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REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION -2026

BUDGET AND APPROPRIATIONS COMMITTEE

REPORT ON THE BUDGET POLICY STATEMENT FOR FY 2026/2027 AND THE MEDIUM TERM

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 04 MAR 2026
DAY. Wednesday
TABLED BY: Hon. Samuel Atandi
CLERK-AT THE-TABLE:

Parliamentary Budget Office
Parliament Buildings
NAIROBI

March, 2026

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LIST OF ACRONYMS & ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
A.I.A	Appropriations in Aid
BPS	Budget Policy Statement
CAIPs	County Aggregation and Industrial Parks
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CFS	Consolidated Fund Services
IMF	International Monetary Fund
IBEC	Intergovernmental Budget and Economic Council
OAG	Office of the Auditor General
PPP	Public-Private Partnerships
SOE	State-Owned Enterprise
MTP IV	Fourth Medium-Term Plan
FY	Fiscal Year
NT	National Treasury
MDA	Ministries, Departments and Agencies
IGRTC	Intergovernmental Relations Technical Committee
GDP	Gross Domestic Product
BETA	Bottom-up Economic Transformation Agenda
Kshs	Kenya Shillings
SHIF	Social Health Insurance Fund
HELB	Higher Education Loans Board
SHA	Social Health Authority
OSR	Own Source Revenue
ICT	Information, Communication, and Technology
SAGAs	Semi-Autonomous Government Agencies
IEBC	Independent Electoral & Boundaries Commission
EAC	East African Community
EU	European Union
GoK	Government of Kenya
UHC	Universal Health Insurance
USA	United States of America

FOREWORD BY THE CHAIRPERSON

The budget-making process in Kenya is consultative and involves multiple institutions that play differentiated yet complementary roles in line with the doctrine of separation of powers. From a legislative view, the process begins with the tabling and consideration of the Budget Policy Statement (BPS). This is a critical fiscal policy document that outlines the national government's macroeconomic outlook, priority policy interventions, and proposed sectoral expenditure ceilings for 2026/27 and the medium term. These ceilings are derived from deliberations by Sector Working Groups and subsequently endorsed by the Cabinet, thereby forming the foundation for the preparation of the annual revenue and expenditure estimates.

The 2026 BPS is the fourth to be prepared by the current administration and is designed to consolidate, scale up, and accelerate the gains realized thus far under the Bottom-Up Economic Transformation Agenda (BETA). The BPS builds on progress made in restoring macroeconomic stability, including efforts to contain inflationary pressures, stabilize the exchange rate, and strengthen foreign reserves buffers. It also emphasizes enhanced domestic revenue mobilization through administrative reforms, alongside a renewed commitment to fiscal consolidation aimed at reducing the fiscal deficit and placing public debt on a sustainable trajectory.

The Budget Policy Statement is anchored on key pillars that constitute the core drivers of the Government's economic transformation strategy. These pillars include agriculture, healthcare, Micro, Small, and Medium Enterprises (MSME) development, the Digital Superhighway, and affordable housing. Together, they form the foundation for accelerating inclusive growth, expanding employment opportunities, and improving household welfare.

The Budget Policy Statement is aligned with the policy priorities articulated in the Fourth Medium-Term Plan (MTP IV) and serves as the fiscal instrument for advancing its socio-economic transformation agenda. It prioritizes strengthening food security by supporting agricultural productivity, improving supply chains, and expanding access to nutritious food, particularly for vulnerable population.

Further, the BPS prioritizes the creation of employment opportunities across key sectors of the economy as a means of addressing unemployment and underemployment, especially among the youth. This includes supporting labour-intensive value chains, promoting enterprise development, and investing in infrastructure and digital innovation.

The BPS proposes expenditure ceilings for the National Government, including those of Parliament and the Judiciary, as well as indicative transfers to County Governments for the next financial year and the medium term. Once considered and approved by the National Assembly, the ceilings will form the basis for the preparation of the national budget for FY 2026/2027 and the Division of Revenue Bill, 2026.

REVIEW OF THE BUDGET POLICY STATEMENT

The Budget Policy Statement was submitted to Parliament on Wednesday, February 11, 2026, and subsequently referred to the Departmental Committees as well as the Budget and Appropriations Committee (BAC) for review. The Departmental Committees held engagements with the Ministries, Departments, and Agencies under their purview to interrogate the policies informing the proposed budget ceilings and their responsiveness to the needs of the respective sectors.

The Budget and Appropriations Committee undertook a thorough and inclusive process by engaging in consultative meetings with all the Departmental Committees, gathering their insights and recommendations to enhance decision-making. The Committee also held discussions with the Office of the Auditor-General and Parliamentary Service Commission to discuss their budget ceilings and priorities. These collaborative efforts ensured that the Committee's decisions were well-informed, balanced, and aligned with the broader objectives of the nation.

In accordance with Article 201 of the Constitution, which emphasizes the importance of public participation, the Committee invited the public to submit memoranda on key concerns related to the 2026 BPS. This initiative aimed to ensure that the budget policies aligned with the needs and priorities of the people, as the budget ultimately serves the public. In response, the Committee received a total of 12 submissions, all of which were carefully considered in the decision-making process.

Additionally, in the quest to ensure a fair and equitable distribution of resources between the national and county governments, the Committee held consultative meetings with the Commission on Revenue Allocation (CRA), the Intergovernmental Relations Technical Committee (IGRTC), and the Intergovernmental Budget and Economic Council (IBEC). The Committee also met with the National Treasury to build consensus on matters arising before finalizing this report. The recommendations stemming from these deliberations, including submissions from the public, have been incorporated into this report.

ACKNOWLEDGEMENT

The Committee sincerely appreciates the Departmental Committees for their constructive input and sectoral expertise throughout the deliberations. The Committee further acknowledges the Office of the Auditor-General for its continued role in promoting transparency and accountability in public financial management. Appreciation is also extended to the National Treasury and the Parliamentary Service Commission for their comprehensive submissions.

The Committee acknowledges the 12 individuals and institutions who presented their views, thereby reinforcing the principles of public participation in the budget process.

The Committee extends its sincere appreciation to the Office of the Speaker of the National Assembly for the exceptional leadership and guidance provided throughout the review process. The Committee further recognizes the Office of the Clerk of the National Assembly for the invaluable administrative and procedural support rendered. Finally, we convey our deep gratitude to the Members of the Budget and Appropriations Committee for their dedication, commitment, and sacrifice in discharging their constitutional mandate of reviewing the 2026 Budget Policy Statement.

Finally, the Committee expresses its sincere appreciation to the Parliamentary Budget Office and the Directorate of Departmental Committees for their extensive technical, analytical, and logistical support during the review of the 2026 Budget Policy Statement and the preparation and finalization of this Report.

It is, therefore, my pleasant duty, on behalf of the Committee, to table this Report on the 2026 Budget Policy Statement before this House and to respectfully recommend it for adoption.

SIGNED

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HON. SAMUEL ATANDI, M.P.

CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

.....4.3.2026.....

DATE

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. Article 221 (4 and 5) of the Constitution and Section 7 of the Public Finance Management Act, Cap 412A, provide for the establishment of a Committee of the National Assembly whose main role is to take the lead in budgetary oversight by the National Assembly. Pursuant to this provision, Standing Order 207 establishes the Budget and Appropriations Committee with specific mandates, among which is to:

   i. Investigate, inquire into, and report on all matters relating to the coordination, control, and monitoring of the national budget;
   ii. Discuss and review the budget estimates and make recommendations to the House;
   iii. Examine the Budget Policy Statement presented to the House;
   iv. Examine bills related to the national budget, including appropriation bills;
   v. Evaluate tax estimates, economic and budgetary policies, and programmes with direct budget outlays; and
   vi. Examine the Division of Revenue Bill.

1.2 Membership of the Committee

2. Pursuant to Standing Order 207(2), the Budget and Appropriations Committee, as currently constituted, comprises the following Honourable Members:

CHAIRPERSON
Hon. Atandi, Samuel Onunga, M.P.
Alego Usonga Constituency
ODM PARTY

VICE CHAIRPERSON
Hon. (Dr.) Robert Pukose, CBS, M.P.
Endebess Constituency
UDA PARTY

MEMBERS

Hon. Chumel, Samwel Moroto, M.P.
Kapenguria Constituency
UDA PARTY

Hon. (Dr.) Adan Wehliye Keynan, CBS, M.P.
Eldas Constituency
Jubilee Party

Hon. Mulu, Makali, PhD, CBS, M.P.
Kitui Central Constituency
WDM – Kenya

Hon. Ochieng, David Ouma, M.P.
Ugenya Constituency
MDG PARTY

Hon. Lekuton, Joseph, M.P.
Laisamis Constituency
UDM PARTY

Hon. Lesuuda, Josephine Naisula, OGW, M.P.
Samburu West Constituency
KANU PARTY

Hon. Ongili, Babu Owino Paul, M.P.
Embakasi East Constituency
ODM PARTY

Hon. Robi, Mathias Nyamabe, M.P.
Kuria West Constituency
UDA PARTY

Hon. Mwirigi, John Paul, M.P.
Igembe SouthConstituency
UDA PARTY

Hon. Muchira, Michael Mwangi, M.P.
Ol Jorok Constituency
UDA PARTY

Hon. (Dr.) Gogo, Lilian Achieng, M.P.
Rangwe Constituency
ODM Party

Hon. Wangaya, Christopher Aseka, M.P.
Khwisero Constituency
ODM PARTY

Hon. Wanjiku, John Njuguna, M.P.
Kiambaa Constituency
UDA PARTY

Hon. Mwakuwona, Danson Mwashako, M.P.
Wundanyi Constituency
WDM – Kenya

Hon. Guyo, Ali Wario, M.P.
Garsen Constituency
ODM PARTY

Hon. Masara, Peter Francis, M.P.
Suna West Constituency
ODM PARTY

Hon. Dr. Edwin Mugo Gichuki
Mathioya Constituency
UDA PARTY

Hon. Murumba, John Chikati, PhD, M.P.
Tongaren Constituency
FORD-Kenya

Hon. Busia, Ruth Adhiambo Odinga, M.P.
Kisumu County
ODM PARTY

Sergon, Flowrence Jematiah, M.P.
Baringo County
UDA PARTY

Hon. Abdirahman Mohamed Abdi, M.P.
Lafey Constituency
Jubilee Party

Hon. Kagiri, Jane Wangechi, OGW, M.P.
Laikipia County
UDA Party

Hon. Kitilai, Ole Ntutu, M.P
Narok South
Independent

Hon. Mokaya, Nyakundi Japheth, M.P.
Kitutu Chache North Constituency
UDA PARTY

Hon. Mutuse, Eckomas Mwengi, OGW, M.P.
Kibwezi West Constituency
MCC Party

1.3 Committee Secretariat

3. The Committee Secretariat comprises the following:

Mr. Danson Kachumbo
Senior Fiscal Analyst/ Lead Clerk

Mr. Ringine Mutwiri
Fiscal Analyst/ Clerk Assistant

Mr. Moses Mwariri
Legal Counsel

Mr. Simon Ouko
Serjeant-at-arms

Ms. Mercy Mayende
Media Relations

Mr. Jared Amara
Office Assistant

Mr. Muchiri Mwangi
Audio Officer

1.4 Technical Support to the Committee

4. The Committee received technical support from the following officers of the Parliamentary Budget Office:

FA (Dr.) Martin Masinde
Director, Parliamentary Budget Office

Mr. Fredrick Muthengi
Deputy Director

Dr. Evans Kiganda
Principal Fiscal Analyst

Dr. Abel Nyagwachi
Senior Fiscal Analyst

Ms. Julie Mwithiga
Senior Fiscal Analyst

Ms. Millicent Makina
Senior Fiscal Analyst

Mr. Benard Adera
Fiscal Analyst II

Mr. Kioko Kiminza
Fiscal Analyst II

FA. Loice Olesia
Fiscal Analyst II

Mr. Solomon Alubala
Fiscal Analyst III

2.0 OVERVIEW OF THE 2026 BUDGET POLICY STATEMENT

2.1 Background

1. The 2026 BPS was submitted to Parliament on Wednesday, 11th February 2026, in accordance with Section 25 of the Public Finance Management Act, Cap. 412A, which requires the National Treasury to prepare and submit to Parliament a Budget Policy Statement outlining the following: the current state of the economy and the medium-term financial outlook including macroeconomic forecasts; overarching government policies; the resource envelope; and proposed expenditure ceilings. The BPS was subsequently committed to the relevant Departmental Committees and the Budget and Appropriations Committee in accordance with National Assembly Standing Order 232.

2. The 2026 Budget Policy Statement is the fourth to be prepared by the current administration and is intended to consolidate and accelerate the gains realized so far under the Bottom-Up Economic Transformation Agenda (BETA). It builds on the progress made in stabilizing the macroeconomic environment, strengthening revenue mobilization, enhancing fiscal consolidation and prioritizing investments in key value chains such as agriculture, MSMEs, housing, healthcare, and the digital and creative economy.

3. The Budget Policy Statement sets expenditure ceilings for the national government, including Parliament and the Judiciary, and provides indicative transfers to county governments for the upcoming financial year and the medium term. Once reviewed and approved by Parliament, these ceilings will guide the preparation of the national budget for the 2026/2027 financial year and subsequent years. They will also serve as the basis for the Division of Revenue Bill, 2026, as well as inform the budgeting process at the Sub-national level. Importantly, County Government priorities, as detailed in the various County Fiscal Strategy Papers, must be aligned with the national development agenda.

4. Total revenue, including Appropriations-in-Aid (AIA), for FY 2026/27 is projected at Kshs. 3,588.1 billion, equivalent to 17.1 percent of GDP. This represents an increase of Kshs. 219.5 billion from the Kshs. 3,368.6 billion (17.5 percent of GDP) projected for FY 2025/26 at the time of approval of the Budget Estimates. The revenue outlook is underpinned by ongoing tax administration

reforms, enhanced technology deployment for revenue collection, and sustained efforts to broaden the tax base.

5. Total expenditure and net lending for FY 2026/27 are projected at Kshs. 4,737.5 billion, representing an increase of Kshs. 435.7 billion from Kshs. 4,301.9 billion in the approved FY 2025/26 Budget Estimates. This growth in spending reflects the continued prioritization of key policy interventions, notably the implementation of Competency-Based Education and Training, infrastructure development, governance, and electoral preparedness in support of the 2027 general election, as well as enhanced national security operations.

2.2 Macroeconomic Framework Underpinning the 2026 BPS

6. According to the International Monetary Fund in its World Economic Outlook, global growth is projected at 3.3 percent in 2026 and 3.2 percent in 2027, representing a slight upward revision from the October 2025 update. The improved outlook reflects sustained technology investment, continued fiscal and monetary policy support, accommodative financial conditions, and private sector adaptability, which together help offset the effects of evolving trade policy shifts.

7. The National Treasury projects that the economy will grow at 5.0 percent in 2025 and 5.3 percent in 2026, up from 4.7 percent in 2024. These projections are anchored on the following: a rebound in agriculture supported by climate-smart investments, stronger agro-processing linkages, and assumptions of favourable weather conditions; a recovery in construction driven by the clearance of pending bills and the resumption of stalled infrastructure projects; lower industrial production costs; and continued resilience in the services sector, particularly tourism and transport.

8. However, the Committee observed that although the macroeconomic assumptions underpinning the growth projections are broadly reasonable, emerging trends in recent data warrant caution. Specifically, GDP growth averaged 4.9 percent in the first three quarters of 2025, which is slightly below the annual target and suggests that momentum may not be as strong as anticipated. The agriculture sector, which remains a key driver of growth, continues to face significant exposure to climate-related shocks, including erratic rainfall patterns, prolonged droughts, and flooding in

some regions. These vulnerabilities increase the risk of output volatility, with potential spillover effects on food prices, rural incomes, and overall growth.

9. The primary sector, comprising the agriculture and mining sub-sectors, rebounded from 2.9 percent to 4.0 percent between the 3rd quarter of 2024 and the same period in 2025. The rebound was largely driven by a recovery in mining and quarrying activities following increased demand for construction materials associated with major government infrastructure projects, as well as supportive policy measures aimed at revitalizing mining activities. In contrast, agriculture slowed to 3.2 percent due to below-average rainfall patterns.

10. The industry sector strengthened, expanding from 0.3 percent in quarter three of 2024 to 4.1 percent in quarter three of 2025. This improvement was supported by a recovery in construction activity following the ongoing settlement of pending bills in the roads sector through funds mobilized through the securitization of the Roads Maintenance Levy Fund, and implementation of the affordable housing programme. The Committee noted that while these developments contributed to improved momentum in industrial activity, there is need to strengthen interventions aimed at improving manufacturing and sustained private sector demand.

11. The services sector decelerated marginally from 5.7 percent in the third quarter of 2024 to 5.4 percent in the third quarter of 2025. This moderation reflects weaker demand across several key subsectors, including accommodation and food services, financial services, real estate, and ICT. The Committee noted that the slowdown points to a decline in both household consumption and private sector activity, despite improvements in the broader macroeconomic environment such as easing inflationary pressures and monetary policy stance.

12. The Committee noted with appreciation that inflation has remained broadly stable and within the Central Bank of Kenya target range of 5 percent, plus or minus 2.5 percent. Headline inflation rose slightly from 3.3 percent in January 2025 to 4.4 percent in January 2026, indicating a continued but moderate increase in overall price levels. However, core inflation, which excludes the more volatile categories of food and fuel, remained subdued, declining from 3.1 percent to 2.2 percent over the same period.

13. The Committee noted that monetary conditions have eased in 2025 as the Central Bank of Kenya lowered the central bank rate from 11.25 percent to 8.75 percent by February 2026, which reduced short-term Treasury bill rates and improved government borrowing conditions. However, commercial bank lending rates did not decline proportionately, with the spread between lending and deposit rates remaining above 7 percentage points, highlighting structural challenges in the banking sector that weaken the transmission of monetary policy and limit affordable credit access for the private sector.

14. The Committee observed that the external sector continues to face persistent deficits, with the current account remaining in negative territory from 2023 through 2025. The deficit widened from -1.1 percent of GDP in the third quarter of 2024 to -3.2 percent in the third quarter of 2025, reflecting stronger import demand relative to export growth and weaker external competitiveness. These raise concerns over the reliability of various government-backed interventions that have been aimed at supporting export growth while reducing demand for imports.

15. The Committee noted with concern that although tourism earnings and diaspora remittances offer important foreign exchange buffers, they are not sufficient to offset the growing trade deficit. Consequently, strengthening export competitiveness is crucial to address this imbalance and reduce external risks. Although tariff removals by China and improved EU market access may boost exports, domestic production constraints, limited value addition, and compliance challenges must also be resolved. Kenya's exports remain concentrated in a few agricultural commodities, making them sensitive to price shifts and demand changes.

16. The Committee took cognizance that throughout 2025, the Shilling remained broadly stable against the US dollar but gradually weakened against the Pound and Euro, reflecting prevailing global market trends. The Committee observed that exchange rate movements since mid-2024 indicate improved foreign exchange liquidity and stronger external buffers, which have contributed to overall exchange rate stability.

2.3 Fiscal Framework underpinning the 2026 BPS

17. Total revenue, including Appropriations-in-Aid (AIA), for FY 2026/27 is projected at Kshs. 3,588.1 billion, equivalent to 17.1 percent of GDP. This represents an increase of Kshs. 219.5 billion from

the Kshs. 3,368.6 billion (17.5 percent of GDP) projected for FY 2025/26 at the time of approval of the Budget Estimates. The Committee took note that the revenue outlook is underpinned by ongoing tax administration reforms, enhanced technology deployment for revenue collection, and sustained efforts to broaden the tax base.

18. The Committee noted that the projected increase in overall revenue amounts to Kshs. 219.4 billion, comprising Kshs. 147 billion in ordinary revenue, Kshs. 64.9 billion in Appropriations-in-Aid, and Kshs. 7.5 billion in grants. The growth in ordinary revenue is driven by all tax heads, specifically, Ksh 61.7 billion from income tax, Kshs. 22.3 billion from import duties, Kshs. 14.3 billion from excise duties, and Kshs. 12 billion from other tax revenues. This expansion reflects the impact of ongoing tax administration reforms, improved compliance, and efforts to widen the tax base.

