated 5 million livestock against priority trans-boundary animal diseases (TADs). Key livestock value chains will be strengthened through development of livestock markets and slaughter houses/slabs, pasture/fodder production interventions as well as offering support to livestock production extension activities.

Within the agro-pastoral livelihood zone, emphasis will be on the strengthening of appropriate livelihood diversification options. These include irrigated high value horticultural and food crops as well as the emerging fodder and beekeeping value chains along the riverine Tana belt. To enable this, focus will be given to increasing the Agricultural Mechanization Station (AMS) fleet of machinery and equipment through acquisition of new equipment as well as maintenance of the existing fleet. This will significantly enhance the capacity to offer land development services for increased crop and fodder production activities. The smallholder farmers schemes will benefit from more efficient climate-smart irrigation water abstraction and pumping units as well as improved water conveyance systems. This is anchored within the Irrigation policy framework for the gradual shift from use of fossil-fuel driven systems to use of green energy. Alongside these, there will be strengthening of extension services delivery to support food systems, with the priority value chains receiving targeted support from the Food Systems Resilience Project (FSRP). that aims to enhance the preparedness against food insecurity and build resilient agricultural systems. These value chains include Camel milk, Cattle milk, Red Meat (Meat Goat), Tomatoes, and Water melon. Extension services will focus on the value chains transformation and value addition through the provision of appropriate technologies, innovations, and management practices (TIMPs)

There will be continued focus on reviving the Agricultural Training Centre (ATC) to enhance agricultural skills transfer to farmers. Phase II of the institution's fencing will be undertaken as well as completing the refurbishment of the institution's infrastructure that was severely damaged by the 2023/2024 El nino floods.

Focus will also be directed towards improving farm access roads to improve farmers access to markets, enhancing post-harvest management of produce as well as supporting linkages of producers to the markets, including the upcoming County Aggregation and Industrial Park (CAIP) for produce aggregation, value addition and access to markets. Crop, livestock, and fish value chain actors will also be organized into cooperatives and provided with governance and joint marketing training to enhance aggregation and improve market access. The fisheries sub sector, another livelihood diversification option will be supported through establishing farmer-led production units as well as a cold chain to support fish preservation and marketing.

The sector will promote participation of youth, women and special interest groups in agriculture and agribusiness through imparting the necessary technical and business skills as well as development of business plans to enable them to gainfully engage in agribusiness activities. Alongside these, focus will be given enhancing financial inclusion through providing financial literacy skills to Village Savings and Loaning Associations (VSLAs) including linkages with formal financial institutions.

In promoting a healthy population, attention will be on agri-nutrition interventions whose focus is local production and consumption of a wide range of nutrient-rich foods to help address nutritional needs of households. Key interventions will include promotion of kitchen gardens in form of water-conserving structures such as multi-storey gardens, cone gardens and sunken beds for production of vegetables and fruits. Availability and access to these foods as well as nutrition education and social behaviour change communication (SBCC) will enhance the the uptake of diverse and healthy diets within the households.

Implementation of nutrition-specific interventions by the Sector of Health (Nutrition), through the Nutrition Improvements through Cash and Health Education (NICHE) program, an initiative under the Kenya Social Economic and Inclusion Programme (KSEIP), will address child malnutrition by combining cash transfers with health education, specifically targeting pregnant women and families with children under two years old. This is a critical programme as adoption of the nutrition-sensitive interventions however sustainable in the long run, is still low in the County to deliver the desired nutrition outcomes.

Advocacy and SBCC will be essential, complementary, and integrated strategies to drive the adoption of nutrition-sensitive practices. These, combined with the NICHE program will be key to achieving the desired nutritional outcomes.