19. The Committee expressed concern that, despite projections of increased overall revenue, including grants, actual collections as of December 2025 amounted to Kshs. 1,506.3 billion against a target of Kshs. 1,654.6 billion, leaving a shortfall of Ksh. 148.3 billion, largely due to underperformance in key revenue streams. This under collection suggests that the National Treasury may have overestimated revenue potential during the FY 2025/26 budget preparation and without corresponding spending adjustments, the fiscal deficit could exceed initial projections.

20. Total expenditure and net lending for FY 2026/27 are projected at Kshs. 4,737.5 billion, representing an increase of Kshs. 435.7 billion from Kshs. 4,301.9 billion in the approved FY 2025/26 Budget Estimates. This growth in spending reflects the continued prioritization of key policy interventions, notably the implementation of Competency-Based Education and Training, infrastructure development, governance, and electoral preparedness in support of the 2027 general election, as well as enhanced national security operations.

21. The overall expenditure is projected to increase by Kshs. 435.7 billion, comprising Ksh. 322.8 billion in recurrent expenditure, Kshs. 102.2 billion in development expenditure, and Kshs. 10.7 billion in transfers to counties. The rise in recurrent expenditure is largely driven by Kshs. 137 billion for operations and maintenance, Kshs. 105 billion for domestic interest payments, and Kshs. 63 billion allocated to salaries and wages.

22. The Committee expressed concern over interest payments on public debt that have increasingly constrained fiscal flexibility, limiting resources available for essential service delivery and development initiatives. The amount required for interest service as a share of the total budget has increased from 15 percent in 2018/19 FY to over 25 percent in FY 2025/26. The fiscal pressures arising from past excessive borrowing underscore the urgent need for alternative financing mechanisms to support the development agenda.

23. The Committee recognised the efforts to enhance development expenditure allocations, noting an increase of Kshs. 105 billion from the current fiscal year. A similar trend was observed in the previous year, when development allocations rose by approximately Kshs. 101 billion. However, the Committee expressed concern over persistently low absorption rates of development funds in recent years, which have slowed implementation and stalled progress on key projects despite the higher budgetary allocations.

24. Given the gap between projected expenditure and revenues, the fiscal deficit, including grants, is expected to widen by Kshs. 216 billion, increasing from Kshs. 933 billion (4.8 percent of GDP) in FY 2025/26 to Kshs. 1,149.5 billion (5.5 percent of GDP) in FY 2026/27. The expanded deficit will be financed through a mix of external and domestic borrowing, comprising Kshs. 225.5 billion from foreign disbursements and Kshs. 924 billion from domestic sources.

25. The Committee expressed concern over the continued overreliance on domestic borrowing to finance the fiscal deficit, observing that sustained high levels of government borrowing from the domestic market may crowd out credit to the private sector. This could lead to higher interest rates, reduced access to affordable financing for businesses, particularly MSMEs, and ultimately constrain private sector–led investment, job creation, and overall economic growth.

26. Ministerial expenditure is projected to increase by Kshs. 317.9 billion in the FY 2025/26 period. The largest share of this increment, amounting to Kshs. 64.2 billion, is allocated to the Education sector. The increase is largely driven by an additional Kshs. 34.9 billion for teacher resource management and Kshs. 16.4 billion for university education, reflecting the government's continued implementation of ongoing reforms in the realization of Competency-Based Education and Training.

27. The infrastructure sector has received a significant additional allocation of Kshs. 59.9 billion. Key drivers of this increase include Kshs. 11.8 billion for railway transport, Kshs. 10.3 billion for road transport, Kshs. 15 billion for housing and metropolitan development, and Ksh. 14.8 billion for power generation and transmission. Within the sector, major flagship initiatives include the rollout of large-scale road modernization, including the upgrading of 28,000 km of roads to bitumen standards over the medium term; the construction of affordable housing units aimed at addressing the housing deficit while stimulating employment; and the addition of 275.5 MW of new power generation capacity, alongside expanded geothermal development and increased electricity connectivity to households and businesses.

28. The governance and public administration sector has been allocated an additional Kshs. 46.9 billion, including Kshs. 15.6 billion to the Independent Electoral and Boundaries Commission, Kshs. 12 billion to the National Police Service, Kshs. 7 billion to the State Department for Internal Security and National Administration, Kshs. 5 billion for prison services, and Kshs. 2 billion to the Judiciary. Additionally, the National Security sector receives an extra Kshs. 46.2 billion, with Kshs. 37 billion allocated to Defence and Kshs. 7 billion to the National Intelligence Service, reflecting a strong focus on electoral preparedness and national security.

29. The Health sector is allocated an additional Kshs. 29.3 billion, with the bulk of Kshs. 20 billion earmarked for the National Referral and Specialized Services programme. Meanwhile, the Agriculture and Rural Development sector receives an increase of Kshs. 14.6 billion, including Kshs. 10 billion for the Crop Development programme and Kshs. 5 billion for Livestock Resources Management and Development, reflecting continued support for critical health services and agricultural productivity.

2.4 Policy Thrust of the 2026 BPS

30. The National Development Agenda under the current administration is anchored on the Fourth Medium Term Plan (MTP IV). The plan clusters government functions into five sectors, viz. Finance and Production, Infrastructure, Social, Environment and Natural Resources, and Governance and Public Administration. Policy interventions are structured across these sectors using a value-chain approach to promote coherence, efficiency, and long-term sustainability. The envisioned interventions aim to lower the cost of living, strengthen food security, create jobs, broaden the tax base, improve foreign exchange reserves, and promote inclusive economic growth.

31. The Finance and Production Sector under the Fourth Medium Term Plan brings together functions that drive economic growth, revenue generation, and productive capacity of the economy. It focuses on macroeconomic stability, domestic resource mobilization, industrialization, agriculture, trade, tourism, mining, and enterprise development. The sector's overarching objective is to enhance productivity, expand the tax base, promote value addition and exports, support job creation, and strengthen economic resilience through efficient financial management and a competitive production base.

32. The 2026 Budget Policy Statement underscores agriculture as a central pillar for economic growth and food security. It outlines several achievements largely concentrated at the input and primary production levels. Notable milestones include the registration of 7.1 million farmers into the Kenya Integrated Agriculture Management Information System (KIAMIS), distribution of subsidised fertilizer to 3.15 million farmers, and reported increases in sugar, rice, and tea production. These measures signal strengthened government support in improving farmer targeting, lowering input costs, and boosting short-term productivity across key sub-sectors.

33. The rebound in the agriculture sector is expected to be driven by targeted government interventions. These include bringing an additional 108,200 acres of land under irrigation; ensuring the timely provision of subsidized fertilizer; supplying seeds and seedlings for priority value chains such as coffee, cotton, and edible oils; enhancing crop and livestock insurance coverage; and operationalizing and scaling up the warehouse receipt system to improve post-harvest management and access to structured markets.

34. The Committee noted that despite these efforts, comparative Global Hunger Index data indicate that Kenya performs better than several countries in the region but still lags behind the global average. This underscores persistent food-security vulnerabilities despite ongoing policy attention to agriculture. While Kenya's score (25.9)[1] is slightly above the Sub-Saharan Africa average (27.1), it remains below the world average (18.3) and regional peers such as Tanzania, Uganda, and Rwanda. This relative positioning suggests that although national interventions have yielded incremental improvements, they have not been sufficiently transformative to move the country to a food-secure nation.

[1] Kenya - Global Hunger Index (GHI) - peer-reviewed annual publication designed to comprehensively measure and track hunger at the global, regional, and country levels

35. The Committee observed that, given that the country benefited from relatively good and consistent rainfall over the past three years, part of the observed increases in crop output and productivity may reflect weather-related dividends. This underscores the need to distinguish between climate-driven gains and policy-driven outcomes, as reliance on favourable rainfall patterns risks overstating progress and masks underlying structural vulnerabilities.

36. The Committee expressed concerns over the continued dominance of input subsidies and short-term production support relative to deeper structural investments in agriculture in line with the MTP IV value chains. Input provision represents only the most basic segment of the value chain, and while it is essential for boosting immediate production, its repeated prioritization risks limiting broader sector transformation. Given that this is the fourth year of BETA implementation, policy emphasis needs to gradually shift toward downstream and cross-cutting interventions such as value addition, post-harvest handling, agro-processing, and market access systems.

37. The MTP IV places significant priority on the livestock and livestock products value chains as a strategic avenue for industrialization, employment creation, and export growth. Key focus areas include increasing livestock productivity, strengthening sub-sector competitiveness, and undertaking a comprehensive overhaul of the leather and leather products value chain. This transformation agenda extends beyond primary production to manufacturing, including the targeted production of shoes and boots for disciplined forces and school-going children, thereby linking agriculture to domestic industry and public procurement.

38. The Committee observed that despite these policy commitments, livestock production remains a highly challenging economic activity, largely constrained by persistent structural and climatic vulnerabilities. Drought continues to pose severe risks, frequently resulting in acute water scarcity and pasture depletion that depress animal productivity, heighten susceptibility to disease outbreaks, and in extreme cases trigger elevated mortality and distress sales by farmers.

39. The Committee also noted that while the dairy marketing structures are relatively organized through cooperatives and formal milk collection networks, the marketing of livestock for meat remains largely informal and weakly structured. Prices are frequently determined by brokers through visual appraisal rather than standardized grading systems or live-weight measurement, significantly weakening farmers' bargaining power and exposing them to exploitation. Hence, the need for policy interventions to reverse the same.

40. The Committee noted that a critical component of the agricultural and livestock value chains is the role of extension officers who support value chain actors in the adoption of modern technologies, innovations, and management practices. The Committee emphasized that strengthening extension services is essential for accelerating agricultural transformation, improving household incomes, and enhancing national food security.

41. To promote MSME development, the Government has made notable progress in addressing several longstanding bottlenecks. Particularly, focus has been on improving the ease of enterprise registration, enhancing access to land, expanding the availability of skilled labour, streamlining labour regulations, and strengthening the functionality of the judicial system in resolving business-related disputes. These interventions have collectively contributed to a more enabling business environment for Micro, Small, and Medium Enterprises.

42. The Committee noted that over the years, there has been a multiplicity of government interventions aimed at improving MSMEs' access to affordable financing. These initiatives include the Youth Enterprise Development Fund, Women Enterprise Development Fund, Uwezo Fund, the Kenya Industrial Estates, the Kenya Development Corporation, and, more recently, the Hustler Fund, the Credit Guarantee Scheme, the Rural Kenya Financial Inclusion Facility, and the Nyota Initiative. While these programmes demonstrate sustained policy attention toward MSME financing, their proliferation has at times led to fragmentation, overlap in mandates, and administrative inefficiencies, thereby limiting the overall effectiveness and scalability of support to businesses.

43. The Committee observed that despite these numerous interventions, access to affordable financing remains one of the most frequently cited bottlenecks to enterprise development in Kenya. According to the 2025 Enterprise Survey by the World Bank[2], the leading obstacles to doing business in Kenya include high tax rates, limited access to finance, cost of electricity, political instability, practices of the informal sector, corruption, and challenges related to tax administration. This indicates that while policy and institutional measures have expanded over time, structural and systemic constraints continue to hinder the growth and competitiveness of micro, small, and medium enterprises.

[2] Data | Enterprise Surveys - World Bank Group

44. The Fourth Medium-Term Plan envisaged a significant expansion of the manufacturing sector's contribution to GDP. This was projected to increase from 7.8 percent in 2022 to 13.6 percent by 2026 and further to 15 percent by 2027, reflecting an ambitious industrialization agenda anchored on value addition and job creation. In contrast, the BPS largely situates manufacturing and agro-processing growth within selected priority value chains, linking industrial performance to outcomes in agriculture and other value chains.

45. The Committee, however, observed that the share of manufacturing in GDP has been on a declining trend, which raises further concern about the realism of the current policy frameworks. The contribution of manufacturing has continuously declined from approximately 8 percent in 2022 to 6.5 percent by 2025. The trajectory suggests that manufacturing growth has lagged behind overall economic expansion, pointing to policy inefficiency and weak value-chain linkages that continue to dilute the sector's capacity to drive employment creation, export diversification, and long-term industrial transformation.

46. The MTP IV aimed for the completion of 47 County Aggregation and Industrial Parks (CAIPs) across all counties by FY 2026/27. With only a year remaining, progress has fallen significantly short of this goal, with only 13 parks nearing completion and some yet to begin. This Committee noted that this delay not only undermines the broader objective of promoting value addition and industrialization at the county level but also risks slowing job creation, limiting private sector investment, and constraining the anticipated economic spillovers from fully operational industrial parks.

47. Health sector reforms over the years have largely aimed to reduce the financial burden of healthcare on households. However, these efforts have yielded only modest gains, as out-of-pocket (OOP) expenditure declined marginally from about 30 percent to approximately 25 percent over fifteen years[3]. While Kenya's OOP share remains below the Sub-Saharan Africa average, it is still higher than that of some regional peers, notably South Africa and Rwanda. This underscores the need for sustained efficiency and strengthened administration of the primary health care funding to enhance financial protection and deliver improved health outcomes at an affordable cost.

[3] Out-of-pocket expenditure (% of current health expenditure) - Kenya | Data

48. The Committee observed that while significant gains have been realized in mobilizing healthcare financing through enhanced contributions to the Social Health Insurance Fund, service delivery outcomes remain uneven. The sector continues to grapple with structural human-resource constraints, including remuneration disparities, delayed implementation of collective bargaining agreements, and the slow rollout of digital health records and integrated information systems. These bottlenecks limit efficiency and weaken the translation of increased financing into improved health outcomes.

49. The Committee expressed concern that greater emphasis has been placed on the construction and establishment of new health facilities, often with limited attention to their operationalization. There is need, therefore, of a more structured and coordinated approach to healthcare facility expansion that adequately considers human resource requirements, availability of medical equipment, and the sustainable provision of medicine and medical supplies to ensure that these facilities are functional and responsive to public needs.

50. The Committee appreciated that the government has made notable progress in rolling out competency-based education and training (CBET). Key achievements include the hiring of additional teachers, the provision of learning materials, and the construction of additional facilities, including classrooms, laboratories, and sanitation infrastructure. These efforts are expected to contribute to an improved learning environment and the implementation of a skills-focused curriculum, which is central to enhancing student outcomes and preparing the future workforce.

51. Despite these achievements, the education sector continues to face multiple challenges. Key issues include the adequacy of capitation funds, delays in their disbursement, persistent infrastructure gaps, and the misalignment of teaching resources with students' actual needs. These constraints risk undermining the effective implementation of competency-based education and training, limiting the sector's ability to deliver quality, inclusive, and skills-oriented learning outcomes.

52. Given the ongoing drought, the Committee deliberated on the need to scale up the school feeding programme to support vulnerable learners. Prolonged food insecurity threatens children's nutrition, cognitive development, and overall health, which in turn can lead to higher absenteeism and poor learning outcomes. Expanding and strengthening the programme would help ensure that students receive at least one nutritious meal per day, maintaining their energy levels, concentration, and capacity to participate actively in learning. The Committee equally noted that a robust school

feeding programme can provide an economic stimulus to local communities by sourcing food from local farmers, thereby supporting agricultural activities.

53. The Committee took cognizance of the fact that the BPS provides an additional Kshs. 34.8 billion to the Teachers Service Commission for hiring and retooling of teachers to deliver CBET. However, there is a need to optimize existing teaching resources, particularly for teachers. Ensuring that teachers are effectively deployed, aligned with subject and student needs, and supported through continuous professional development is critical to maximizing learning outcomes. Proper utilization of existing human resources can also help address gaps in curriculum delivery, reduce inequities across schools, and strengthen the overall impact of competency-based education.

54. The number of applicants to the Higher Education Loans Board continues to rise while the resources available have remained relatively stagnant. Consequently, the proportion of eligible students who do not receive support has increased significantly, from about 9 percent in FY 2021/22 to approximately 31 percent in FY 2024/25. This widening gap highlights growing pressure on higher education financing and raises concerns about equitable access to tertiary education, particularly for students from low-income households. The Committee noted that an additional 14.6 billion has been provided to support the University education programme.

55. Social protection plays a critical role in supporting vulnerable households by providing income security and access to essential services, thereby reducing inequality and poverty. Through instruments such as cash transfers, social insurance, public works programmes, capitation grants to schools, and targeted subsidies, it cushions households against economic shocks, unemployment, disability, and old age.

56. Evidence indicates that cash transfer programmes are among the most progressive social protection instruments. They are more effectively targeted toward the poorest and most vulnerable households in society and also give beneficiary households the flexibility to allocate resources according to their most pressing needs, whether food, healthcare, education, or small-scale investments. This autonomy enhances household welfare, promotes dignity, and often leads to more efficient and context-specific use of available resources[4].

[4] Impact of Kenya's Fiscal Choices on Poverty and Inequality, UNICEF, 2025

57. The Committee noted that the major bottlenecks facing cash transfer programmes are the low benefit levels and limited coverage. The BPS does not address this adequately, even though, in many cases, the transfer amounts are too modest to fully shield beneficiaries from rising living costs. At the same time, constrained fiscal space and administrative challenges have resulted in many eligible and vulnerable households remaining excluded from the program.

58. The Childcare Reform Strategy aims at the phased closure of children's homes and the transition of vulnerable children to Alternative Family-Based Care options. This is in line with best practices that prioritize family and community care over institutionalization. While the policy statement commits to place 50,000 children into Alternative Family-Based Care arrangements, the Committee observed that progress has been considerably slow, with only about 1,500 children placed over the last three years.

59. Housing and settlement remain a critical pillar of the Bottom-Up Economic Transformation Agenda. The Affordable Housing Programme is positioned as a key driver in efforts to reduce the housing deficit, expand access to homeownership, and stimulate construction-led economic growth. By promoting large-scale housing development, the programme is expected not only to improve living conditions for low- and middle-income households but also to create employment opportunities, strengthen local supply chains, and contribute to broader economic dynamism.

60. The Committee noted that the MTP IV envisaged the delivery of 200,000 housing units per year; however, between 2022 and 2025, progress has been limited. During this period, only 214,057 housing units were reported to be under construction, and just 1,189 units have been completed and handed over. This slow completion pace highlights challenges in project implementation and coordination, which continue to constrain the ability of the programme to meaningfully reduce the national housing deficit, ignite the construction industry, and create jobs.

61. The Committee took cognizance of the fact that the Affordable Housing Fund, along with the ongoing construction of affordable houses, is designed to address supply-side constraints in the housing sector. By providing financing support to developers and facilitating large-scale housing projects, these initiatives aim to increase the availability of affordable homes. However, there is need to upscale policy interventions geared towards igniting the demand for these houses through affordable mortgage programmes.

62. The Committee noted that the BPS is cognizant of the critical role that road and transport infrastructure play in the country's economic development. Consequently, the Government plans to prioritize the construction and rehabilitation of road networks to enhance connectivity nationwide. Specifically, 1,891 kilometres of roads are slated for construction, 515 kilometres for rehabilitation, and 1,224 kilometres for periodic maintenance. In addition, 78,320 kilometres of roads will undergo routine maintenance.

63. The Government has committed to addressing the perennial challenge of pending bills in the road sector through the securitization of the Road Maintenance Levy Fund (RMLF). However, the Committee observed that there are limited policy measures proposed in the BPS to prevent the accumulation of new pending bills in the sector following the proposed ambitious projects. This gap risks undermining the sector's effectiveness, as unchecked arrears could delay project implementation, disrupt maintenance schedules, and hinder the overall contribution of road infrastructure to economic growth.

64. To address financing constraints in the infrastructure sector, the BPS commits to the establishment of the National Infrastructure Fund and the Sovereign Wealth Fund. These funds are intended to be leveraged by the Government to mobilize additional resources for infrastructure development, enhance project financing, and support the timely implementation of critical road, transport, and other public infrastructure projects.

65. The Committee is aware that the Government has established multiple development funds over the years. These include the Road Maintenance Levy Fund (RMLF), Railway Development Fund, Petroleum Development Fund, Sports Development Fund, and, more recently, the Affordable Housing Fund. However, there is need for clarity with regard to the interplay of these existing funds with the introduction of the National Infrastructure Fund, raising concerns about coordination and efficiency in infrastructure financing.

66. The Committee observed that the National Infrastructure Fund Framework, as proposed in the Budget Policy Statement, lacks clarity on how it will coordinate infrastructure development with parent ministries and oversight agencies such as Parliament, Controller of Budget, and Auditor General. This calls for the need to address concerns regarding the potential oversight gaps, fragmented planning, and inefficiencies, which could undermine the effectiveness of infrastructure investments and delay the implementation of priority projects.

67. To reduce transmission losses across the national grid, the BPS notes that the Government aims to rehabilitate and modernize transmission assets. This includes expanding high-voltage transmission lines and substations and strengthening energy infrastructure. These measures are designed to enhance efficiency, reliability, and capacity, with the broader goal of achieving 100 percent electricity connectivity over the medium term, thereby supporting economic growth and equitable access to power across the country.

68. The BPS notes that national power generation capacity is planned to be increased by an additional 10,000 megawatts (MW). This is to be achieved through a mix of geothermal, wind, solar, and hydroelectric projects. This expansion aims to support industrial growth, improve energy security, and ensure a reliable and sustainable power supply to meet the country's growing demand.

69. The Committee observed that there are no policy pronouncements in the BPS regarding the role of Independent Power Producers (IPPs) in the proposed expansion of generation capacity. Yet, the high cost of power in the country has been partly attributed to tariffs and contractual arrangements with IPPs. Without clear guidance on how IPPs will be integrated, managed or regulated, the planned expansion risks further increasing generation costs and potentially limiting the affordability of electricity for businesses and households.

70. The BPS highlights that the Government continues to enhance the country's irrigation infrastructure, expanding coverage by an additional 108,210 acres. This expansion has primarily been achieved through community-managed initiatives and smallholder irrigation projects, thereby supporting agricultural productivity and food security at the grassroots level. To scale these gains, the Government intends to realize additional key investments, including the Thwake Dam and the Galana-Kulalu Irrigation Project.

71. However, the Committee noted that the government appears to face recurring implementation challenges in delivering mega water infrastructure projects. This is often characterized by cost overruns, delays, or stalled execution, while comparatively stronger results have been observed in small to medium-scale, community-based water supply and irrigation initiatives. Consequently, policy and budget priorities may require recalibration toward scalable community-level investments supported by strengthened local governance, maintenance planning, and technical support where delivery capacity and social impact have proven more reliable and immediate.

72. The Committee noted that the government had previously expressed optimism about leveraging public–private partnerships (PPPs) to address persistent water shortages. However, beyond limited measures, there is little evidence of substantive progress in translating this optimism into large-scale, operational projects. This gap underscores the need for a more rigorous and transparent assessment of the feasibility, bankability, and institutional readiness of PPP models within the water sector.

73. The Committee observed that while the BPS highlights progress across key activities in the mining value chain, these efforts appear largely administrative and regulatory in nature. These include the issuance of 7,783 mineral export permits, 6,427 explosives licenses, and 472 fireworks permits alongside inspections of exploration sites, mining operations, and explosives handling facilities.

74. The Committee expressed concern that the transformative momentum envisioned under MTP IV to transform the large-scale and artisanal mining appears to have slowed over time. There is limited evidence of significant progress in downstream value addition, large-scale investment mobilization, or the operationalization of strategic mineral development projects. This suggests a need to recalibrate implementation efforts toward commercialization and stronger integration of the mining sector into broader value chains and growth strategies.

75. The MTP IV set an ambitious target of planting 7.5 billion trees by 2027 as part of the national climate mitigation and environmental restoration agenda. However, the Committee noted that the BPS reports that only about one billion trees have been planted so far, suggesting that implementation is significantly off track relative to the set timeline. Moreover, there is no data provided on the survival rate of the planted trees, which is a critical metric in assessing the effectiveness and sustainability of the restoration programme.

2.5 County Resource Allocation

76. The Public Finance Management Framework sets out clear fiscal responsibility principles that counties must observe in budgeting and implementation. These include allocating at least 30 percent of the county budget to development expenditure; ensuring recurrent expenditure does not exceed total revenue; capping compensation of employees at no more than 35 percent of total revenue; restricting borrowing strictly to development purposes; and maintaining county public debt at no more than 20 percent of total revenue at any given time. In addition, counties are

required to promote predictability in tax rates and bases while prudently managing fiscal risks to safeguard financial sustainability.

77. The Committee noted that recurrent expenditure continues to crowd out development expenditure in several counties. The total recurrent expenditure for counties amounted to Kshs. 346.98 billion, representing 65.1 percent of total revenue received and 73.7 percent of total expenditure in FY 2024/25. Notably, some counties recorded recurrent expenditure ratios above the overall average of 73.7 percent, signalling potential pressure on development allocations. These include Nairobi County (81.7%), Bungoma County (77.9%), Kajiado County (76.4%), Machakos County (76.2%), Bomet County (75.6%), Tharaka-Nithi County (75.0%), and Baringo County (74.5%), underscoring the need for expenditure rationalization to safeguard development spending among the devolved units.

78. Although all county governments complied at the budgeting stage with the minimum 30 percent development expenditure requirement, actual expenditure outturns fell short of the threshold. In FY 2024/25, counties allocated 36.4 percent of the total budget to development expenditure. However, out of the total actual expenditure, only 26.3 percent of the total spending was on development. Some counties exceeded the target in absorption of development funds, including Kilifi County (42.1%), Trans-Nzoia County (36.3%), and Siaya County (35.6%).

79. The Committee emphasized the need to move beyond mere compliance assessments and critically examine the efficiency and effectiveness of development expenditure. In particular, greater attention should be paid to allocative efficiency, the prevalence of stalled or incomplete projects, and the practice of spreading capital budgets too thinly across numerous initiatives. In addition, the Committee noted gaps in the assessment of execution constraints such as pilferage of public resources, delayed exchequer releases, and procurement bottlenecks, which are critical factors influencing the quality of spending and the extent to which county development budgets translate into tangible economic growth outcomes.

80. The BPS flags the high wage bill as a major risk to county fiscal sustainability, with only eight counties complying with the 35 percent personnel emoluments requirement. In FY 2024/25, counties spent 41.4 percent of total revenue on wages, well above the prescribed threshold. Counties spending over 50 percent of their revenue on staff compensation include Bungoma, Nyeri, Machakos, Baringo, Tharaka-Nithi, Kajiado, Taita-Taveta, Embu, Nairobi, and Homa Bay County. While

acknowledging limited short-term flexibility in managing inherited wage structures, the Committee emphasizes deliberate workforce optimization and strictly targeted recruitment to address genuine capacity gaps without undermining development spending.

81. The Committee expressed concern that Own Source Revenue (OSR) remains low relative to total county budgets, underscoring continued dependence on national transfers. It is noted that sustaining recent gains will require a transition from short-term administrative measures to deeper structural reforms, cautioning against over-reliance on Facility Improvement Funds (FIF) as a substitute for comprehensive and sustainable OSR enhancement strategies.

82. The BPS reports that counties had accumulated pending bills totalling KSh. 183 billion by the end of FY 2024/25, comprising Kshs. 127.5 billion for recurrent activities and Kshs. 56.3 billion for development expenditure. On average, these arrears represented 30 percent of total county-approved budgets, with Nairobi County accounting for nearly half of the total. The Committee observed that the continued buildup of pending bills, despite full disbursement of the equitable share by the national government, reflects fiscal irresponsibility and weak financial discipline among the devolved units.

83. The total shareable revenue for FY 2026/27 is projected at Kshs. 2,901.9 billion, of which Kshs. 2,472.3 billion is allocated to the national government, Kshs. 420 billion to county governments, and Kshs. 9.6 billion to the Equalisation Fund. The proposed county allocation is based on the most recent audited and approved revenues for FY 2021/22, amounting to Kshs. 1,920.4 billion and complies with the Constitution of Kenya Article 203(2) and (3), which guarantees counties not less than 15 percent of the latest audited and approved national revenue. The proposed Kshs. 420 billion represents 21.9 percent of the most recent audited revenues, thereby exceeding the constitutional minimum threshold.

84. The Committee noted that increasing revenue underperformance and rising debt servicing costs were key factors influencing the Kshs. 420 billion allocation to counties. Public debt-related expenses are projected to reach Kshs. 1,542.1 billion in FY 2026/27, equivalent to 53.1 percent of total shareable revenue. Other mandatory obligations, including pension payments and funding for constitutional offices, which also contribute to the fiscal pressures within the national government's budget framework.

85. The county equitable share of Kshs. 420 billion will be distributed among the 47 counties using the Fourth Basis approved by Parliament pursuant to Article 217 of the Constitution of Kenya. The Fourth Basis comprises three components: a Baseline Allocation (distribution of Kshs. 387.425 billion as allocated in FY 2024/25), an Affirmative Action Allocation (equal sharing of Kshs. 4.46 billion among 12 identified counties), and a formula-based allocation anchored on four specified parameters including Population (45%), Basic Share index (35%), Poverty Index (12%), and Geographical Size (8%).

86. The Committee took cognizance of the fact that, beyond the equitable share, county governments are eligible for additional conditional or unconditional allocations from national revenue pursuant to Article 202(2) of the Constitution of Kenya. These allocations are categorized into transfers from the national government's share of revenue and allocations financed through loans and grants from development partners. For FY 2026/27, total additional allocations of Kshs. 75.69 billion is proposed, comprising of Kshs. 18.3 billion from the national government's share and Kshs. 57.4 billion from development partners. The national government component is intended to advance priority programmes at the county level, including county aggregation and industrial parks, support to community health promoters, and the rollout of Universal Health Coverage personnel.

87. Article 204 of the Constitution of Kenya provides for ringfenced allocation to marginalized areas of the country. The Equalisation Fund is provided for in the annual Division of Revenue at 0.5 percent of the most recent audited revenue, as stipulated under Article 204(1) of the Constitution. For FY 2026/27, the audited revenue for FY 2021/22 amounting to Ksh. 1,920.4 billion has been applied, translating to an Equalisation Fund allocation of Ksh. 9.6 billion.

88. The Committee observed that implementation challenges persist across the 34 beneficiary counties covering 1,424 identified marginalized areas, with frequent delays or non-disbursement of Equalisation Fund resources by the close of the financial year. The Committee further noted that the expansion of marginalized areas under the Second Policy on Marginalisation by the Commission on Revenue Allocation has led to fragmentation and dilution of the original objectives of the Equalisation Fund, thereby weakening its targeted impact.

3.0 SUBMISSIONS BY DEPARTMENTAL COMMITTEES

89. The Chairpersons of the twenty (20) Departmental Committees appeared before the Budget and Appropriations Committee to present and deliberate on their respective reports arising from consideration of the Budget Policy Statement. During these engagements, the Committees outlined their key findings, sectoral observations, and policy recommendations based on stakeholder consultations, programme performance assessments, and analysis of proposed expenditure ceilings against institutional mandates and resource requirements. The detailed committee-specific submissions, including observations and recommendations, are annexed to this Report for reference. The overarching submissions are set out below.

3.1 Finance and Production Sector

90. The committee on Agriculture and Livestock noted that despite being a premier research institution with significant autonomy, the Kenya Agricultural and Livestock Research Organization (KALRO) remains heavily reliant on the National Exchequer. The data indicates that out of a Gross Estimate of 4.77 billion, a staggering 3.86 billion (approx. 80%) is still funded by the Exchequer. This suggests that KALRO has yet to effectively leverage its intellectual property and research services to generate sufficient internal revenue (AIA), failing to move toward the self-sustainability expected of an autonomous state corporation.

91. The committee on trade, industry, and cooperatives observed that the New Kenya Cooperative Creameries is mandated to mop up excess milk from farmers, which is subsequently processed into powdered milk. However, this product faces market challenges due to high conversion costs and limited uptake, even as some government agencies continue to procure imported powdered milk.

92. Further, it was noted that that milk coolers are funded through the State Department for Livestock while the primary beneficiaries, cooperatives, fall under the State Department for Cooperatives. This misalignment in institutional mandates has led to delays in procurement and distribution of coolers to beneficiary cooperatives.

93. The committee on finance and national planning, after extensive deliberation with the National Treasury, noted that Kenyan taxpayers stand to save up to KShs. 3 billion annually in interest payments and transactional costs arising from the ongoing full rollout of the Single Treasury Account (STA). The Committee notes that, within the first six months of FY

2025/26, the STA has consolidated approximately KShs. 1.5 trillion from previously fragmented accounts across the public sector.

94. The Finance Committee further expressed that the NG-CDF allocation has been maintained despite the projected higher revenue. Maintaining the previous financial year's allocation as the ceiling for FY 2026/27reduced allocation poses material risks to the implementation of ongoing constituency projects and the sustainability of bursary programme.

3.2 Infrastructure Sector

95. The committee on transport and infrastructure noted that the National Infrastructure Fund is intended to support infrastructure development across sectors, it may not adequately address the significant financing needs of the roads sub-sector. The Committee noted that prioritizing roads within the Fund would yield faster economic returns.

96. The committee on energy noted with concern the delays in wayleave acquisition processes, largely arising from inadequate provision of Government counterpart funding, continue to significantly affect the timely implementation and completion of transmission infrastructure projects undertaken by the Kenya Electricity Transmission Company (KETRACO). These projects are critical for evacuating power from generation plants, enhancing grid stability, and expanding access to reliable electricity nationwide.

97. Further, the Committee observed that the consolidation of electrification programmes under a single vote head (1152104400 – Electrification of Public Facilities) implemented by the Rural Electrification and Renewable Energy Corporation (REREC), which covers both constituency-based rural household connections and electrification of public facilities and institutions, has led to prioritization of village and household connections over public facilities and institutions, thereby slowing the implementation of electrification projects targeting public institutions

98. The Committee on Lands observed that the State Department for Lands and Physical Planning has signed a financing agreement of USD 125 million with the World Bank to support implementation of land reforms including the National Land Policy, digitization and geo-referencing.

99. The Committee on Land expressed concern that the National Lands Commission is yet to be approved as a revenue collector by the National Treasury for the National Government

as per Section 76(1) of the PFM Act, 2012 to enhance Appropriation-in-Aid collection despite representing a potential revenue stream for the economy.

100. The Committee on blue economy, water and irrigation noted that revisions to the Water Act, 2016 expanded the roles of Water Works Development Agencies (WWDAs) to become bulk service providers and allowed them to collect Appropriations-in-Aid from sale of bulk water to county Water Service Providers. However, implementation has been slow and projected AIA collections have not been incorporated in FY 2026/27 ceilings, which may hinder PPP uptake in the water sector

101. The Committee further observed that Executive Order No. 1 of 2025 expanded the mandate of the State Department for Irrigation to oversee irrigation schemes administered by regional development authorities; however, FY 2026/27 BPS did not transfer the corresponding budgets. Affected schemes include Weiwei, Lomut and Napuu (KVDA); Lichota, Muhoroni and Alupe (LBDA); and Tana Delta Rice, Masinga and Kibwezi (TARDA).

102. The Committee on Communication observed that although there have been policy interventions in the data protection space, including enhancing operationalization of the Office of the Data Protection Commissioner, enactment of laws on data protection and establishment of regional offices, there is need to upscale data protection to ensure that Kenyans' data is secured and not misused or abused.

3.3 Social Sector

103. The Committee on Health observed that although Primary Health Care Services are intended to be free for all SHA-registered patients, some facilities continue to impose co-payments. The Committee noted that implementation of a mandatory Primary Health Care Services Charter is intended to eliminate these charges

104. In the education sub-sector, concerns were raised over the absence of a clear policy on placement of learners into senior schools, leading to overcrowding in some institutions and underutilization in others. Additionally, it was noted that a proper programme costing under the student-centered funding model was lacking.

105. The Social Protection Committee observed that Child Online Protection is a rapidly emerging safeguarding priority due to risks including sextortion, live streaming abuse,

cyberbullying and identity theft, necessitating urgent strengthening of protective frameworks in line with international commitments.

106. The Committee on Sports identified that the finalization of the Creative Economy Policy, enactment of the Creative Economy Bill 2026, and the Copyright Amendment Bill will strengthen the creative economy framework, policy coordination, and institutional capacity.

3.4 Environment and Natural Resources Sector

107. The committee on Environment and Climate Change stated that the State Department of Mining efforts as an alternate source of revenue generation for the country are on a positive trajectory with the revenue diversification from a single source (Base Titanium) to diversified sources such as Fluorspar mining, Gold processing, and refining, and quarries. Mining Act Cap 306 requires that regular monitoring and compliance inspections be done at the mining sites, dealers' premises, and collaborating agencies' offices by authorized officers. This necessitates facilitation in operational and logistics activities, which are currently highly underfunded, thereby leading to loss of revenues.

108. The Committee on Tourism and Wildlife observed that the State Department for Tourism is in the final stages of operationalizing the Kenya National Convention Bureau to enhance competitiveness in the Meetings, Incentives, Conferences and Exhibitions (MICE) segment, strengthen Kenya's global positioning as a premier conference destination, increase high-value visitor arrivals, stimulate investment, and generate employment and foreign exchange earnings.

109. The Regional Development committee noted that despite Cabinet approval to merge 42 State Corporations into 20 and dissolve 25 others, the National Treasury has not implemented these decisions, thereby perpetuating mandate overlaps and administrative inefficiencies.

3.5 Governance and Public Administration

110. The Defence Committee observed that disruptions in the international funding environment have affected traditional grant and Foreign Military Funding sources, leading to suspension of training, equipment acquisition, and construction projects, which may affect modernization and operational capacity of the Ministry.

111. The committee on justice and legal affairs indicated that there is need to leverage Public Private Partnerships and prison land resources for food production

112. Further, the Committee observed the Judiciary intends to operationalize the Kenya Judiciary Academy as a Semi-Autonomous Government Agency subject to Parliamentary approval.

113. The Committee on Administration and Internal Security noted that while the Police Commission has ambitious annual recruitment targets of 10,000 officers, the sustainability of such recruitment must be carefully aligned with broader fiscal realities and operational capacity within the National Police Service.

114. The Committee on Administration and Internal Security further expressed concerns on delays in forensic processing, with expert reports currently taking up to fourteen days against a target of two days. This delay has implications for timely prosecution and the overall administration of justice. Additionally, community policing implementation stands at 43 percent of police stations, which limits citizen engagement and collaborative crime prevention efforts.

115. The Committee observed that the mandate of the State Department for Immigration and Citizen Services is central to national security, population management, border control, and delivery of identity and digital public services. Effective implementation of its mandate directly affects citizen access to services and the integrity of national data systems.

116. The administration and internal Security committee noted that the proposed ceiling in the Office of the Prime Cabinet Secretary appears to be aimed at restoring funding for compensation, rent, contracted services, and general administration, which had been left unfunded. However, the Committee observes that the significant upward adjustment also signals weaknesses in initial budget structuring and inter-vote resource alignment, raising concerns about planning accuracy and fiscal discipline within the Executive.

4.0 SUBMISSION BY STAKEHOLDERS

117. Pursuant to Article 201 of the Constitution, the Committee undertook public participation on the BPS and received the following key submissions by stakeholders and members of the public.

4.1 Commission on Revenue Allocation

118. The Commission submitted that the national government was undertaking some devolved functions amounting to Kshs. 65.75 billion and recommended that the national government enter into intergovernmental agreements with counties where devolved functions are being budgeted at the national level. It was noted that this is important to ensure projects are completed and operationalised.

119. It was further noted that the implementation of the policy priorities for FY 2026/27 and the Medium-Term is characterized by inequity in resource sharing between the national and county governments. For FY 2026/27, the Commission recommended an allocation of Ksh. 458.94 billion to the county governments and Ksh. 2,513.76 billion to the national government as equitable shares. Of the is Ksh. 43.94 billion increment to the county government, Ksh. 35 billion is from the shareable revenue and Ksh. 8.94 billion is for the transitioning of Universal Health Coverage (UHC) staff to county governments payroll.

120. The CRA observed that non-realisation of revenue targets is a cause for delay in the disbursement of equitable share of revenue to county governments and is one of the contributors to the accumulation of pending bills. To this extent, it was recommended that the National Treasury should ensure their revenue targets are realistic.

121. The CRA noted that the Equalisation Fund allocation of 0.5 per cent is based on the most recent audited and approved accounts of revenue for the financial year 2021/22, a lag of 5 years which is not reflective of the current revenue performance. They called on the National Assembly to expedite approval of the audited accounts. Alternatively, Parliament should amend Article 204 of the Constitution so that the Equalisation Fund allocations are based only on the audited accounts.

122. The CRA further recommended that Kshs. 8.93 billion provided for as an additional allocation to county governments in FY 2026/27 for UHC workers should form part of the equitable share and it should be shared on each county's UHC workers payroll.

123. It was further noted that there was limited clarity on the Community Health Promoters (CHP) programme in terms of how many CHPs have been recruited, the budgetary allocation for the additional CHP recruitment, and which level of government will pay the stipends.