The sector will continue to steer and coordinate the implementation of key partner and donor-funded programs focused on food security and building resilience. Besides FSRP, other programmes and projects within the department include the De-risking, Inclusion, and Value Enhancement (DRIVE) Project, Building Resilience for Food and Nutrition Security (BREFONS), as well as many other partner-driven programmes/projects. Through these initiatives, the sector aims to strengthen agricultural productivity,

enhance food and nutrition security, promote sustainable livelihoods, and build resilience against climate-related shocks.

4.5.3 Education, Information, and ICT

The County Government of Garissa remains committed to ensuring free and compulsory basic education for every child, in line with Article 53 of the Constitution of Kenya. Early Childhood Development and Education (ECDE) is prioritized as a foundation for lifelong learning, human capital development, and socio-economic growth. The County emphasizes a child-centred and equity-focused approach, ensuring that children from marginalized, vulnerable, and hard-to-reach communities including those with disabilities have access to safe, inclusive, and quality learning opportunities.

Investments in ECDE include modern, child-friendly centres, age-appropriate learning materials, school meals, and WASH infrastructure. The County plans to establish model ECDE centres in all sub-counties and strengthen the professional capacity of educators through continuous training to improve instructional quality, inclusive pedagogy, and child protection practices. Coordination with Health, Water, Agriculture, and Social Services departments ensures integrated support for children and families.

The County also prioritizes Technical and Vocational Education and Training (TVET) to empower youth with practical skills, promote entrepreneurship, and improve employment outcomes through partnerships with industry and the private sector.

To foster innovation, efficiency, and digital inclusion, the County will establish the e-Garissa County Government Platform, develop 30 ICT hubs (one per ward), automate County systems, and provide digital learning tools for ECDE and TVET institutions. Library services will be modernized and digitized to enhance access to information, learning resources, and innovative technologies for the community.

These priorities reflect the County Government's commitment to an inclusive, equitable, and quality education system, integrated with digital innovation, and aligned with the broader fiscal, social, and economic objectives of the County Fiscal Strategy Paper 2026.

4.5.4 Water Environment, Natural Resources, and Climate Change

The Water, Environment, and Climate Change sector is dedicated to transforming Garissa County's resource landscape by making clean water more accessible and building long-term climate resilience. To achieve this, the sector is investing heavily in the construction of new boreholes and multi-purpose mega-water pans, alongside the rehabilitation and desilting of existing storage facilities. A central pillar of this strategy is the "solarization" of water systems, replacing expensive diesel-powered pumps with sustainable solar energy to enhance water redistribution. This physical expansion is matched by a commitment to extend piping coverage to all sub-counties and public institutions, supported by the construction of elevated steel tanks to ensure a gravity-fed supply to underserved areas.

To sustain these investments, the sector is prioritizing institutional and human resource development. This includes a comprehensive review of the Garissa County Water Management Act 2018 and its associated policies to ensure a robust legal framework. Recognizing that infrastructure requires expert oversight, the

sector plans to recruit and train more technical staff, expand service delivery to the sub-county level through new administrative offices and transport systems, and provide specialized capacity building for technical teams. Furthermore, the prepositioning of fast-moving spare parts, such as pumps and motors, will be institutionalized to minimize downtime during equipment failures, while emergency water trucking remains a critical contingency plan to protect residents during severe drought cycles.

In the realm of food security and natural resource management, the sector is aggressively pursuing the modernization of irrigation services. This involves the completion of ongoing projects, the development of new irrigation schemes, and the rehabilitation of existing ones, all while transitioning these systems to solar power to lower production costs for farmers. To ensure community ownership and sustainable usage, the sector will conduct extensive training for Irrigation Water Users Associations (IWUAs).

Additionally, the sector is committed to protecting the county's natural heritage by rehabilitating riparian lands, restoring degraded areas through tree planting, and constructing solar-powered wildlife water pans complete with troughs and fencing to mitigate human-wildlife conflict.