4.2 Council of Governors

124. The Council of Governors (CoG) observed that the Counties' allocation as a share of GDP was on a downward trajectory and recommended that it should grow with the economy's growth.

125. The CoG further recommended that the Kshs. 8.94 billion set aside as a conditional allocation for UHC workers for FY 2026/27 should be included in the division of revenue bill for FY 2026/27, and a commitment through a pronouncement on the transition should be made. It was further recommended that the Ministry of Health should address the payment of UHC workers' gratuity before they are transferred.

126. The CoG pointed out that there was significant difficulty in meeting the 35 percent wage bill to total revenue threshold and proposed that it be reviewed on account of factors such as inflation, population growth, and revenue growth rates compared to expenditure needs. In FY 2024/25, only 9 counties met this threshold.

127. The CoG proposed an allocation of Kshs. 534.96 billion in FY 2026/27 as county equitable share, broken down as follows: Kshs. 35 billion as adjustment for revenue growth; Kshs. 8.94 billion for the transition of UHC health workers; Kshs. 10.06 billion to implement the outstanding 3rd and 4th remuneration and benefits review cycle; and Kshs. 65.97 billion identified for transfers under the first phase of delineated and gazetted devolved functions by the IGTRC report. It was further submitted that resources identified in the IGRTC interim report should be recognized in the 2026 BPS and transferred to counties under the Division of Revenue Act.

128. The CoG also proposed that the list of Conditional Allocations to counties for FY 2026/27 be amended to include Kshs. 1.8 billion for Kenya Watershed Services Improvement Project

(KEWASIP). It was submitted that the project is active and its implementation is expected in 12 counties beginning FY 2026/27.

129. It was further recommended that Parliament should fast-track the repeal of sections 191 A-E of the PFM Act, which has slowed down disbursements of additional allocations to counties, and to exempt donor-funded conditional grants from the application of the section to secure their release to counties.

130. The CoG disagreed with the National Treasury proposal to split the CGAAB into two separate laws, noting that it would worsen delays in the disbursement of additional allocations to counties.

4.3 Intergovernmental Budget and Economic Council (IBEC)

131. IBEC observed the difference between the CRA, CoG and National Treasury proposals for county equitable share allocation for FY 2026/27 and recommended that Parliament should consider an adjustment for projected revenue growth to determine the appropriate allocation to County Governments.

132. IBEC further observed that the Council of Governors and the Commission on Revenue Allocation had recommended that the Kshs. 8.938 billion allocation for the transition of Universal Health Care workers payroll to counties be included in the Division of Revenue Act (DORA), while the National Treasury proposed that it be appropriated under the County Governments Additional Allocations Bill (CGAAB) 2026/27. It was noted that there have been consistent delays in approval of CGAAB and the subsequent release of funds to counties. As such, placement of these funds under the CGAAB may occasion consequential industrial action and potentially disrupt the delivery of healthcare services to citizens. IBEC called on Parliament to determine the appropriate placement of these funds.

4.4 Intergovernmental Relations Technical Committee (IGRTC)

133. The IGRTC submitted that it concluded the unbundling and delineation of functions in FY 2024/25 and embarked on the identification of financial resources for transfer to county governments, and that these allocations amounted to Kshs. 65.97 billion. The identified resources related to the following MDAs: Agriculture and Blue Economy; Lands, Housing and Urban Development; Trade, Investment, Industry and Cooperative; Transport; Culture and

Heritage; Tourism; Water and Sanitation; Disaster Management; and Health. The IGRTC noted that the 2026 BPS does not take into account these unbundled functions, pointing out that this would have a direct and material impact on the financial requirements of the county governments.

4.5 Institute of Certified and Public Accountants Kenya (ICPAK)

134. ICPAK submitted that accurate revenue forecasting is essential to avoid persistent shortfalls that weaken fiscal credibility and trigger unplanned borrowing. To this extent, they proposed broadening the tax base instead of increasing tax rates. It was further submitted that there is need for stricter control of recurrent expenditure and prioritization of development spending to ensure public resources deliver measurable economic returns. Additionally, rising debt servicing cost is constraining fiscal space, and there is need for prudent borrowing, enhanced transparency, and stronger adherence to medium-term fiscal consolidation targets.

135. ICPAK also submitted that stronger enforcement of PFM laws and improved budget discipline are required to reduce inefficiencies and enhance accountability. They called on the government to clear expenditure arrears to restore private sector liquidity, support SMEs and stimulate economic recovery. There is need for improved oversight and accountability in State-Owned Enterprises to reduce fiscal risks and contingent liabilities. ICPAK further proposed regulatory reforms and reduced compliance burdens to support investment, job creation, and sustainable growth.

4.6 Office of the Auditor General (OAG)

136. The 2026 BPS projects total revenue of Ksh 3.53 trillion in FY 2026/27 (16.9 percent of GDP), with ordinary revenue of Ksh 2.90 trillion, a 5.1 percent increase above FY 2025/26 and premised on tax reforms. Notably, actual ordinary revenue has repeatedly fallen short as follows: FY 2023/24: Ksh 2.294 trillion vs Ksh 2.464 trillion target (6.9 percent shortfall). FY 2024/25: Ksh 2.433 trillion vs Ksh 2.496 trillion target (2.5 percent shortfall).

137. OAG highlights leakages from its findings. It was submitted that this arises from loss of excise stamps, tax compliance certificates issued to taxpayers with arrears, abuse of tax amnesty, failure to onboard Affordable Housing Levy payers, and imports using expired

Gazette Notices. It was submitted that Treasury should adopt more cautious revenue forecasting based on historical performance, strengthen tax administration, digitization and anti-evasion measures.

138. The Office of the Auditor General submitted from its findings regarding budget implementation that, between FY 2020/21 and 2024/25, under-expenditure averaged 8.6 percent of gross estimated expenditure, peaking at 12 percent in FY 2023/24, indicating persistent absorption and implementation challenges. It was also submitted that delays in exchequer releases compresses implementation time, fuels pending bills, risks inefficient last-minute spending and undermines programme delivery at both national and county levels.

139. The BPS targets a deficit of 5.3 percent of GDP in 2026/27 and 3.3 percent by 2028/29, however in the last five years actual deficits have averaged about 6 percent, with debt-to-GDP around 67.8 percent by June 2025, which is above the 55 percent medium-term target and 3 percent deficit benchmark under the EAC Monetary Union Protocol.Additionally, debt-service-to-ordinary-revenue reached 68 percent by June 2024, leaving only 32 percent of revenue for all other recurrent and development spending and contributing to Kenya's high-risk-of-debt-distress rating by IMF and World Bank.

140. Despite the 2026 BPS prioritizing completion of ongoing/stalled projects and payment of verified pending bills, many projects remain stalled or delayed. For instance: FY 2023/24: 24 MDAs with stalled/delayed projects worth Ksh 38.24B (Ksh 7.9B already spent). FY 2024/25: 29 MDAs with stalled/delayed projects worth Ksh 31.4B (Ksh 7.6B already spent). It was noted that funds already spent on non-functional projects are effectively sunk costs providing no services or value for money. The OAG urges adequate resource allocation and strict focus on completing stalled viable projects and clearing verified pending bills.

141. It was noted that the e-GP system, intended to digitize procurement and integrate with IFMIS and tax databases to improve transparency and execution, faces rollout and integration challenges weakening its impact on budget credibility and audit trails.

142. Over the past five years, domestic borrowing has been more than three times as expensive as external borrowing, even though domestic debt is about half of total debt, increasing interest costs and vulnerability in 2026. The OAG underlines the need to manage

Treasury bills, lengthen maturities and undertake proactive liability management to ensure the 2026 budget remains executable and debt sustainable.

143. To effectively execute its constitutional mandate, the Office of the Auditor-General requested additional funding for FY 2026/27 amounting to Ksh 495 million. The requested allocation is intended to cater for personnel emoluments, facilitate audit operations, and support capital expenditures, including the purchase of motor vehicles and laptops, to enhance audit coverage, efficiency, and timely reporting.

4.7 Parliamentary Service Commission (PSC)

144. The Parliamentary Service Commission operates four votes, namely catering for the Parliamentary Service Commission, the National Assembly, the Senate, and the Parliamentary Joint Service. This is aimed to support and actualize the legislative agenda of both houses and other constitutional requirements.

145. The Commission is required to discharge its constitutional mandate effectively and independently. However, the commission submitted that the prevailing funding gaps pose significant constraints, as current allocation trends do not fully align with the resource requirements and commitments. If unattended, these misalignments will continue to affect the commission's ability to deliver optimal service.

146. The Commission emphasized that its resource requirements are directly derived from the legislative priorities and obligations set out in its Strategic Plan. It therefore underscored the need to appropriately align allocated resources with identified needs to ensure the effective implementation of its mandate.

147. The actual resource requirement for the Commission amounts to Kshs. 66.69 billion, compared to the proposed expenditure ceiling of Kshs. 48.78 billion, resulting in a funding shortfall of Kshs. 17.91 billion. This significant variance is likely to constrain the Commission's capacity to fully implement its planned programmes and meet its statutory obligations as outlined in its Strategic Plan. Without adequate funding, key priority interventions may be scaled down or deferred, thereby affecting the overall efficiency and effectiveness of service delivery.

4.8 Members of the Public and Civil Society Organizations

148. The following is a summary of the key issues that arose from submissions from Members of the Public and Civil Society Organisations:

a) Overall ceilings and financing

149. On the expenditure front, the government should scale down spending, particularly on non-essential operations and non-core expenditures, to align spending with available resources. Non-essential spending should be reduced by 20 percent and the savings redirected to essential spending. Development expenditures should be maintained at 30 percent of the total budget for both the county and national governments. It was further proposed that savings from workforce audits indicated in the 2026 BPS should be used to enhance development expenditure. Additionally, a comprehensive PPP performance and risk report should be undertaken.

150. On the revenue front, it was submitted that the government should strengthen revenue projections credibility through realistic forecasts. The government should use evidence-based assumptions anchored on the last 3 to 5 years' collection performance to forecast revenue targets. Further, emphasis should shift from expanding the tax base to closing leakages. Additionally, there should be a clear and transparent communication strategy on how additional revenue is effectively used to improve public service in the social sectors.

151. On the debt front, the fiscal deficit should be contained. New borrowing should be tied to concessional terms and productive investments that generate economic returns to service the debt. Further, the government should adopt a clear domestic borrowing path that avoids crowding out private sector credit. It was proposed that the National Treasury should table a statement comparing how much is spent on debt repayment and core services. In addition, the National Treasury should publish a simplified debt risk report, disclose government guarantees, and set a ceiling for non-concessional borrowing.

152. It was noted that there is need for stringent oversight of the Sovereign Wealth Fund and the National Infrastructure Fund such that they achieve their intended purpose and that the project selection should achieve measurable impact. An oversight mechanism should be established over the sale of public assets/ privatization.

b) Alignment of the MTDS to the BPS

153. The stakeholders emphasised the need:

i. To put in place an integrated revenue-debt sustainability framework. The National Treasury should produce, as a supplementary annex to the MTDS, an analysis that explicitly links revenue mobilisation with the borrowing programme. This should quantify the borrowing reduction. The MTDS cannot credibly project debt sustainability improvements whilst the BPS discloses a declining revenue-to-GDP ratio.

ii. For a natural resources' revenue integration strategy. The BPS should be supplemented with a minerals fiscal framework that projects extractive sector revenue over the medium term, identifies the fiscal regime applicable to the 970 mapped mineral occurrences, and integrates these projections into the MTDS's financing strategy.

iii. For the BPS to establish minimum core expenditure allocations for health, education, social protection, and housing, benchmarked against international standards (Abuja Declaration for health; UNESCO benchmarks for education; ILO Social Protection Floor). The MTDS should demonstrate how the borrowing programme supports these allocations.

iv. For a comprehensive digital transformation financing plan. A consolidated investment plan for data centre development should be prepared, including total capital and operational expenditure, energy requirements and associated costs, revenue generation models, cybersecurity infrastructure sequencing, and the return-on-investment analysis necessary to justify borrowing. The MTDS should assess whether digital infrastructure bonds or PPP-backed instruments can reduce the sovereign borrowing requirement.

v. For Investor-State Dispute Settlement (ISDS) transparency, indeed, the Government should disclose the total costs incurred in defending ISDS proceedings (Cortec Mining, World Duty Free, and any pending claims), the costs awards recovered, and how recovered amounts have been applied. The fiscal lessons of these proceedings, particularly the environmental regulatory framework affirmed in Cortec Mining, should inform both the BPS's approach to extractive sector and digital infrastructure governance and the MTDS's assessment of investment climate risks.

vi. To put in place a contingency financing protocol. The MTDS should incorporate explicit trigger mechanisms for adjusting the domestic- external financing mix when external disbursements fall short, including T-bill issuance ceilings, private sector credit impact thresholds, and market capacity assessments. The BPS should complement this with an analysis of the structural causes of external disbursement delays.

vii. To ensure that development expenditure protection mechanism. Given that debt service consumes 48.5 per cent of ordinary revenue and development expenditure has fallen below constitutional thresholds, the MTDS should include a development expenditure floor: no additional borrowing should be contracted unless the corresponding expenditure allocation meets the 30 per cent development spending threshold.

viii. To strengthen gender and disability budgeting. Both documents should include gender-responsive and disability-responsive budget statements, consistent with Articles 27 and 54 of the Constitution.

c) County Equitable Share

154. With the increase in the county equitable share, it was proposed that there is need for strict monitoring to ensure that the funds are put to good use. It was further submitted that the National Government should prioritize timely releases for county transfers, to avoid service disruptions.

155. It was submitted that the Government should use the most recent audited national revenue accounts for equitable revenue-sharing computation. It was further noted that the National Assembly should expedite the approval of the latest audited accounts of nationally raised revenue to avoid relying on FY 2021/22 accounts.

d) Pending bills

156. Allocations for the clearance of pending bills to contractors and suppliers should be factored in the 2026 BPS. It was proposed that new development expenditure should be frozen until pending bills are cleared.

157. and environmental remediation orders as part of restorative justice.

e) Equalisation Fund

158. To maximize impact of the Fund, it is crucial for the government to ensure timely, transparent and accountable disbursement of Equalization Fund resources, with clear

reporting on their utilization and effectiveness. The Equalization Fund should have measurable impact through the selection of the projects to be implemented.

159. It was further submitted that the National Government should improve intergovernmental coordination by aligning the National Treasury, implementing agencies, and county structures on roles, implementation timelines, and monitoring to accelerate delivery in targeted counties.

f) Sectoral Issues

i. Agriculture and livestock

160. Climate-smart investments should translate from policy to line- item budgeting. Additionally, there is need for funding to support agro-processing beyond food production.

161. In ASAL regions, there is need for well-funded livestock vaccination campaign, breeding through improved community-managed sires for genetic improvement, collection and preservation of hides and skins in remote areas to support the leather value chain and establishment of milk collection and cooling networks for camel milk to support the intervention by the government of establishing a camel milk processing factory.

ii. Governance, Justice, Law and Order

162. It was submitted that under the Governance, Justice, Law and Order sector contained in the BPS, Paragraph 287 of the 2026 BPS which indicates what is targeted for the sector, should be amended to provide for the implementation and funding of court-awarded compensation.

iii. Health

163. The government should establish a clear intergovernmental financing and accountability framework through a formal National-County agreement that defines financing responsibilities and payment timelines for the CHPs. CHP stipends should be disbursed through a conditional transfer or other ring-fenced arrangement with clear conditions.

164. It was further submitted that health worker strikes should be addressed through structured labour relations and comprehensive reforms by implementing a negotiated dispute-prevention framework that ensures timely remuneration, clear job grading, predictable career progression and improved working conditions. This should be done while strengthening dispute resolution mechanisms, adhering to collective bargaining agreements and corrective actions taken to minimize recurrent service disruptions.

165. To avoid repeated integrity concerns under SHA, the government must strengthen accreditation and contract oversight, apply risk-based facility profiling and impose penalties and recoveries when fraud is proven. It was submitted that effective targeting and registration of pastoralists and the urban poor in ASAL areas under SHA is essential. It was also submitted that pending bills under SHA should be prioritized.

166. Since health service delivery is mostly devolved and the national government mainly runs a limited number of Level 6 referral facilities plus policy and oversight roles, the large recurrent allocation under the national government needs clearer breakdown and justification to show if it matches the national mandate and is not crowding out funding for county frontline services.

167. In ASAL counties, strengthening primary care and referral systems should be prioritized and it will be impactful in healthcare.

iv. Water

168. The government should finalise and ensure functionality of ongoing major dams before committing significant resources to new dam pipelines. Further, Progress reports for all major dams should be provided to improve accountability.

169. In ASAL regions, there is need for strategic water points along livestock migration routes. Climate-resilient infrastructure such as underground dams and sand dams were proposed. It was further submitted that a comprehensive integrated water resource management strategy that considers the ASAL landscape be considered.

v. Education

170. There is need to complete and staff existing schools and teacher recruitment should be incentivized in ASAL and hardship areas. It was further submitted that TVETs should be prioritized in ASAL regions and be linked to the NYOTA program for youth employment. There is also need to further invest in assistive learner devices to reach learners with special needs in ASALs.

vi. Gender and social protection

171. There is need to mandate gender and equity assessments across all BETA pillars. Further, the government should clarify roles between the State Department for Social Protection and the National Council for Persons with Disabilities as they appear to be overlapping.

5.0 COMMITTEE OBSERVATIONS

172. Arising from the above extensive deliberations, including submissions from the departmental committees, key stakeholders, and members of the public, the Committee wishes to highlight the following key observations:

i. **State-Owned Enterprises reforms:** Although the Cabinet approved reforms of State Corporations, including the merger and winding up of certain entities, the proposed budget ceilings still reflect some of these entities without any corresponding budget allocation, raising concerns about alignment between policy decisions and the budget framework.

ii. **Court awarded compensation:** Court awards constitute a significant fiscal risk to public finances. The total outstanding court awards amount to over Kshs. 200 billion. However, there is no clear policy or institutional framework for their verification and settlement. This exposes the Government to the risk of unplanned expenditures, accumulation of interest, and penalties.

iii. **Format of publishing exchequer releases:** Although the budget is structured on a programme-based framework, the publication of exchequer releases continues to be done at the vote level. This misalignment makes it difficult to effectively track expenditure against approved programmes and outputs, thereby limiting transparency, accountability, and the ability to assess performance in line with the objectives of programme-based budgeting.

iv. **Adherence to the GFS Manual:** The fiscal framework presented in the Budget Policy Statement is not fully aligned with the best practices outlined in the Government Finance Statistics Manual 2014 (GFS 2014). The full adherence to the GFS 2014 framework is necessary to enhance transparency, improve the quality and comparability of fiscal reporting, and align the country's public finance statistics with internationally recognized standards.

v. **E-GP Procurement:** The implementation of various reforms, including the roll-out of the Electronic Government Procurement system, was undertaken in a rushed manner rather than through a phased and well-sequenced approach. This resulted in operational challenges, system disruptions, and delays that adversely affected service delivery and procurement processes across Ministries, Departments, and Agencies.

vi. **Financial Literacy for MSMEs:** There are multiple interventions in place aimed at improving affordable access to finance for Micro, Small, and Medium Enterprises (MSMEs). However, the effectiveness of these interventions is constrained by limited financial literacy among entrepreneurs. Enhancing financial literacy is therefore critical to ensure that MSMEs can fully leverage available financial products, make informed investment decisions, manage risks, and sustainably grow their businesses.

vii. **Agricultural risk to economic growth:** Agriculture is projected as a key economic growth driver in FY 2026/27, yet climate shocks (drought, floods, erratic rainfall) may

significantly dampen output, undermining growth, increasing inflationary pressures, and weakening revenue performance.

viii. **Monetary Policy Transmission:** Despite a significant reduction in the Central Bank Rate from 11.25 percent to 8.75 percent by February 2026, lending rates remain high, with spreads above 7 percentage points, reflecting structural inefficiencies that limit affordable private sector credit.

ix. **Current account balance:** The current account deficit widened from -1.1 percent of GDP in the third quarter of 2024 to -3.2 percent in the third quarter of 2025, signalling import dependence and weakening external competitiveness despite export promotion efforts.

x. **Export diversification:** Tourism earnings and diaspora remittances are insufficient to offset the trade deficit. Export concentration in a few primary commodities exposes the economy to price volatility and demand shocks, highlighting weak value addition and competitiveness.

xi. **Revenue performance:** persistent shortfalls in revenue collection due to optimistic revenue forecasts from the National Treasury are widening the fiscal deficit and increasing reliance on borrowing. Revenue underperformance is also a significant impediment to budget implementation. However, the committee is confident that increasing KRA's budget will strengthen revenue collection by enhancing tax administration capacity, improving compliance enforcement, and reducing leakages across the tax base.

xii. **Debt Service Burden:** Interest payments now exceed 25 percent of the budget, severely constraining the fiscal space. Debt-related costs (Ksh. 1,542.1 billion in FY 2026/27), accounting for approximately 53.1 percent of total shareable revenue, reflect past excessive borrowing, which has crowded out development expenditure.

xiii. **Low Development Absorption:** Despite increasing budgetary allocations to development expenditure, persistently low absorption rates of development funds in recent years have slowed implementation and stalled progress on key projects.

xiv. **Credit to the Private Sector:** Heavy reliance on domestic borrowing to finance the fiscal deficit risks crowding out private sector credit, raising financing costs for MSMEs, and constraining investment and job creation.

xv. **Food Security Gap:** Despite significant investment in multiple agricultural interventions such as irrigation, subsidized fertilizer, crop and livestock insurance, and warehouse receipt systems, food security remains elusive, indicating structural inefficiencies and weak programme effectiveness.

xvi. **MSME Financing:** There exists multiple MSME financing schemes including the Youth Enterprise Development Fund, Women Enterprise Development Fund, Uwezo Fund, Kenya Industrial Estates, Kenya Development Corporation, Hustler Fund, Credit Guarantee Scheme, Rural Kenya Financial Inclusion Facility, and Nyota Initiative.