In alignment with the Garissa County Climate Change Fund Act 2018 and the Environmental Management and Coordination Act, the sector has established a rigorous climate adaptation and mitigation agenda for the 2026/2027 financial year. Key initiatives include the development of a County Environmental Action Plan (CEAP), the preparation of a State of Environment (SOE) report, and the strengthening of the County Environmental Management Committee. Beyond policy, the sector will implement practical energy solutions, such as installing solar power and water heating systems at the Provincial General Hospital (PGH) and all seven sub-county hospitals. By combining resource mobilization, environmental education, and the establishment of nursery centers and a botanical garden, the sector aims to reduce carbon emissions and foster a sustainable environment for all residents.

4.5.5 Gender, Social Services, Culture, Youth & Sports

To enhance social inclusion during the 2026/2027 financial year, the sector will prioritize the completion of the modern multipurpose stadium and the upgrading of sports and arts facilities to foster local talent through regular tournaments and events. To further empower youth and women, the department will establish innovation and leadership hubs while earmarking specific funds under the existing revolving fund to provide the financial capital necessary for sustainable economic growth and earmarked county bursary designed to support families with children who have special needs.

Social protection remains a core pillar of this agenda. The department will deploy child protection ambassadors across all thirty wards to bolster safety initiatives and combat sexual and gender-based violence. Support for persons with disabilities will be scaled up through the provision of assistive devices and the expansion of social and economic inclusion programs.

To ensure educational equity and improve school retention, the department will provide sanitary towels to all school-going girls in need, while simultaneously promoting gender mainstreaming to enable broader participation in decision-making. Also, the sector is committed to preserving local heritage by documenting and gazetting historical sites. These efforts will be supported by annual cultural weeks, Quran competitions, and capacity-building workshops designed to foster community harmony and promote cultural tourism.

4.5.6 Roads, Transport and Public Works

For the 2026/2027 fiscal year, the Garissa County Directorate of Roads, Transport, and Public Works has outlined a strategic roadmap to modernize infrastructure and streamline public services. A primary pillar of this plan is the expansion of the road network, which includes upgrading 15 kilometers to bitumen standards and maintaining 500 kilometers of rural roads. These efforts, paired with enhanced drainage systems, are designed to create a more durable and climate-resilient transport grid.

Beyond physical roads, the Directorate is targeting improved urban mobility through the construction of bus parks and organized parking zones. To manage these new facilities and ensure public safety, the department intends to recruit traffic marshals and establish formal transport management policies. These regulatory frameworks are expected to bring much-needed coordination and efficiency to the county's transit systems.

Public infrastructure also features prominently in the upcoming budget, with landmark projects such as the construction of the Garissa Central Market and the development of a stadium and convention center. By rehabilitating sub-county offices alongside these new builds, the county aims to centralize trade and improve the accessibility of government services. To overcome past implementation hurdles, the department will invest in its own road construction machinery and hire specialized technical staff to ensure projects are executed effectively.

Finally, the Directorate plans to sustain these ambitious goals by strengthening inter-agency collaborations. By partnering with KURA, KeRRA, and various development organizations, Garissa County intends to bridge funding gaps and enhance its technical expertise. Collectively, these initiatives are positioned to drive socio-economic growth by facilitating seamless trade and connectivity across the region.

4.5.7 Lands, Physical Planning and Urban Development

The Lands, Physical Planning, and Urban Development sector plays a pivotal role in promoting sustainable land management, coordinated spatial planning, and orderly urban development. The sector provides a comprehensive framework for land use planning, facilitates efficient land administration, and supports planned urban growth to improve livelihoods and stimulate economic activity. Through the implementation of relevant policies and programmes, the sector seeks to enhance land tenure security, infrastructure development, and the delivery of essential services within urban areas. Its core areas of focus include land administration, physical and spatial planning, housing development, and urban management. Additionally, the sector addresses cross-cutting challenges such as unplanned settlements, environmental sustainability, disaster risk management, and climate change resilience, to foster organized, resilient, and livable urban environments.