These overlapping funds create duplication and inefficiency, with inadequate emphasis on financial literacy and sustainability.

xvii. **Business Environment:** High taxes, limited finance, costly electricity, informality, corruption, and policy uncertainty remain major barriers to business investment and enterprise growth.

xviii. **Delayed CAIPs:** Delays and unclear operational readiness of County Aggregation and Industrial Parks undermine the objective of promoting value addition, industrialization, and job creation.

xix. **Health Sector Operational Gaps:** Increased contributions to the Social Health Insurance Fund have not translated into uniform service delivery due to staffing shortages, delayed CBAs, slow digital rollout, and under-operationalized facilities.

xx. **The National Infrastructure Fund Governance:** The introduction of the Infrastructure Fund does not clarify its relationship with existing funds, including the Road Maintenance Levy Fund, Railway Development Fund, Petroleum Development Fund, Sports Development Fund, and Affordable Housing Fund. Further, it lacks clarity on coordination with parent ministries and oversight institutions, including Parliament, the Controller of Budget, and the Auditor General.

xxi. **Weak County Fiscal Discipline:** Counties continue to breach fiscal responsibility principles on wages (currently at 41.38%, above the 35% threshold as a share of total revenue), and development expenditure (currently at 26.3%, below the 30% threshold as a share of total expenditure). Recurrent expenditure continues to crowd out development expenditure in several counties.

xxii. **Unsustainable OSR Structure:** Core Own Source Revenue remains weak, with overreliance on Facility Improvement Funds (FIF) collection risking substitution for sustainable revenue reforms to enhance OSR.

xxiii. **High Pending bills in Counties:** Total pending bills in counties amounted to Ksh.183 billion by the end of FY 2024/25, representing 30 percent of total county-approved budgets. This signals challenges with cash flow due to unreliable exchequer releases as well as weak financial management in counties.

xxiv. **Delayed disbursement of equitable share:** Revenue shortfalls have led to delayed disbursements of equitable share, undermining county service delivery and fiscal stability. For instance, revenue underperformance in the first half of the FY 2025/26 by Ksh.115.3 billion, occasioned non-disbursements of equitable share to counties of Ksh.33.2 billion.

xxv. **Division of Revenue:** The proposed allocation of Kshs.420.0 billion to county governments as an equitable revenue share has been arrived at by first setting aside allocations to national interest, public debt-related costs, and other national obligations. Total allocations to these expenditures amount to Kshs. 2,571.8 billion, leaving a balance of Kshs. 330.1 billion out of a targeted shareable revenue of Kshs. 2,901.1 billion. The balance is Kshs. 90 billion less than the proposed equitable share for the counties of Kshs. 420 billion, and is indicative of an extremely tight fiscal space.

xxvi. **Equalisation Fund:** Implementation challenges of the equalization fund persist across the 34 beneficiary counties covering 1,424 identified marginalized areas, with frequent delays or non-disbursement of Equalisation Fund resources by the close of the financial year. The expansion of marginalized areas under the Second Policy on Marginalization by the Commission on Revenue Allocation has led to fragmentation and dilution of the original objectives of the Equalisation Fund, thereby weakening its targeted impact.

xxvii. **Additional Requests:** The Committee received additional funding requests totaling Kshs. 623.37 billion. The committee considered these additional requests; however, the constrained fiscal space did not allow for their accommodation in the ceilings.

6.0 COMMITTEE RECOMMENDATIONS

173. Arising from the above deliberations, the Committee made the following recommendations:

5.1 Non-Financial Recommendations

174. The non-financial recommendations presented in this report are categorized into general recommendations that address cross-cutting issues and sector-specific recommendations.

5.1.1 Overarching Recommendations

i. That, the Cabinet Secretary for the National Treasury and Economic Planning expedites the rationalization, merger, and dissolution of non-viable or duplicative State-Owned Enterprises (SOEs) by end of October 2026 to enhance efficiency and ensure prudent utilization of public resources.

ii. That, in the submission of the Budget Estimates for FY 2026/27, the Cabinet Secretary for the National Treasury and Economic Planning shall ensure the full adoption of the Government Finance Statistics Manual 2014 (GFS 2014) framework in the preparation and presentation of the fiscal framework.

iii. That, the National Treasury, in consultation with the Attorney General, sets up a comprehensive framework for verification and settlement of court awards across MDAs, and reports back to the House by February 2027.

iv. That, beginning FY 2026/27, the National Treasury publishes exchequer releases including programmes in line with the programme-based budget. This will enhance quarterly performance monitoring and oversight of expenditure.

v. That, in the finalization of the Budget Estimates for FY 2026/27, the National Treasury should prioritize funding for key ongoing projects, including priority value chains under the Bottom-Up Economic Transformation Agenda to consolidate the progress towards the attainment of the MTP IV.

vi. That, by 30th June 2026, the National Treasury reports on the progress of implementation of the Electronic Government Procurement (E-GP) system and its integration with other government systems such as IFMIS and KRA tax systems.

vii. That, by December 2026, the National Treasury incorporates financial literacy in programmes linked to MSMEs financing including NYOTA, Hustler Fund, Rural Kenya Financial Inclusion Facility among other initiates.

5.1.2 Sectoral Recommendations

175. The Committee recommends that this House approves the sectoral recommendations arising from Departmental Committee recommendations as contained in the Third Schedule of this report.

5.2 Financial Recommendations

176. Based on the deliberations and considering the fiscal responsibility principles, the Committee recommends that this House resolve that:

i. The National Government budget ceiling be approved at Kshs. 2,878,426,500,000.

Of which:

Executive	Kshs. 2,797,202,700,000
Of which: Office of the Auditor General	Kshs. 9,026,300,000.
Parliament	Kshs. 50,782,000,000
Judiciary	Kshs. 30,441,800,000

ii. The County Government's Equitable Share be approved at Kshs. 420,000,000,000.

iii. Consistent with the latest audited and approved revenues, the allocation to the Equalization Fund be set at Kshs. 9,602,170,425.

iv. The County Government Additional Allocations be approved at Kshs. 75,692,700,182 as per the fourth schedule which shall form the basis for the County Government Additional Allocation Bill, 2026.

v. Kshs. 4,000,000,000 be allocated for public participation initiatives under Vote 1071, National Treasury.

vi. The first and second schedule forms the basis for the ceilings for the FY 2026/27 Budget Estimates.

vii. Consistent with the resolution of the House on the 2026 MTDS, the fiscal deficit be maintained at 5.3 percent of the GDP.

viii. The minimal adjustments in the gross ceilings in the second schedule be accommodated in the revenue yield expected from ongoing tax administration reforms and the enhanced funding to KRA.

ix. Once approved, these recommendations **SHALL** form the basis for FY 2026/2027 budget estimates.

SIGNED

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HON. SAMUEL ATANDI, M.P.

CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

4. 3. 2026

.....