To improve service delivery, urban development, and overall public welfare, the sector has identified several strategic priority areas. Foremost among these is fire safety and emergency response. This priority involves strengthening fire-fighting capacity through the construction and rehabilitation of fire stations, the acquisition of modern fire-fighting equipment, and the continuous training of emergency response personnel. The sector also emphasizes the enforcement of fire safety regulations, public sensitization on fire prevention, and the establishment of rapid response mechanisms to minimize fire-related risks.

Integrating fire safety standards into urban planning processes remains critical for enhancing disaster preparedness and reducing vulnerability.

Sanitation and solid waste management constitute another key priority area aimed at safeguarding public health and environmental sustainability. The sector is committed to expanding and maintaining sanitation infrastructure, including sewer systems, stormwater drainage networks, and public sanitation facilities. Measures to improve refuse collection and solid waste management are being strengthened to ensure clean and healthy urban environments. Furthermore, the regulation of sanitation services, enforcement of hygiene standards, and public awareness campaigns on proper waste disposal are being prioritized to reduce health hazards and improve the quality of life for urban residents.

The regulation, development, and maintenance of market infrastructure also remain a major focus of the sector. Interventions include the construction of modern market facilities, upgrading of existing markets, and provision of essential services such as water, sanitation, and waste management. The sector is enhancing market zoning and regulatory enforcement to address challenges related to congestion, illegal trading, and environmental degradation. In addition, support to small-scale traders through transparent allocation of market stalls and enforcement of safety standards is aimed at promoting economic growth, orderliness, and market sustainability.

The development and maintenance of urban road networks and related infrastructure is another priority intended to improve mobility and accessibility within urban areas. Investments in road construction and rehabilitation, alongside the development of non-motorized transport infrastructure such as walkways and cycle lanes, are essential for reducing congestion and improving connectivity. The sector is also implementing flood control measures, including the construction and maintenance of stormwater drainage systems, to mitigate the effects of heavy rainfall and prevent urban flooding that often disrupts economic activities and livelihoods.

Finally, the sector prioritizes the enhancement of urban aesthetics, green spaces, and recreational facilities to improve the overall quality of life for residents. This includes the establishment and maintenance of parks, public gardens, and urban beautification initiatives such as tree planting and landscaping. Floodlight installation and maintenance of street lighting and floodlights also remain a key focus to enhance public safety and support economic activity, particularly in market areas and commercial centers. Collectively, these interventions aim to promote sustainable urban development, improve service delivery, and create safe, clean, and well-organized urban environments for all residents.

4.5.8 Trade, Investments, and Enterprise Development

For the 2026/2027 fiscal year, the Department of Trade, Investments, and Enterprise Development has outlined a strategic vision to catalyze economic growth, stimulate job creation, and foster a competitive business environment within Garissa County.

Market Infrastructure and Trade Acceleration: The department will fast-track the development of essential trade infrastructure to provide a solid foundation for commerce. A primary focus is the completion of the County Aggregation and Industrial Park, alongside the construction of five new sub-county markets. To decentralize services and support local traders at the grassroots level, the department will establish business information centers and construct sub-county trade offices, ensuring administrative efficiency is accessible to all.

SME Empowerment and Financial Inclusion: To bolster Small and Medium Enterprises (SMEs), the sector is committing to increased capital injection through the County Revolving Fund. This financial support will be paired with comprehensive financial literacy training and deepened partnerships with banking institutions. These initiatives are designed to bridge the credit gap, empowering local entrepreneurs to scale their operations and enhance their market resilience.

Investment Promotion and Policy Frameworks: The department aims to position Garissa as a premier investment destination by formalizing a County Trade and Investment Policy. This strategic framework will be supported by Hosting integrated investment forums and business networking events to connect local enterprises with global markets, Public-Private Partnerships (PPPs) collaborations to attract external capital and technical expertise and Organizing Trade Fairs exhibitions in sub-county to provide local businesses with platforms to showcase their products and services.

Tourism, Culture, and Conservation: Recognizing the county's unique natural and cultural assets, the department will finalize the Hirola Conservation Strategic Plan. Efforts will also focus on mapping potential tourism sites and investing in cultural events. These steps aim to diversify the county's economy by positioning Garissa as a key destination for eco-tourism and heritage seekers.

Institutional Capacity and Strategic Alliances: To ensure effective service delivery, the department will undergo a significant internal upgrade. This includes the recruitment of specialized technical personnel, such as industrialization and weights and measures officers and the modernization of ICT infrastructure. Furthermore, the sector will leverage strong partnerships with the national government and international agencies like KNCCI, ILO, and USAID to mobilize resources and align local trade initiatives with global best practices.
Through these targeted interventions, the department is set to address historical bottlenecks and build a thriving, inclusive economy for the residents of Garissa.

4.5.9 Finance and Economic Planning

The Finance and Economic Planning sector continues to uphold its central mandate of steering the county's fiscal future through the rigorous preparation of short- and long-term development plans. By coordinating the county budget and mobilizing revenue, the sector ensures that public resources are channeled effectively while maintaining strict compliance with the PFM Act of 2012. This commitment to prudent financial management is reinforced through enhanced internal controls, transparent financial reporting, and the advisory functions of the Audit and M&E committees. Furthermore, the sector is prioritizing the systematic settlement of pending bills, adhering to national directives to maintain fiscal credibility and support the local economy.

To elevate the standard of service delivery for the 2026/2027 fiscal year, the sector is introducing strategic interventions aimed at closing the gap between policy planning and budget execution. A primary focus is the modernization of the monitoring and evaluation framework at both departmental and decentralized levels, ensuring that every project is tracked for impact and accountability. This is supported by a

comprehensive staff capacity-building program designed to equip personnel with the technical expertise required for sophisticated economic planning and oversight. By strengthening these institutional arrangements, the county can better track development priorities and ensure that progress remains consistent across multiple planning cycles.

Operational efficiency is further bolstered by a commitment to provide all departments with sufficient and timely funding, thereby preventing the bottlenecks that often hinder public service. To ensure the long-term sustainability of county programs, the sector is actively engaging partners to develop innovative cost-sharing mechanisms. Physical infrastructure and logistics also remain a priority, with plans to upgrade office facilities and procure vehicles to facilitate better field coordination. Ultimately, by reinforcing the synergy between county departments and national authorities, the sector aims to create a streamlined, high-performing financial ecosystem that drives the socio-economic transformation of the region.

4.5.10 County Affairs, Public Service, Devolution and Intergovernmental Relations

The County Affairs sector serves as the fundamental pillar for effective governance, enhanced public service delivery, and robust disaster risk management within Garissa County. Moving into the upcoming fiscal year, the sector is prioritizing the implementation of the Kenya Devolution Support Program Phase II (KDSP II), which focuses on institutional capacity building and performance-based resource allocation. By refining public financial management and streamlining planning frameworks, the county aims to cultivate a culture of accountability and significantly boost staff productivity through specialized training initiatives.

Parallel to these institutional reforms, the Garissa County Environmental and Livelihood Program will drive economic empowerment and sustainable development across the county's devolved structures. This initiative is designed to tackle unemployment by equipping youth with market-relevant skills and promoting entrepreneurship through structured, county-led programs that harmonize economic growth with environmental stewardship. Furthermore, the program integrates essential social protection measures for marginalized groups and enhances civic engagement to ensure that governance remains inclusive and community-centered.

To safeguard residents against environmental and systemic risks, the sector is also intensifying its disaster risk reduction efforts. Key actions include the training of ward-level disaster management committees, the modernization of early warning systems, and the comprehensive equipping of emergency response teams. These operational improvements are supported by a broader digital transformation strategy aimed at modernizing human resource management and institutionalizing performance-based evaluations to ensure a high-performing public service.