DATE

SCHEDULES

First Schedule: Overall Ceilings by Vote and Programme

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1011	**Executive Office of the President**	**5,641,500,000**	**1,311,200,000**	**6,952,700,000**	**5,641,500,000**	**1,311,200,000**	**6,952,700,000**
	0603000 Government Printing Services	807,700,000	500,000,000	**1,307,700,000**	807,700,000	500,000,000	**1,307,700,000**
	0701000 General Administration Planning and Support Services	2,674,900,000	576,200,000	**3,251,100,000**	2,674,900,000	576,200,000	**3,251,100,000**
	0703000 Government Advisory Services	1,131,000,000	185,000,000	**1,316,000,000**	1,131,000,000	185,000,000	**1,316,000,000**
	0770000 Leadership and Coordination of Government Services	1,027,900,000	50,000,000	**1,077,900,000**	1,027,900,000	50,000,000	**1,077,900,000**
1012	**Office of the Deputy President**	**3,481,000,000**	**100,000,000**	**3,581,000,000**	**3,481,000,000**	**100,000,000**	**3,581,000,000**
	0734000 Deputy President Services	3,481,000,000	100,000,000	**3,581,000,000**	3,481,000,000	100,000,000	**3,581,000,000**
1013	**Office of the Prime Cabinet Secretary**	**827,600,000**	-	**827,600,000**	**827,600,000**	-	**827,600,000**
	0755000 Government Coordination and Supervision	827,600,000	-	**827,600,000**	827,600,000	-	**827,600,000**
1014	**State Department for Parliamentary Affairs**	**406,700,000**	-	**406,700,000**	**406,700,000**	-	**406,700,000**
	0759000 Parliamentary Liaison and Legislative Affairs	122,800,000	-	**122,800,000**	122,800,000	-	**122,800,000**
	0760000 Policy Coordination and Strategy	83,800,000	-	**83,800,000**	83,800,000	-	**83,800,000**
	0761000 General Administration, Planning and Support Services	200,100,000	-	**200,100,000**	200,100,000	-	**200,100,000**
1016	**State Department for Cabinet Affairs**	**298,800,000**	-	**298,800,000**	**298,800,000**	-	**298,800,000**
	0758000 Cabinet Affairs Services	298,800,000	-	**298,800,000**	298,800,000	-	**298,800,000**
1017	**State House**	**10,651,800,000**	**1,027,000,000**	**11,678,800,000**	**10,651,800,000**	**1,027,000,000**	**11,678,800,000**
	0704000 State House Affairs	10,651,800,000	1,027,000,000	**11,678,800,000**	10,651,800,000	1,027,000,000	**11,678,800,000**
1018	**State Department for National Government Coordination**	**944,200,000**	**130,000,000**	**1,074,200,000**	**944,200,000**	**130,000,000**	**1,074,200,000**
	0755000 Government Coordination and Supervision	944,200,000	130,000,000	**1,074,200,000**	944,200,000	130,000,000	**1,074,200,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1023	**State Department for Correctional Services**	**42,437,500,000**	**1,022,400,000**	**43,459,900,000**	**42,437,500,000**	**1,022,400,000**	**43,459,900,000**
	0623000 General Administration, Planning and Support Services	651,100,000	100,000,000	**751,100,000**	651,100,000	100,000,000	**751,100,000**
	0627000 Prison Services	39,410,000,000	782,600,000	**40,192,600,000**	39,410,000,000	782,600,000	**40,192,600,000**
	0628000 Probation & After Care Services	2,376,400,000	139,800,000	**2,516,200,000**	2,376,400,000	139,800,000	**2,516,200,000**
1024	**State Department for Immigration and Citizen Services**	**12,815,700,000**	**11,136,200,000**	**23,951,900,000**	**12,815,700,000**	**11,136,200,000**	**23,951,900,000**
	0605000 Migration & Citizen Services Management	5,804,200,000	7,441,100,000	**13,245,300,000**	5,804,200,000	7,441,100,000	**13,245,300,000**
	0626000 Population Management Services	5,639,600,000	3,395,100,000	**9,034,700,000**	5,639,600,000	3,395,100,000	**9,034,700,000**
	0631000 General Administration and Planning	1,371,900,000	300,000,000	**1,671,900,000**	1,371,900,000	300,000,000	**1,671,900,000**
1025	**National Police Service**	**136,378,000,000**	**2,813,900,000**	**139,191,900,000**	**140,378,000,000**	**2,813,900,000**	**143,191,900,000**
	0601000 Policing Services	136,378,000,000	2,813,900,000	**139,191,900,000**	140,378,000,000	2,813,900,000	**143,191,900,000**
1026	**State Department for Internal Security & National Administration**	**35,786,300,000**	**7,351,600,000**	**43,137,900,000**	**35,786,300,000**	**7,351,600,000**	**43,137,900,000**
	0629000 General Administration and Support Services	13,533,600,000	6,680,000,000	**20,213,600,000**	13,533,600,000	6,680,000,000	**20,213,600,000**
	0630000 Policy Coordination Services	1,702,500,000	80,000,000	**1,782,500,000**	1,702,500,000	80,000,000	**1,782,500,000**
	0632000 National Government Field Administration Services	20,550,200,000	591,600,000	**21,141,800,000**	20,550,200,000	591,600,000	**21,141,800,000**
1032	**State Department for Devolution**	**1,373,100,000**	**11,011,500,000**	**12,384,600,000**	**1,373,100,000**	**11,011,500,000**	**12,384,600,000**
	0712000 Devolution Services	1,373,100,000	11,011,500,000	**12,384,600,000**	1,373,100,000	11,011,500,000	**12,384,600,000**
1033	**State Department for Special Programmes**	**687,200,000**	**165,000,000**	**852,200,000**	**687,200,000**	**165,000,000**	**852,200,000**
	Disaster Risk Management	687,200,000	165,000,000	**852,200,000**	687,200,000	165,000,000	**852,200,000**
1036	**State Department for ASALs and Regional Development**	**7,541,900,000**	**3,726,200,000**	**11,268,100,000**	**7,541,900,000**	**3,726,200,000**	**11,268,100,000**
	0733000 Accelerated ASAL Development	5,287,100,000	2,448,300,000	**7,735,400,000**	5,287,100,000	2,448,300,000	**7,735,400,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1040	0743000 General Administration, Planning and Support Services	294,900,000	-	**294,900,000**	294,900,000	-	**294,900,000**
	1013000 Integrated Regional Development	1,959,900,000	1,277,900,000	**3,237,800,000**	1,959,900,000	1,277,900,000	**3,237,800,000**
1041	**Ministry of Defence**	**233,432,300,000**	**7,934,000,000**	**241,366,300,000**	**233,432,300,000**	**7,934,000,000**	**241,366,300,000**
	0801000 Defence	220,007,100,000	7,634,000,000	**227,641,100,000**	220,007,100,000	7,634,000,000	**227,641,100,000**
	0802000 Civil Aid	335,000,000	-	**335,000,000**	335,000,000	-	**335,000,000**
	0803000 General Administration, Planning and Support Services	3,241,800,000	-	**3,241,800,000**	3,241,800,000	-	**3,241,800,000**
	0806000 Defence Industrialization	9,848,400,000	300,000,000	**10,148,400,000**	9,848,400,000	300,000,000	**10,148,400,000**
1053	**State Department for Foreign Affairs**	**24,358,100,000**	**2,356,300,000**	**26,714,400,000**	**24,358,100,000**	**2,356,300,000**	**26,714,400,000**
	0714000 General Administration Planning and Support Services	3,631,600,000	36,300,000	**3,667,900,000**	3,631,600,000	36,300,000	**3,667,900,000**
	0715000 Foreign Relation and Diplomacy	20,369,800,000	2,300,000,000	**22,669,800,000**	20,369,800,000	2,300,000,000	**22,669,800,000**
	0741000 Economic and Commercial Diplomacy	52,000,000	-	**52,000,000**	52,000,000	-	**52,000,000**
	0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	304,700,000	20,000,000	**324,700,000**	304,700,000	20,000,000	**324,700,000**
1054	**State Department for Diaspora Affairs**	**844,600,000**	-	**844,600,000**	**844,600,000**	-	**844,600,000**
	0752000 Management of Diaspora and Consular Affairs	844,600,000	-	**844,600,000**	844,600,000	-	**844,600,000**
1064	**State Department for Technical Vocational Education and Training**	**39,946,400,000**	**7,077,000,000**	**47,023,400,000**	**39,946,400,000**	**7,077,000,000**	**47,023,400,000**
	0505000 Technical Vocational Education and Training	39,050,200,000	7,077,000,000	**46,127,200,000**	39,050,200,000	7,077,000,000	**46,127,200,000**
	0507000 Youth Training and Development	60,700,000	-	**60,700,000**	60,700,000	-	**60,700,000**
	0508000 General Administration, Planning and Support Services	835,500,000	-	**835,500,000**	835,500,000	-	**835,500,000**
	State Department for Higher Education and Research	**155,207,200,000**	**4,884,000,000**	**160,091,200,000**	**155,207,200,000**	**4,884,000,000**	**160,091,200,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1065	0504000 University Education	154,870,900,000	4,884,000,000	**159,754,900,000**	154,870,900,000	4,884,000,000	**159,754,900,000**
	0508000 General Administration, Planning and Support Services	336,300,000	-	**336,300,000**	336,300,000	-	**336,300,000**
1066	**State Department for Basic Education**	**118,680,500,000**	**16,098,000,000**	**134,778,500,000**	**118,680,500,000**	**16,098,000,000**	**134,778,500,000**
	0501000 Primary Education	12,371,400,000	9,354,000,000	**21,725,400,000**	12,371,400,000	9,354,000,000	**21,725,400,000**
	0502000 Secondary Education	86,681,800,000	6,572,000,000	**93,253,800,000**	86,681,800,000	6,572,000,000	**93,253,800,000**
	0503000 Quality Assurance and Standards	14,279,500,000	172,000,000	**14,451,500,000**	14,279,500,000	172,000,000	**14,451,500,000**
	0508000 General Administration, Planning and Support Services	5,347,800,000	-	**5,347,800,000**	5,347,800,000	-	**5,347,800,000**
1067	**State Department for Science, Innovation and Research**	**1,153,000,000**	**1,312,000,000**	**2,465,000,000**	**1,153,000,000**	**1,312,000,000**	**2,465,000,000**
	0506000 Research, Science, Technology and Innovation	1,153,000,000	1,312,000,000	**2,465,000,000**	1,153,000,000	1,312,000,000	**2,465,000,000**
1071	**The National Treasury**	**81,551,000,000**	**50,905,800,000**	**132,456,800,000**	**81,551,000,000**	**50,905,800,000**	**132,456,800,000**
	0717000 General Administration Planning and Support Services	71,439,200,000	6,206,000,000	**77,645,200,000**	71,439,200,000	6,206,000,000	**77,645,200,000**
	0718000 Public Financial Management	7,926,700,000	34,354,800,000	**42,281,500,000**	7,926,700,000	34,354,800,000	**42,281,500,000**
	0719000 Economic and Financial Policy Formulation and Management	1,556,400,000	10,258,000,000	**11,814,400,000**	1,556,400,000	10,258,000,000	**11,814,400,000**
	0720000 Market Competition	628,700,000	87,000,000	**715,700,000**	628,700,000	87,000,000	**715,700,000**
1072	**State Department for Economic Planning**	**3,905,700,000**	**59,522,600,000**	**63,428,300,000**	**3,905,700,000**	**62,522,600,000**	**66,428,300,000**
	07710000 Monitoring and Evaluation Services	208,000,000	206,000,000	**414,000,000**	208,000,000	206,000,000	**414,000,000**
	0707000 National Statistical Information Services	1,069,700,000	430,500,000	**1,500,200,000**	1,069,700,000	430,500,000	**1,500,200,000**
	0709000 General Administration Planning and Support Services	563,800,000	-	**563,800,000**	563,800,000	-	**563,800,000**
	077400 Macro-economic Policy, National Planning and Research	1,465,800,000	13,000,000	**1,478,800,000**	1,465,800,000	13,000,000	**1,478,800,000**
	077500 Sectoral and Intergovenmenttal Development Planning Coordination	598,400,000	58,873,100,000	**59,471,500,000**	598,400,000	61,873,100,000	**62,471,500,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1073	**State Department for Public Ivestments and Assets Management**	**3,307,200,000**	**750,200,000**	**4,057,400,000**	**3,307,200,000**	**750,200,000**	**4,057,400,000**
	Programme 1: Public Investment & Portfolio Management	626,200,000	-	**626,200,000**	626,200,000	-	**626,200,000**
	Programme 2: Public Pensions & Retirement Benefit Management	1,029,600,000	50,200,000	**1,079,800,000**	1,029,600,000	50,200,000	**1,079,800,000**
	Programme 3: Government Assets Management	1,434,700,000	700,000,000	**2,134,700,000**	1,434,700,000	700,000,000	**2,134,700,000**
	Programme 4: General Administration, Planning and Support Services	216,700,000	-	**216,700,000**	216,700,000	-	**216,700,000**
1082	**State Department for Medical Services**	**107,904,600,000**	**26,399,000,000**	**134,303,600,000**	**107,904,600,000**	**26,399,000,000**	**134,303,600,000**
	0402000 National Referral & Specialized Services	69,099,800,000	6,976,000,000	**76,075,800,000**	69,099,800,000	6,976,000,000	**76,075,800,000**
	0410000 Curative & Reproductive Maternal New Born Child Adolescent Health RMNCAH	1,913,600,000	18,784,000,000	**20,697,600,000**	1,913,600,000	18,784,000,000	**20,697,600,000**
	0411000 Health Research and Innovation	3,589,500,000	539,000,000	**4,128,500,000**	3,589,500,000	539,000,000	**4,128,500,000**
	0412000 General Administration	33,301,700,000	100,000,000	**33,401,700,000**	33,301,700,000	100,000,000	**33,401,700,000**
1083	**State Department for Public Health and Professional Standards**	**28,119,600,000**	**4,983,900,000**	**33,103,500,000**	**28,119,600,000**	**4,983,900,000**	**33,103,500,000**
	0406000 Preventive and Promotive Health Services	5,833,400,000	3,544,400,000	**9,377,800,000**	5,833,400,000	3,544,400,000	**9,377,800,000**
	0407000 Health Resources Development and Innovation	16,567,700,000	1,103,100,000	**17,670,800,000**	16,567,700,000	1,103,100,000	**17,670,800,000**
	0408000 Health Policy, Standards and Regulations	4,960,700,000	236,400,000	**5,197,100,000**	4,960,700,000	236,400,000	**5,197,100,000**
	0412000 General Administration	757,800,000	100,000,000	**857,800,000**	757,800,000	100,000,000	**857,800,000**
1091	**State Department for Roads**	**73,825,000,000**	**158,287,000,000**	**232,112,000,000**	**73,825,000,000**	**158,287,000,000**	**232,112,000,000**
	0202000 Road Transport	73,825,000,000	158,287,000,000	**232,112,000,000**	73,825,000,000	158,287,000,000	**232,112,000,000**
	State Department for Transport	**7,111,000,000**	**57,950,000,000**	**65,061,000,000**	**7,111,000,000**	**57,950,000,000**	**65,061,000,000**
	0201000 General Administration, Planning and Support Services	1,714,000,000	2,711,000,000	**4,425,000,000**	1,714,000,000	2,711,000,000	**4,425,000,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1092	0203000 Rail Transport	491,000,000	48,408,000,000	**48,899,000,000**	491,000,000	48,408,000,000	**48,899,000,000**
	0204000 Marine Transport	27,000,000	5,900,000,000	**5,927,000,000**	27,000,000	5,900,000,000	**5,927,000,000**
	0216000 Road Safety	4,879,000,000	931,000,000	**5,810,000,000**	4,879,000,000	931,000,000	**5,810,000,000**
1093	**State Department for Shipping and Maritime Affairs**	**5,032,000,000**	**1,351,000,000**	**6,383,000,000**	**5,032,000,000**	**1,351,000,000**	**6,383,000,000**
	0220000 Shipping and Maritime Affairs	5,032,000,000	1,351,000,000	**6,383,000,000**	5,032,000,000	1,351,000,000	**6,383,000,000**
1094	**State Department for Housing and Urban Development**	**5,689,000,000**	**133,647,000,000**	**139,336,000,000**	**5,689,000,000**	**133,647,000,000**	**139,336,000,000**
	0102000 Housing Development and Human Settlement	4,638,000,000	113,752,000,000	**118,390,000,000**	4,638,000,000	113,752,000,000	**118,390,000,000**
	0105000 Urban and Metropolitan Development	516,000,000	19,895,000,000	**20,411,000,000**	516,000,000	19,895,000,000	**20,411,000,000**
	0106000 General Administration Planning and Support Services	535,000,000	-	**535,000,000**	535,000,000	-	**535,000,000**
1095	**State Department for Public Works**	**3,398,000,000**	**1,599,000,000**	**4,997,000,000**	**3,398,000,000**	**1,599,000,000**	**4,997,000,000**
	0103000 Government Buildings	753,000,000	622,000,000	**1,375,000,000**	753,000,000	622,000,000	**1,375,000,000**
	Programme: Ocean, Rivers and Lakes Ecosystem Infrastructure	98,000,000	887,000,000	**985,000,000**	98,000,000	887,000,000	**985,000,000**
	0106000 General Administration Planning and Support Services	352,000,000	-	**352,000,000**	352,000,000	-	**352,000,000**
	0218000 Regulation and Development of the Construction Industry	2,195,000,000	90,000,000	**2,285,000,000**	2,195,000,000	90,000,000	**2,285,000,000**
1097	**State Department for Aviation and Aerospace Development**	**13,308,000,000**	**479,000,000**	**13,787,000,000**	**13,308,000,000**	**479,000,000**	**13,787,000,000**
	0205000 Air Transport	13,308,000,000	479,000,000	**13,787,000,000**	13,308,000,000	479,000,000	**13,787,000,000**
1104	**State Department for Irrigation**	**943,000,000**	**7,528,000,000**	**8,471,000,000**	**943,000,000**	**7,528,000,000**	**8,471,000,000**
	1023000 General Administration, Planning and Support Services	168,000,000	80,000,000	**248,000,000**	168,000,000	80,000,000	**248,000,000**
	Programme 1: Irrigation Development & Rehabilitation	723,000,000	6,000,000,000	**6,723,000,000**	723,000,000	6,000,000,000	**6,723,000,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
	Programme 2: Land Reclamation and Climate Resilience Irrigation Development	52,000,000	1,448,000,000	**1,500,000,000**	52,000,000	1,448,000,000	**1,500,000,000**
1109	**State Department for Water & Sanitation**	**7,343,000,000**	**49,503,000,000**	**56,846,000,000**	**7,343,000,000**	**49,503,000,000**	**56,846,000,000**
	1001000 General Administration, Planning and Support Services	845,000,000	200,000,000	**1,045,000,000**	845,000,000	200,000,000	**1,045,000,000**
	1004000 Water Resources Management	2,002,000,000	20,433,000,000	**22,435,000,000**	2,002,000,000	20,433,000,000	**22,435,000,000**
	1017000 Water and Sewerage Infrastructure Development	4,121,000,000	27,364,000,000	**31,485,000,000**	4,121,000,000	27,364,000,000	**31,485,000,000**
	1017000 Water Storage and Flood Control	375,000,000	1,506,000,000	**1,881,000,000**	375,000,000	1,506,000,000	**1,881,000,000**
1112	**State Department for Lands and Physical Planning**	**6,109,900,000**	**4,840,000,000**	**10,949,900,000**	**6,109,900,000**	**4,840,000,000**	**10,949,900,000**
	0101000 Land Policy and Planning	4,593,900,000	4,014,000,000	**8,607,900,000**	4,593,900,000	4,014,000,000	**8,607,900,000**
	0121000 Land Information Management	113,000,000	826,000,000	**939,000,000**	113,000,000	826,000,000	**939,000,000**
	0122000 General Administration, Planning and Support Services	1,403,000,000	-	**1,403,000,000**	1,403,000,000	-	**1,403,000,000**
1122	**State Department for Information Communication Technology & Digital Economy**	**3,554,000,000**	**14,415,000,000**	**17,969,000,000**	**3,554,000,000**	**14,415,000,000**	**17,969,000,000**
	0207000 General Administration Planning and Support Services	419,000,000	-	**419,000,000**	419,000,000	-	**419,000,000**
	0210000 ICT Infrastructure Development	241,000,000	13,650,000,000	**13,891,000,000**	241,000,000	13,650,000,000	**13,891,000,000**
	0217000 E-Government Services	1,895,000,000	383,000,000	**2,278,000,000**	1,895,000,000	383,000,000	**2,278,000,000**
	Programme 4: ICT Security & Data Protection Services	999,000,000	382,000,000	**1,381,000,000**	999,000,000	382,000,000	**1,381,000,000**
1123	**State Department for Broadcasting & Telecommunications**	**6,010,000,000**	**430,000,000**	**6,440,000,000**	**6,010,000,000**	**430,000,000**	**6,440,000,000**
	0207000 General Administration Planning and Support Services	252,000,000	-	**252,000,000**	252,000,000	-	**252,000,000**
	0208000 Information and Communication Services	5,470,000,000	399,000,000	**5,869,000,000**	5,470,000,000	399,000,000	**5,869,000,000**
	0209000 Mass Media Skills Development	288,000,000	31,000,000	**319,000,000**	288,000,000	31,000,000	**319,000,000**
1132	**State Department for Sports**	**7,384,900,000**	**18,108,900,000**	**25,493,800,000**	**7,384,900,000**	**18,108,900,000**	**25,493,800,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
	0901000 Sports	7,384,900,000	18,108,900,000	**25,493,800,000**	7,384,900,000	18,108,900,000	**25,493,800,000**
1134	**State Department for Culture and Heritage**	**2,840,800,000**	**144,100,000**	**2,984,900,000**	**2,840,800,000**	**144,100,000**	**2,984,900,000**
	0902000 Culture / Heritage	1,646,800,000	54,700,000	**1,701,500,000**	1,646,800,000	54,700,000	**1,701,500,000**
	0903000 The Arts	256,800,000	24,400,000	**281,200,000**	256,800,000	24,400,000	**281,200,000**
	0904000 Library Services	472,900,000	-	**472,900,000**	472,900,000	-	**472,900,000**
	0905000 General Administration, Planning and Support Services	139,300,000	-	**139,300,000**	139,300,000	-	**139,300,000**
	0916000 Public Records Mangement	325,000,000	65,000,000	**390,000,000**	325,000,000	65,000,000	**390,000,000**
1135	**State Department for Youth Affairs and the Creative Economy**	**2,581,300,000**	**2,201,400,000**	**4,782,700,000**	**2,581,300,000**	**2,201,400,000**	**4,782,700,000**
	0221000 Film Development Services	814,600,000	33,500,000	**848,100,000**	814,600,000	33,500,000	**848,100,000**
	0711000 Youth Empowerment Services	491,800,000	-	**491,800,000**	491,800,000	-	**491,800,000**
	0748000 Youth Development Services	694,300,000	2,167,900,000	**2,862,200,000**	694,300,000	2,167,900,000	**2,862,200,000**
	0749000 General Administration, Planning and Support Services	580,600,000	-	**580,600,000**	580,600,000	-	**580,600,000**
1152	**State Department for Energy**	**13,302,400,000**	**64,984,000,000**	**78,286,400,000**	**13,302,400,000**	**64,984,000,000**	**78,286,400,000**
	0211000 General Administration Planning and Support Services	385,000,000	1,133,000,000	**1,518,000,000**	385,000,000	1,133,000,000	**1,518,000,000**
	0212000 Power Generation	2,761,400,000	13,712,000,000	**16,473,400,000**	2,761,400,000	13,712,000,000	**16,473,400,000**
	0213000 Power Transmission and Distribution	10,084,000,000	47,527,000,000	**57,611,000,000**	10,084,000,000	47,527,000,000	**57,611,000,000**
	0214000 Alternative Energy Technologies	72,000,000	2,612,000,000	**2,684,000,000**	72,000,000	2,612,000,000	**2,684,000,000**
1162	**State Department for Livestock Development**	**5,147,000,000**	**10,348,700,000**	**15,495,700,000**	**5,147,000,000**	**10,348,700,000**	**15,495,700,000**
	0112000 Livestock Resources Management and Development	5,147,000,000	10,348,700,000	**15,495,700,000**	5,147,000,000	10,348,700,000	**15,495,700,000**
	State Department for the Blue Economy and Fisheries	**3,169,000,000**	**4,222,600,000**	**7,391,600,000**	**3,169,000,000**	**4,222,600,000**	**7,391,600,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1166	0111000 Fisheries Development and Management	2,880,600,000	3,416,600,000	**6,297,200,000**	2,880,600,000	3,416,600,000	**6,297,200,000**
	0117000 General Administration, Planning and Support Services	224,400,000	-	**224,400,000**	224,400,000	-	**224,400,000**
	0118000 Development and Coordination of the Blue Economy	64,000,000	806,000,000	**870,000,000**	64,000,000	806,000,000	**870,000,000**
1169	**State Department for Agriculture**	**24,597,300,000**	**35,397,600,000**	**59,994,900,000**	**24,597,300,000**	**35,397,600,000**	**59,994,900,000**
	0107000 General Administration Planning and Support Services	14,923,400,000	4,087,000,000	**19,010,400,000**	14,923,400,000	4,087,000,000	**19,010,400,000**
	0108000 Crop Development and Management	3,780,300,000	30,860,600,000	**34,640,900,000**	3,780,300,000	30,860,600,000	**34,640,900,000**
	0109000 Agribusiness and Information Management	143,600,000	-	**143,600,000**	143,600,000	-	**143,600,000**
	0120000 Agricultural Research & Development	5,750,000,000	450,000,000	**6,200,000,000**	5,750,000,000	450,000,000	**6,200,000,000**
1173	**State Department for Cooperatives**	**5,938,100,000**	**1,530,800,000**	**7,468,900,000**	**5,938,100,000**	**1,530,800,000**	**7,468,900,000**
	0304000 Cooperative Development and Management	5,938,100,000	1,530,800,000	**7,468,900,000**	5,938,100,000	1,530,800,000	**7,468,900,000**
1174	**State Department for Trade**	**3,777,200,000**	**433,800,000**	**4,211,000,000**	**3,777,200,000**	**433,800,000**	**4,211,000,000**
	0309000 Domestic Trade and Enterprise Development	1,960,100,000	333,800,000	**2,293,900,000**	1,960,100,000	333,800,000	**2,293,900,000**
	0310000 Fair Trade Practices And Compliance of Standards	239,300,000	100,000,000	**339,300,000**	239,300,000	100,000,000	**339,300,000**
	0311000 International Trade Development and Promotion	1,286,700,000	-	**1,286,700,000**	1,286,700,000	-	**1,286,700,000**
	0312000 General Administration, Planning and Support Services	291,100,000	-	**291,100,000**	291,100,000	-	**291,100,000**
1175	**State Department for Industry**	**4,314,000,000**	**4,877,600,000**	**9,191,600,000**	**4,314,000,000**	**4,877,600,000**	**9,191,600,000**
	0301000 General Administration Planning and Support Services	609,900,000	-	**609,900,000**	609,900,000	-	**609,900,000**
	0320000 Industrial Promotion and Development	2,176,100,000	4,227,600,000	**6,403,700,000**	2,176,100,000	4,227,600,000	**6,403,700,000**
	0321000 Standards and Quality Infrastucture & Research	1,528,000,000	650,000,000	**2,178,000,000**	1,528,000,000	650,000,000	**2,178,000,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1176	**State Department for Micro, Small and Medium Enterprises Development**	**2,040,200,000**	**4,843,900,000**	**6,884,100,000**	**2,040,200,000**	**4,843,900,000**	**6,884,100,000**
	0316000 Promotion and Development of MSMEs	881,200,000	3,893,900,000	**4,775,100,000**	881,200,000	3,893,900,000	**4,775,100,000**
	0317000 Product and Market Development for MSMEs	512,700,000	550,000,000	**1,062,700,000**	512,700,000	550,000,000	**1,062,700,000**
	0318000 Digitization and Financial Inclusion for MSMEs	340,000,000	400,000,000	**740,000,000**	340,000,000	400,000,000	**740,000,000**
	0319000 General Administration, Planning and Support Services	306,300,000	-	**306,300,000**	306,300,000	-	**306,300,000**
1177	**State Department for Investment Promotion**	**1,562,700,000**	**3,200,000,000**	**4,762,700,000**	**1,562,700,000**	**3,200,000,000**	**4,762,700,000**
	0322000 Investment Development and Promotion	1,562,700,000	3,200,000,000	**4,762,700,000**	1,562,700,000	3,200,000,000	**4,762,700,000**
1184	**State Department for Labour and Skills Development**	**4,467,000,000**	**1,065,300,000**	**5,532,300,000**	**4,467,000,000**	**1,065,300,000**	**5,532,300,000**
	0910000 General Administration Planning and Support Services	534,200,000	-	**534,200,000**	534,200,000	-	**534,200,000**
	0906000 Labour, Employment and Safety Services	1,269,200,000	246,300,000	**1,515,500,000**	1,269,200,000	246,300,000	**1,515,500,000**
	0907000 Manpower Development, Industrial Skills & Productivity Management	2,663,600,000	819,000,000	**3,482,600,000**	2,663,600,000	819,000,000	**3,482,600,000**
1185	**State Department for Social Protection and Senior Citizen Affairs**	**29,160,200,000**	**708,300,000**	**29,868,500,000**	**29,160,200,000**	**708,300,000**	**29,868,500,000**
	0909000 National Social Safety Net	27,179,500,000	540,300,000	**27,719,800,000**	27,179,500,000	540,300,000	**27,719,800,000**
	0914000 General Administration, Planning and Support Services	390,900,000	-	**390,900,000**	390,900,000	-	**390,900,000**
	Programme: Social Development and Disability Inclusion	1,589,800,000	168,000,000	**1,757,800,000**	1,589,800,000	168,000,000	**1,757,800,000**
1186	**State Department for Children Services**	**12,170,900,000**	**140,000,000**	**12,310,900,000**	**12,170,900,000**	**140,000,000**	**12,310,900,000**
	Programme: Child Protection and Safeguarding	12,170,900,000	140,000,000	**12,310,900,000**	12,170,900,000	140,000,000	**12,310,900,000**
1192	**State Department for Mining**	**1,539,000,000**	**478,000,000**	**2,017,000,000**	**1,539,000,000**	**478,000,000**	**2,017,000,000**
	1007000 General Administration Planning and Support Services	459,000,000	-	**459,000,000**	459,000,000	-	**459,000,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
	1009000 Mineral Resources Management	656,000,000	203,000,000	**859,000,000**	656,000,000	203,000,000	**859,000,000**
	1021000 Geological Survey and Geoinformation Management	424,000,000	275,000,000	**699,000,000**	424,000,000	275,000,000	**699,000,000**
1193	**State Department for Petroleum**	**20,391,000,000**	**9,835,000,000**	**30,226,000,000**	**20,391,000,000**	**9,835,000,000**	**30,226,000,000**
	0215000 Exploration and Distribution of Oil and Gas	20,391,000,000	9,835,000,000	**30,226,000,000**	20,391,000,000	9,835,000,000	**30,226,000,000**
1202	**State Department for Tourism**	**11,547,400,000**	**6,018,000,000**	**17,565,400,000**	**11,547,400,000**	**6,018,000,000**	**17,565,400,000**
	0313000 Tourism Promotion and Marketing	1,249,900,000	200,000,000	**1,449,900,000**	1,249,900,000	200,000,000	**1,449,900,000**
	0314000 Tourism Product Development and Diversification	9,898,100,000	5,738,000,000	**15,636,100,000**	9,898,100,000	5,738,000,000	**15,636,100,000**
	0315000 General Administration, Planning and Support Services	399,400,000	80,000,000	**479,400,000**	399,400,000	80,000,000	**479,400,000**
1203	**State Department for Wildlife**	**13,250,000,000**	**1,858,000,000**	**15,108,000,000**	**13,250,000,000**	**1,858,000,000**	**15,108,000,000**
	1019000 Wildlife Conservation and Management	13,250,000,000	1,858,000,000	**15,108,000,000**	13,250,000,000	1,858,000,000	**15,108,000,000**
1212	**State Department for Gender and Affirmative Action**	**2,127,000,000**	**4,124,700,000**	**6,251,700,000**	**2,127,000,000**	**4,124,700,000**	**6,251,700,000**
	0911000 Community Development	940,000,000	4,000,000,000	**4,940,000,000**	940,000,000	4,000,000,000	**4,940,000,000**
	0912000 Gender Empowerment	955,100,000	124,700,000	**1,079,800,000**	955,100,000	124,700,000	**1,079,800,000**
	0913000 General Administration, Planning and Support Services	231,900,000	-	**231,900,000**	231,900,000	-	**231,900,000**
1213	**State Department for Public Service**	**23,726,400,000**	**1,523,300,000**	**25,249,700,000**	**23,726,400,000**	**1,523,300,000**	**25,249,700,000**
	0710000 Public Service Transformation	1,370,000,000	330,000,000	**1,700,000,000**	1,370,000,000	330,000,000	**1,700,000,000**
	Programme: Public Service Human Resource Management and Development	11,858,900,000	1,062,300,000	**12,921,200,000**	11,858,900,000	1,062,300,000	**12,921,200,000**
	0709000 General Administration Planning and Support Services	394,900,000	-	**394,900,000**	394,900,000	-	**394,900,000**
	0747000 National Youth Service	10,102,600,000	131,000,000	**10,233,600,000**	10,102,600,000	131,000,000	**10,233,600,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1221	**State Department for East African Community**	**841,400,000**	**-**	**841,400,000**	**841,400,000**	**-**	**841,400,000**
	0305000 East African Affairs and Regional Integration	841,400,000	-	**841,400,000**	841,400,000	-	**841,400,000**
1252	**The State Law Office**	**5,631,000,000**	**300,000,000**	**5,931,000,000**	**5,631,000,000**	**300,000,000**	**5,931,000,000**
	0606000 Legal Services	4,861,400,000	20,000,000	**4,881,400,000**	4,861,400,000	20,000,000	**4,881,400,000**
	0607000 Governance, Legal Training and Constitutional Affairs	-	-	-	-	-	-
	0609000 General Administration, Planning and Support Services	769,600,000	280,000,000	**1,049,600,000**	769,600,000	280,000,000	**1,049,600,000**
1253	**State Departmentfor Justice Human Rights and Constitutional Affairs**	**1,277,800,000**	**-**	**1,277,800,000**	**1,277,800,000**	**-**	**1,277,800,000**
	Programme: Governance, Human Rights and Constitutional Affairs	1,277,800,000	-	**1,277,800,000**	1,277,800,000	-	**1,277,800,000**
1271	**Ethics and Anti-Corruption Commission**	**4,520,000,000**	**123,000,000**	**4,643,000,000**	**4,520,000,000**	**123,000,000**	**4,643,000,000**
	0611000 Ethics and Anti-Corruption	4,520,000,000	123,000,000	**4,643,000,000**	4,520,000,000	123,000,000	**4,643,000,000**
1281	**National Intelligence Service**	**58,617,000,000**	**-**	**58,617,000,000**	**58,617,000,000**	**-**	**58,617,000,000**
	0804000 National Security Intelligence	58,617,000,000	-	**58,617,000,000**	58,617,000,000	-	**58,617,000,000**
1291	**Office of the Director of Public Prosecutions**	**5,283,300,000**	**491,000,000**	**5,774,300,000**	**5,283,300,000**	**491,000,000**	**5,774,300,000**
	0612000 Public Prosecution Services	5,283,300,000	491,000,000	**5,774,300,000**	5,283,300,000	491,000,000	**5,774,300,000**
1311	**Office of the Registrar of Political Parties**	**2,323,000,000**	**-**	**2,323,000,000**	**2,323,000,000**	**-**	**2,323,000,000**
	0614000 Registration, Regulation and Funding of Political Parties	2,323,000,000	-	**2,323,000,000**	2,323,000,000	-	**2,323,000,000**
1321	**Witness Protection Agency**	**1,016,100,000**	**-**	**1,016,100,000**	**1,016,100,000**	**-**	**1,016,100,000**
	0615000 Witness Protection	1,016,100,000	-	**1,016,100,000**	1,016,100,000	-	**1,016,100,000**
1331	**State Department for Environment & Climate Change**	**4,103,000,000**	**2,605,000,000**	**6,708,000,000**	**4,103,000,000**	**2,605,000,000**	**6,708,000,000**
	1002000 Environment Management and Protection	2,127,000,000	2,241,000,000	**4,368,000,000**	2,127,000,000	2,241,000,000	**4,368,000,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1331	1010000 General Administration, Planning and Support Services	460,000,000	30,000,000	**490,000,000**	460,000,000	30,000,000	**490,000,000**
	1012000 Meteorological Services	1,516,000,000	334,000,000	**1,850,000,000**	1,516,000,000	334,000,000	**1,850,000,000**
1332	**State Department for Forestry**	**9,032,000,000**	**8,526,000,000**	**17,558,000,000**	**9,032,000,000**	**8,526,000,000**	**17,558,000,000**
	1018000 Forests Development, Management and Conservation	8,833,000,000	8,526,000,000	**17,359,000,000**	8,833,000,000	8,526,000,000	**17,359,000,000**
	1024000 Agroforestry and Commercial Forestry Development	27,000,000	-	**27,000,000**	27,000,000	-	**27,000,000**
	1025000 General Administration, Planning and Support Services	172,000,000	-	**172,000,000**	172,000,000	-	**172,000,000**
2011	**Kenya National Commission on Human Rights**	**614,600,000**	-	**614,600,000**	**614,600,000**	-	**614,600,000**
	0616000 Protection and Promotion of Human Rights	614,600,000	-	**614,600,000**	614,600,000	-	**614,600,000**
2021	**National Land Commission**	**2,334,400,000**	**840,500,000**	**3,174,900,000**	**3,334,400,000**	**840,500,000**	**4,174,900,000**
	0119000 Land Administration and Management	2,334,400,000	840,500,000	**3,174,900,000**	3,334,400,000	840,500,000	**4,174,900,000**
2031	**Independent Electoral and Boundaries Commission**	**24,903,300,000**	**61,700,000**	**24,965,000,000**	**24,903,300,000**	**61,700,000**	**24,965,000,000**
	0617000 Management of Electoral Processes	24,903,300,000	61,700,000	**24,965,000,000**	24,903,300,000	61,700,000	**24,965,000,000**
2061	**The Commission on Revenue Allocation**	**510,600,000**	-	**510,600,000**	**510,600,000**	-	**510,600,000**
	0737000 Inter-Governmental Transfers and Financial Matters	510,600,000	-	**510,600,000**	510,600,000	-	**510,600,000**
2071	**Public Service Commission**	**3,640,600,000**	**50,000,000**	**3,690,600,000**	**3,640,600,000**	**50,000,000**	**3,690,600,000**
	0725000 General Administration, Planning and Support Services	992,900,000	50,000,000	**1,042,900,000**	992,900,000	50,000,000	**1,042,900,000**
	0726000 Human Resource Management and Development	2,409,200,000	-	**2,409,200,000**	2,409,200,000	-	**2,409,200,000**
	0727000 Governance and National Values	142,100,000	-	**142,100,000**	142,100,000	-	**142,100,000**
	0744000 Performance and Productivity Management	66,800,000	-	**66,800,000**	66,800,000	-	**66,800,000**
	075000 Administration of Quasi-Judicial Functions	29,600,000	-	**29,600,000**	29,600,000	-	**29,600,000**

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		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
2081	**Salaries and Remuneration Commission**	**790,900,000**	-	**790,900,000**	**1,040,900,000**	-	**1,040,900,000**
	0728000 Salaries and Remuneration Management	790,900,000	-	**790,900,000**	1,040,900,000	-	**1,040,900,000**
2091	**Teachers Service Commission**	**422,214,300,000**	**742,000,000**	**422,956,300,000**	**422,214,300,000**	**742,000,000**	**422,956,300,000**
	0509000 Teacher Resource Management	411,695,200,000	681,000,000	**412,376,200,000**	411,695,200,000	681,000,000	**412,376,200,000**
	0510000 Governance and Standards	1,583,800,000	-	**1,583,800,000**	1,583,800,000	-	**1,583,800,000**
	0511000 General Administration, Planning and Support Services	8,935,300,000	61,000,000	**8,996,300,000**	8,935,300,000	61,000,000	**8,996,300,000**
2101	**National Police Service Commission**	**1,569,200,000**	-	**1,569,200,000**	**1,569,200,000**	-	**1,569,200,000**
	0620000 National Police Service Human Resource Management	1,569,200,000	-	**1,569,200,000**	1,569,200,000	-	**1,569,200,000**
2111	**Auditor General**	**8,476,300,000**	**300,000,000**	**8,776,300,000**	**8,726,300,000**	**300,000,000**	**9,026,300,000**
	0729000 Audit Services	8,476,300,000	300,000,000	**8,776,300,000**	8,726,300,000	300,000,000	**9,026,300,000**
2121	**Office of the Controller of Budget**	**913,700,000**	-	**913,700,000**	**913,700,000**	-	**913,700,000**
	0730000 Control and Management of Public finances	913,700,000	-	**913,700,000**	913,700,000	-	**913,700,000**
2131	**Commission on Administrative Justice**	**730,100,000**	-	**730,100,000**	**730,100,000**	-	**730,100,000**
	0731000 Promotion of Administrative Justice	730,100,000	-	**730,100,000**	730,100,000	-	**730,100,000**
2141	**National Gender and Equality Commission**	**722,500,000**	-	**722,500,000**	**722,500,000**	-	**722,500,000**
	0621000 Promotion of Gender Equality and Freedom from Discrimination	722,500,000	-	**722,500,000**	722,500,000	-	**722,500,000**
2151	**Independent Policing Oversight Authority**	**1,469,400,000**	-	**1,469,400,000**	**1,469,400,000**	-	**1,469,400,000**
	0622000 Policing Oversight Services	1,469,400,000	-	**1,469,400,000**	1,469,400,000	-	**1,469,400,000**
	Sub-Total: Executive	**1,946,572,700,000**	**842,130,000,000**	**2,788,702,700,000**	**1,952,072,700,000**	**845,130,000,000**	**2,797,202,700,000**
1261	**The Judiciary**	**26,384,500,000**	**2,629,900,000**	**29,014,400,000**	**26,884,500,000**	**2,629,900,000**	**29,514,400,000**

FIRST SCHEDULE: BUDGET CEILINGS FOR FY 2026/27							
VOTE CODE	VOTE & PROGRAMME	BUDGET CEILINGS FOR FY 2026/27 (Submitted)			FINAL BUDGET CEILINGS FOR FY 2026/27 (Approved by National Assembly)		
		CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
1261	0610000 Dispensation of Justice	26,384,500,000	2,629,900,000	**29,014,400,000**	26,884,500,000	2,629,900,000	**29,514,400,000**
2051	**Judicial Service Commission**	**927,400,000**	-	**927,400,000**	**927,400,000**	-	**927,400,000**
	0619000 General Administration, Planning and Support Services	927,400,000	-	**927,400,000**	927,400,000	-	**927,400,000**
	Sub-Total: Judiciary	**27,311,900,000**	**2,629,900,000**	**29,941,800,000**	**27,811,900,000**	**2,629,900,000**	**30,441,800,000**
2041	**Parliamentary Service Commission**	**2,909,865,359**	-	**2,909,865,359**	**1,999,865,359**	-	**1,999,865,359**
	0765000 General Administration, Planning and Support Services	2,653,865,359	-	**2,653,865,359**	1,743,865,359	-	**1,743,865,359**
	0766000 Human Resource Management and Development	256,000,000		**256,000,000**	256,000,000	-	**256,000,000**
2042	**National Assembly**	**28,883,556,038**	-	**28,883,556,038**	**30,843,556,038**	-	**30,843,556,038**
	0721000 National Legislation, Representation and Oversight	28,883,556,038	-	**28,883,556,038**	30,843,556,038	-	**30,843,556,038**
2043	**Parliamentary Joint Services**	**7,072,410,806**	**1,565,000,000**	**8,637,410,806**	**7,442,410,806**	**1,915,000,000**	**9,357,410,806**
	0723000 General Administration, Planning and Support Services	6,848,410,806	1,565,000,000	**8,413,410,806**	7,218,410,806	1,915,000,000	**9,133,410,806**
	0746000 Legislative Training Research & Knowledge Management	224,000,000	-	**224,000,000**	224,000,000	-	**224,000,000**
2044	**Senate**	**8,349,167,797**	-	**8,349,167,797**	**8,581,167,797**	-	**8,581,167,797**
	0767000 Senate Legislation and Oversight	3,310,000,000	-	**3,310,000,000**	3,360,000,000	-	**3,360,000,000**
	0768000 Senate Representation, Liaison and Intergovernmental Relations	2,131,000,000	-	**2,131,000,000**	2,276,000,000	-	**2,276,000,000**
	0769000 General Administration, Planning and Support Services	2,908,167,797	-	**2,908,167,797**	2,945,167,797	-	**2,945,167,797**
	Sub-Total: Parliament	**47,215,000,000**	**1,565,000,000**	**48,780,000,000**	**48,867,000,000**	**1,915,000,000**	**50,782,000,000**
Grand Total		**2,021,099,600,000**	**846,324,900,000**	**2,867,424,500,000**	**2,028,751,600,000**	**849,674,900,000**	**2,878,426,500,000**

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1	ADMINISTRATION & INTERNAL AFFAIRS		-	4,000,000,000	-	-	4,000,000,000	
1011		**Office of the President**	-	-	-	-	-	
1011		0603000 Government Printing Services					-	
1011		0701000 General Administration Planning and Support Services					-	
1011		0703000 Government Advisory Services					-	
1011		0770000 Leadership and Coordination of Government Services					-	
1012		**Office of the Deputy President**	-	-	-	-	-	
1012		0734000 Deputy President Services					-	
1013		**Office of the Prime Cabinet Secretary**	-	-	-	-	-	
1013		0755000 Government Coordination and Supervision					-	
1014		**State Department for Parliamentary Affairs**	-	-	-	-	-	
1014		0759000 Parliamentary Liaison and Legislative Affairs					-	
1014		0760000 Policy Coordination and Strategy					-	
1014		0761000 General Administration, Planning and Support Services					-	
1016		**State Department for Cabinet Affairs**	-	-	-	-	-	
1016		0758000 Cabinet Affairs Services					-	
1017		**State House Affairs**	-	-	-	-	-	
1017		0704000 State House Affairs					-	
1018		**State Department for National Government Coordination**	-	-	-	-	-	
1018		0755000 Government Coordination and Supervision					-	
1024		**State Department for Immigration and Citizen Services**	-	-	-	-	-	
1024		0605000 Migration & Citizen Services					-	
1024		0626000 Population Management Services					-	
1024		0631000 General Administration and Planning					-	
1025		**National Police Service**	-	4,000,000,000	-	-	4,000,000,000	
1025		0601000 Policing Services		4,000,000,000			4,000,000,000	**Increase Ksh. 1 billion (Recurrent)** for DCI criminal investigation service. **Increase Ksh. 1 billion (Recurrent)** for Administration police services. **Increase Ksh. 1 billion (Recurrent)** for Office of the IG **Increase Ksh. 1 billion (Recurrent)** for Kenya police services

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1026		**State Department for Internal Security & National Administration**	-	-	-	-	-	
1026		0629000 General Administration and Support Services					-	
1026		0630000 Policy Coordination Services					-	
1026		0632000 National Government Field Administrative Services					-	
2101		**National Police Service Commission**	-	-	-	-	-	
2101		0620000 National Police Service Human Resource Management					-	
2151		**Independent Policing Oversight Authority**	-	-	-	-	-	
2151		0622000 Policing Oversight Services					-	
2	AGRICULTURE AND LIVESTOCK		-	-	-	-	-	
1162		**State Department for Livestock**	-	-	-	-	-	
1162		0112000 Livestock Resources Management and Development					-	
1169		**State Department for Crop Development**	-	-	-	-	-	
1169		0107000 General Administration Planning and Support Services					-	
1169		0108000 Crop Development and Management					-	
1169		0109000 Agribusiness and Information Management					-	
1169		0120000 Agricultural Research & Development					-	
3	BLUE ECONOMY & IRRIGATION		-	-	-	-	-	
1104		**State Department for Irrigation**	-	-	-	-	-	
1104		1014000 Irrigation and Land Reclamation					-	
1104		1022000 Water Harvesting and Storage for Irrigation					-	
1104		1023000 General Administration, Planning and Support Services					-	
1104		Programme: Irrigation Development & Rehabilitation					-	
1104		Programme: Land Reclamation and Climate Resilience Irrigation Development					-	
1109		**State Department for Water & Sanitation**	-	-	-	-	-	
1109		1001000 General Administration, Planning and Support Services					-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					Notes
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	
1109		1004000 Water Resources Management					-	
1109		1017000 Water and Sewerage Infrastructure Development					-	
1109		1015000 Water Storage and Flood Control						
1166		**State Department for Blue Economy and Fisheries**	-	-	-	-	-	
1166		0111000 Fisheries Development and Management					-	
1166		0117000 General Administration, Planning and Support Services					-	
1166		0118000 Development and Coordination of the Blue Economy					-	
4	**COMMUNICATION, INFORMATION & INNOVATION**		-	-	-	-	-	
1122		**State Department for Information Communication and Technology & Innovation**	-	-	-	-	-	
1122		0207000 General Administration Planning and Support Services					-	
1122		0210000 ICT Infrastructure Development					-	
1122		0217000 E-Government Services					-	
1122		Programme 4: ICT Security & Data Protection Services					-	
1123		**State Department for Broadcasting & Telecommunications**	-	-	-	-	-	
1123		0207000 General Administration Planning and Support Services					-	
1123		0208000 Information and Communication Services					-	
1123		0209000 Mass Media Skills Development					-	
5	**DEFENCE, INTELLIGANCE AND FOREIGN RELATIONS**		-	-	-	-	-	
1041		**Ministry of Defence**	-	-	-	-	-	
1041		0801000 Defence					-	
1041		0802000 Civil Aid					-	
1041		0803000 General Administration, Planning and Support Services					-	
1041		0806000 Defence Industrialization					-	
1053		**State Department for Foreign Affairs**	-	-	-	-	-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					Notes
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	
1053		0714000 General Administration Planning and Support Services					-	
1053		0715000 Foreign Relation and Diplomacy					-	
1053		0741000 Economic and commercial Diplomacy					-	
1053		0742000 Foreign Policy Research, Capacity Development and Technical Cooperation					-	
1054		**State Department for Diaspora Affairs**	-	-	-	-	-	
1054		0752000 Management of Diaspora Affairs					-	
1221		**State Department for East African Community**	-	-	-	-	-	
1221		0305000 East African Affairs and Regional Integration					-	
1281		**National Intelligence Service**	-	-	-	-	-	
1281		0804000 National Security Intelligence					-	
6	EDUCATION AND RESEARCH		-	-	-	-	-	
1064		**State Department for Vocational and Technical Training**	-	-	-	-	-	
1064		0505000 Technical Vocational Education and Training					-	
1064		0507000 Youth Training and Development					-	
1064		0508000 General Administration, Planning and Support Services					-	
1065		**State Department for Higher Education & Research**	-	-	-	-	-	
1065		0504000 University Education					-	
1065		0508000 General Administration, Planning and Support Services					-	
1066		**State Department for Basic Education**	-	-	-	-	-	
1066		0501000 Primary Education					-	
1066		0502000 Secondary Education					-	
1066		0503000 Quality Assurance and Standards					-	
1066		0508000 General Administration, Planning and Support Services					-	
1067		**State Department for Science, Innovation and Research**	-	-	-	-	-	
1067		0506000 Research, Science, Technology and Innovation					-	
2091		**Teachers Service Commission**	-	-	-	-	-	
2091		0509000 Teacher Resource Management					-	
2091		0510000 Governance and Standards					-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					Notes
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	
2091		0511000 General Administration, Planning and Support Services					-	
7	ENERGY		-	-	-	-	-	
1152		State Department for Energy	-	-	-	-	-	
1152		0211000 General Administration Planning and Support Services					-	
1152		0212000 Power Generation					-	
1152		0213000 Power Transmission and Distribution					-	
1152		0214000 Alternative Energy Technologies					-	
1193		State Department for Petroleum	-	-	-	-	-	
1193		0215000 Exploration and Distribution of Oil and Gas					-	
8	ENVIRONMENT, FORESTRY AND MINING		-	-	-	-	-	
1331		State Department for Environment and Climate Change	-	-	-	-	-	
1331		1002000 Environment Management and Protection					-	
1331		1010000 General Administration, Planning and Support Services					-	
1331		1012000 Meteorological Services					-	
1192		State Department for Mining	-	-	-	-	-	
1192		1007000 General Administration Planning and Support Services					-	
1192		1009000 Mineral Resources Management					-	
1192		1021000 Geological Survey and Geoinformation Management					-	
1332		1332 State Department for Forestry	-	-	-	-	-	
1332		1018000 Forests Development, Management and Conservation					-	
1332		1024000 Agroforestry and Commercial Forestry Development					-	
1332		1025000 General Administration Planning and Support Services					-	
9	FINANCE AND NATIONAL PLANNING		-	-	(4,000,000,000)	7,000,000,000	3,000,000,000	
1071		The National Treasury	-	-	(4,000,000,000)	4,000,000,000	-	
1071		0717000 General Administration Planning and Support Services					-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1071		0718000 Public Financial Management			(4,000,000,000)	4,000,000,000	-	**Reduce Ksh. 4 billion (Development)** from the programme. **Increase Ksh. 4 billion (Development)** for public participation initiatives.
1071		0719000 Economic and Financial Policy Formulation and Management				-	-	
1071		0720000 Market Competition					-	
1072		**State Department for Economic Planning**	-	-	-	**3,000,000,000**	**3,000,000,000**	
1072		07710000 Monitoring and Evaluation Services					-	
1072		0707000 National Statistical Information Services					-	
1072		0709000 General Administration Planning and Support Services					-	
1072		Macro-economic Policy, National Planning and Research					-	
1072		Sectoral and Intergovernmental Development Planning				3,000,000,000	3,000,000,000	**Increase Ksh. 3 billion (Development)** for NG-CDF
1073		**State Department for Investments and Assets Management**	-	-	-	-	-	
1073		Programme 1: Public Investment & Portfolio Management					-	
1073		Programme 2: Public Pensions & Remittance Benefit Management					-	
1073		Programme 3: Government Assets Management					-	
1073		Programme 4: General Administration, Planning and Support Services					-	
1073		0718000 Public Financial Management					-	
2061		**The Commission on Revenue Allocation**	-	-	-	-	-	
2061		0737000 Inter-Governmental Transfers and Financial Matters					-	
2121		**Office of the Controller of Budget**	-	-	-	-	-	
2121		0730000 Control and Management of Public finances					-	
10	**HEALTH**		-	-	-	-	-	
1082		**State Department for Medical Services**	-	-	-	-	-	
1082		0402000 National Referral & Specialized Services					-	
1082		0410000 Curative & Reproductive Maternal New Born Child Adolescent Health RMNCAH					-	