Ultimately, the sector is committed to deepening intergovernmental relations by fostering strategic partnerships with national agencies, humanitarian organizations, and international development partners. These collaborations are vital for policy formulation and resource mobilization, ensuring that Garissa's governance structures remain resilient and responsive. Through this multi-faceted approach, the county aims to achieve equitable economic development and deliver consistent, high-quality services to all its residents.

CHAPTER FIVE
FISCAL RISK & CONCLUSION

5.1 Fiscal Responsibility Principles

The Public Finance Management Act, 2012, and the Public Finance Management (County Governments) Regulations, 2015, outline fiscal responsibility principles that ensure prudent and transparent management of public resources. According to Section 107 (2) of the Act, the county treasury must enforce the following principles:

- The county government's recurrent expenditure shall not exceed its total revenue.
- At least 30% of the county's budget must be allocated to development expenditure over the medium term.
- The county's expenditure on wages and benefits for public officers shall not exceed 35% of total revenue, as prescribed in Section 25(1-b) of the Public Finance Management (County Government) Regulations, 2015.
- Borrowings should only be used to finance development expenditure and not recurrent costs.
- The county debt must remain at a sustainable level, as approved by the County Assembly.
- Fiscal risks must be prudently managed to prevent financial instability.
- There should be predictability in tax rates and tax bases, taking into account possible tax reforms in the future.

5.2 Adherence to Fiscal Responsibility Principles and Risks

5.2.1 County Revenue vs. Expenditure

The county government has made efforts to adhere to fiscal responsibility principles, particularly by ensuring a balanced budget and maintaining a development budget above the 30% constitutional requirement. However, challenges remain in controlling personnel emoluments, which have exceeded the 35% threshold, posing a fiscal risk.

Additionally, the county's own-source revenue performance has been poor, except for FIF (Facility Improvement Fund) collections. The primary cause of underperformance is the manual revenue collection system, which has led to inefficiencies and revenue leakages. To improve revenue performance, the county must transition to a digital revenue collection system to enhance transparency and efficiency.

5.2.2 Fiscal Risks and Their Management

The county faces various fiscal risks, including:

- Revenue Shortfalls – The county's dependence on equitable share allocations makes it vulnerable to National revenue fluctuations and Budget cuts. Additionally, poor own-source revenue collection limits financial autonomy. To improve revenue collection by adopting automated systems, strengthening enforcement, and broadening the revenue base.
- High Wage Bill – Expenditure on salaries and wages has exceeded the 35% threshold, limiting funds available for development projects. This has to be mitigated by implementing a staff rationalization policy, conducting a payroll audit to eliminate ghost workers, and prioritizing performance-based employment.
- Debt Sustainability – Borrowings should be strictly limited to development projects, but if left unchecked, rising county debt could become unsustainable. The county must ensure all borrowing is

aligned with long-term revenue projections and seek approvals from the County Assembly.

- Unforeseen Expenditure Pressures – Natural disasters, legal claims, or economic shocks can lead to unexpected financial obligations, causing budget shortfalls. To mitigate Establish a contingency fund, improve risk assessment mechanisms, and diversify revenue sources to cushion against shocks.
- Budget Deviations – Fiscal projections often differ from actual outcomes due to unexpected changes in economic conditions or political pressures. We therefore need to strengthen budget execution monitoring, conduct regular expenditure reviews, and ensure adherence to fiscal discipline.

5.3 Conclusion

The county government has made strides in complying with fiscal responsibility principles, particularly in maintaining a balanced budget and prioritizing development spending. However, revenue collection inefficiencies, a high wage bill, and fiscal shocks remain key challenges that require urgent action.

To achieve fiscal sustainability, the county must enhance own-source revenue collection, control personnel costs, and ensure responsible borrowing. Additionally, prudent fiscal risk management is crucial to maintaining stability and ensuring continued service delivery. By addressing these risks proactively, the county can achieve long-term financial sustainability and economic growth.