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			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1082		0411000 Health Research and Innovations					-	
1082		0412000 General Administration					-	
1083		**State Department for Public Health and Professional Standards**	-	-	-	-	-	
1083		0406000 Preventive and Promotive Health Services					-	
1083		0407000 Health resources development and Innovation					-	
1083		0408000 Health Policy, Standards and Regulations					-	
1083		0412000 General Administration					-	
11	HOUSING, URBAN PLANNING & PUBLIC WORKS		-	-	-	-	-	
1094		**State Department for Housing and Urban Development**	-	-	-	-	-	
1094		0102000 Housing Development and Human Settlement					-	
1094		0105000 Urban and Metropolitan Development					-	
1094		0106000 General Administration Planning and Support Services					-	
1095		**State for Public Works**	-	-	-	-	-	
1095		0103000 Government Buildings					-	
		Programme: Ocean, Rivers, and Lakes Ecosystem Infrastructure					-	
1095		0104000 Coastline Infrastructure and Pedestrian Access					-	
1095		0106000 General Administration Planning and Support Services					-	
1095		0218000 Regulation and Development of the Construction Industry					-	
12	JUSTICE AND LEGAL AFFAIRS COMMITTEE		-	500,000,000	-	-	500,000,000	
1023		**State Department for Correctional Services**	-	-	-	-	-	
1023		0623000 General Administration, Planning and Support Services					-	
1023		0627000 Prison Services					-	
1023		0628000 Probation & After Care Services					-	
1252		**State Law Office**	-	-	-	-	-	
1252		0606000 Legal Services					-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1252		0609000 General Administration, Planning and Support Services					-	
1253		**State Department for Justice Human Rights and Constitutional Affairs**	-	-	-	-	-	
1253		0607000 Governance, Legal Training and Constitutional Affairs					-	
1253		Programme: Governance, Human Rights and Constitutional Affairs					-	
1271		**Ethics and Anti-Corruption Commission**	-	-	-	-	-	
1271		0611000 Ethics and Anti-Corruption					-	
1291		**Office of the Director of Public Prosecutions**	-	-	-	-	-	
1291		0612000 Public Prosecution Services					-	
1311		**Office of the Registrar of Political Parties**	-	-	-	-	-	
1311		0614000 Registration, Regulation and Funding of Political Parties					-	
1321		**Witness Protection Agency**	-	-	-	-	-	
1321		0615000 Witness Protection					-	
2011		**Kenya National Commission on Human Rights**	-	-	-	-	-	
2011		0616000 Protection and Promotion of Human Rights					-	
2031		**Independent Electoral and Boundaries Commission**	-	-	-	-	-	
2031		0617000 Management of Electoral Processes					-	
2131		**Commission on Administrative Justice**	-	-	-	-	-	
2131		0731000 Promotion of Administrative Justice					-	
1261		**The Judiciary**	-	**500,000,000**	-	-	**500,000,000**	
1261		0610000 Dispensation of Justice		500,000,000			500,000,000	**Increase Ksh. 500 million (Recurrent)** for dispensation of justice.
2051		**Judicial Service Commission**	-	-	-	-	-	
2051		0619000 Judicial Oversight					-	
13	**LABOUR**		-	**250,000,000**	-	-	**250,000,000**	
1184		**State Department for Labour and Skills Development**	-	-	-	-	-	
1184		0910000 General Administration Planning and Support Services					-	
1184		0906000 Labour, Employment and Safety Services					-	
1184		0907000 Manpower Development, Employment and Productivity Management					-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1213		**State Department for Public Service**	-	-	-	-	-	
1213		0710000 Public Service Transformation					-	
1213		Programme: Service Human Resource Management and Development					-	
1213		0709000 General Administration Planning and Support Services					-	
2071		**Public Service Commission**	-	-	-	-	-	
2071		0725000 General Administration, Planning and Support Services				-	-	
2071		0726000 Human Resource management and Development					-	
2071		0727000 Governance and National Values					-	
2071		0744000 Performance and Productivity Management					-	
2071		075000 Administration of Quasi-Judicial Functions					-	
2081		**Salaries and Remuneration Commission**	-	**250,000,000**	-	-	**250,000,000**	
2081		0728000 Salaries and Remuneration Management		250,000,000			250,000,000	**Increase Ksh. 250 million (Recurrent)** for O&M
14	**LANDS**		-	**1,000,000,000**	-	-	**1,000,000,000**	
1112		**State Department for Lands and Physical Planning**	-	-	-	-	-	
1112		0101000 Land Policy and Planning					-	
1112		0121000 Land Information Management					-	
1112		0122000 General Administration, Planning and Support Services					-	
2021		**National Land Commission**	-	**1,000,000,000**	-	-	**1,000,000,000**	
2021		0116000 Land Administration and Management		1,000,000,000			1,000,000,000	**Increase Ksh. 1 billion (Recurrent)** for land administration and management
15	**REGIONAL DEVELOPMENT**		-	-	-	-	-	
1032		**State Department for Devolution**	-	-	-	-	-	
1032		0712000 Devolution Services					-	
1033		**State Department for Special Programmes**	-	-	-	-	-	
1033		Programme: Disaster and Risk Management					-	
1036		**State Department for ASALS & Regional and Northern Corridor Development**	-	-	-	-	-	
1036		0733000 Accelerated ASAL Development					-	
1036		0743000 General Administration, Planning and Support Services					-	
1036		1013000 Integrated Regional Development					-	
16	**SOCIAL PROTECTION**		-	-	-	-	-	

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			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
1185		**State Department for Social Protection, Pensions & Senior Citizen Affairs**	-	-	-	-	-	
1185		0908000 Social Development and Children Services					-	
1185		0909000 National Social Safety Net					-	
1185		0914000 General Administration, Planning and Support Services					-	
1185		Programme: Social Development and Disability Inclusion					-	
1186		**State Department for Children Welfare Services**	-	-	-	-	-	
1186		0908000 Social Development and Children Services					-	
1186		0909000 National Social Safety Net					-	
1186		0914000 General Administration, Planning and Support Services					-	
1186		Programme: Child Protection and Safeguarding					-	
1212		**State Department for Gender and Affirmative Action**	-	-	-	-	-	
1212		0911000 Community Development					-	
1212		0912000 Gender Empowerment					-	
1212		0913000 General Administration, Planning and Support Services					-	
1135		**State Department for Youth Affairs and the Arts**	-	-	-	-	-	
1135		0711000 Youth Empowerment Services					-	
1135		0748000 Youth Development Services					-	
1135		0749000 General Administration, Planning and Support Services					-	
2141		**National Gender and Equality Commission**	-	-	-	-	-	
2141		0621000 Promotion of Gender Equality and Freedom from Discrimination					-	
1213		**State Department for Public Service**	-	-	-	-	-	
1213		0747000 National Youth Service					-	
17	SPORTS AND CULTURE		-	-	-	-	-	
1132		**State Department for Sports**	-	-	-	-	-	
1132		0901000 Sports				-	-	
1134		**State Department for Culture and Heritage**	-	-	-	-	-	

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			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					Notes
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	
1134		0902000 Culture/ Heritage					-	
1134		0903000 The Arts					-	
1134		0904000 Library Services					-	
1134		0905000 General Administration, Planning and Support Services					-	
1134		0916000 Public Records Management					-	
1134		0917000 Lottery Control, Licensing and Regulations					-	
1135		**State Department for Youth Affairs and the Arts**	-	-	-	-	-	
1135		0221000 Film Development Services					-	
18	TOURISM AND WILDLIFE		-	-	-	-	-	
1202		**State Department for Tourism**	-	-	-	-	-	
1202		0313000 Tourism Promotion and Marketing					-	
1202		0314000 Tourism Product Development and Diversification					-	
1202		0315000 General Administration, Planning and Support Services					-	
1203		**State Department for Wildlife**	-	-	-	-	-	
1203		1019000 Wildlife Conservation and Management					-	
19	TRADE, INDUSTRY AND COOPERATIVES		-	-	-	-	-	
1173		**State Department for Cooperatives**	-	-	-	-	-	
1173		0304000 Cooperative Development and Management					-	
1174		**State Department for Trade**	-	-	-	-	-	
1174		0309000 Domestic Trade and Enterprise Development					-	
1174		0310000 Fair Trade Practices And Compliance of Standards					-	
1174		0311000 International Trade Development and Promotion					-	
1174		0312000 General Administration, Planning and Support Services					-	
1175		**State Department for Industry**	-	-	-	-	-	
1175		0301000 General Administration Planning and Support Services					-	
1175		0320000 Industrial Promotion and Development					-	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					Notes
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	
1175		0321000 Standards and Quality Infrastructure & Research					-	
1176		**State Department for Micro, Small and Medium Enterprises Development**	-	-	-	-	-	
1176		0316000 Promotion and Development of MSMEs					-	
1176		0317000 Product and Market Development for MSMEs					-	
1176		0318000 Digitization and Financial Inclusion for MSMEs					-	
1176		0319000 General Administration, Planning and Support Services					-	
1177		**State Department for Investment Promotion**	-	-	-	-	-	
1177		0322000 Investment Development and Promotion					-	
20	**TRANSPORT AND INFRASTRUCTURE**		-	-	-	-	-	
1091		**State Department for Roads**	-	-	-	-	-	
1091		0202000 Road Transport					-	
1092		**State Department of Transport**	-	-	-	-	-	
1092		0201000 General Administration, Planning and Support Services					-	
1092		0203000 Rail Transport					-	
1092		0204000 Marine Transport			-		-	
1092		0216000 Road Safety					-	
1093		**State Department for Shipping and Maritime Affairs**	-	-	-	-	-	
1093		0219000 Shipping and Maritime Affairs					-	
1097		**State Department for Aviation and Aerospace Development**	-	-	-	-	-	
1097		0205000 Air Transport					-	
21	**BUDGET & APPROPRIATIONS COMMITTEE**		**(1,100,000,000)**	**3,002,000,000**	**-**	**350,000,000**	**2,252,000,000**	
		Parliament	**(1,100,000,000)**	**2,752,000,000**	**-**	**350,000,000**	**2,002,000,000**	**-**
2041		**Parliamentary Service Commission**	**(1,100,000,000)**	**190,000,000**	**-**	**-**	**(910,000,000)**	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
2041		0765000 General Administration Planning and Support Services	(1,100,000,000)	190,000,000			(910,000,000)	**Increase Ksh. 50 million (Recurrent)** for post retirement medical ex-gracia **Increase Ksh. 65 million (Recurrent)** for post retirement medical (secretariat) **Increase Ksh. 75 million (Recurrent)** for committees. **Reduce Ksh. 1.1 billion (Recurrent)** from one off Post-Service Medical Scheme (PSMS) to be distrubuted across the four PSC Votes
2041		0766000 Human Resources Management and Development					-	
2042		**National Assembly**	**-**	**1,960,000,000**	**-**	**-**	**1,960,000,000**	
2042		0721000 National Legislation, representation and oversight		1,960,000,000			1,960,000,000	**Increase Ksh. 190 million (Recurrent)** for Salary drift (Members). **Increase Ksh. 260 million (Recurrent)** for Rent Adjustments (Constituency Offices). **Increase Ksh. 400 million (Recurrent)** for salary adjustments 10 % constituency office. **Increase Ksh. 310 million (Recurrent)** for operations expenses (10%) adjustments. **Increase Ksh. 600 million (Recurrent)** for mortgage capitation. **Increase Ksh. 200 million (Recurrent)** for committees.
2043		**Parliamentary Joint Services**	**-**	**370,000,000**	**-**	**350,000,000**	**720,000,000**	
2043		0723000 General Administration, planning and support services		370,000,000		350,000,000	720,000,000	**Increase Ksh. 100 million (Recurrent)** for KBC Live Broadcasting. **Increase Ksh. 70 million (Recurrent)** for Bunge Towers Maintenance. **Increase Ksh. 100 million (Recurrent)** for Staff Medical. **Increase Ksh. 100 million (Recurrent)** for general operations. **Increase Ksh. 250 million (Development)** for CPST. **Increase Ksh. 100 million (Development)** for Bunge Tower.
2043		0746000 Legislative Training Research & Knowledge Management					-	
2044		**Senate Affairs**	**-**	**232,000,000**	**-**	**-**	**232,000,000**	

	3/4/2026 16:18		SECOND SCHEDULE					
			BUDGET & APPROPRIATIONS COMMITTEE FINANCIAL RECOMMENDATIONS					
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	BUDGET POLICY STATEMENT 2026/27 EXPENDITURE CEILINGS					
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Gross Change	Notes
2044		0767000 Senate Legislation and Oversight		50,000,000			50,000,000	**Increase Ksh. 50 million (Recurrent)** for committees
2044		0768000 Senate Representation, Liaison & Intergovernmental Relations		145,000,000			145,000,000	**Increase Ksh. 55 million (Recurrent) for** Rent Adjustments (County Offices). **Increase Ksh. 50 million (Recurrent) for** salary adjustments 10 % county offices. **Increase Ksh. 40 million (Recurrent)** for operations expenses (10%) adjustments.
2044		0769000 General Administration Planning and Support Services		37,000,000			37,000,000	**Increase Ksh. 37 million (Recurrent)** for Salary drift (Senators).
2111		**Auditor General**	**-**	**250,000,000**	**-**	**-**	**250,000,000**	
2111		0729000 Audit Services		250,000,000			250,000,000	**Increase Ksh. 250 million (Recurrent)** for O&M
		Total Expenditure	**(1,100,000,000)**	**8,752,000,000**	**(4,000,000,000)**	**7,350,000,000**	**11,002,000,000**	
		o/w Parliament	**(1,100,000,000)**	**2,752,000,000**	**-**	**350,000,000**	**2,002,000,000**	
		o/w Judiciary	**-**	**500,000,000**	**-**	**-**	**500,000,000**	
		o/w Executive	**-**	**5,500,000,000**	**(4,000,000,000)**	**7,000,000,000**	**8,500,000,000**	

Third Schedule: Policy Recommendations from Departmental Committees

SECTOR	RECOMMENDATIONS
FINANCE AND PRODUCTION	1. By the beginning of the next budget cycle, the State Department for Industry diversifies the raw materials used in the textile industry and the National Treasury, in collaboration with the Ministry of Trade, Industry and Investment Promotion, domiciles the textile value chain under the State Department for Industry.
INFRASTRUCTURE	1. By 30th April 2026, the Principal Secretary for the National Treasury, in collaboration with the Principal Secretary for Energy, should separate the current consolidated vote head (1152104400 – Electrification of Public Facilities) implemented by REREC into two distinct vote heads, namely Electrification in Constituencies and Electrification of Public Institutions, to enhance transparency, ring-fence resources, and ensure balanced prioritization and timely implementation of electrification projects. 2. By 31st December 2026, the Principal Secretary, State Department for Lands and Physical Planning ensure that the National Land Policy is aligned to the definition of land in Article 260 of the Constitution and considers emerging issues in the land sector, in addition to fast tracking the review of the Sessional Paper No. 3 of 2009 on National Land Policy 3. By 30th June 2026, the Cabinet Secretary responsible for National Treasury implements the National Assembly resolution to approve the Chief Executive Officer of the National Land Commission as the revenue collector for the National Government as per Section 76(1) of the PFM Act, 2012 to enhance Appropriation-in-Aid collection. 4. By 30th May 2026, the State Department for Water and Sanitation to finalize regulations under the revised Water Act, 2016 and allow Water Works Development Agencies to begin collecting Appropriations-in-Aid from bulk water sales in FY 2026/27. Further, irrigation projects currently administered by KVDA, LBDA and TARDA should be transferred to the National Irrigation Authority with corresponding budgets. Additionally, the State Department for Blue Economy and Fisheries should operationalize the Fish Levy Order, 2024 to increase AIA collections and reduce reliance on exchequer funding.
ENVIRONMENT AND NATURAL RESOURCES SECTOR	1. By 31st December 2026, the Principal Secretary of the State Department for Tourism fully operationalizes the Tourism Crisis Management Unit and submits a report to Parliament confirming a functional 24-hour tourist assistance and incident response system, adoption of a national

	tourism emergency response protocol, operational coordination with security, health and transport agencies, and annual performance indicators on incident resolution and visitor assistance outcome 2. By 30th June 2026, the Cabinet Secretary for the National Treasury and Economic Planning shall implement the Cabinet-approved mergers and dissolutions of State Corporations and publish a clear transition framework and report to Parliament to ensure continuity of services during restructuring.
SOCIAL SECTOR	1. By 30th December 2026, the Cabinet Secretary for Gender, Culture and Children Services develop a comprehensive National Child Online Protection Framework addressing emerging digital risks and strengthening enforcement mechanisms. 2. By 30th April 2026, the Cabinet Secretary for the Ministry of Youth Affairs, Creative Economy and Sports complete the review of the Creative Economy Policy, the Creative Economy Bill 2026 and the Copyright Act, Cap. 130 and submit them to Parliament 3. Within six months of Parliament approval of this report, the State Department for TVET and the State Department for Basic Education finalize placement policies for learners and commences costing of programmes to support course-based funding. 4. Within thirty days of Parliament approval of this report, The Social Health Authority should operationalize a mandatory Primary Health Care Services Charter and enforcement framework
GOVERNANCE AND PUBLIC ADMINISTRATION	1. By the time of finalization of the Annual Estimates for FY 2026/2027, the Cabinet Secretary for the National Treasury, in consultation with the Inspector General of Police, should adopt a phased and fiscally sustainable police recruitment plan that aligns the intake of new personnel with the availability of operational resources. The recruitment process should be sequenced to ensure that newly recruited officers are adequately trained, equipped, housed, and operationally facilitated to effectively discharge their duties. 2. That, no further public funds be provided for the renovation, partitioning, or structural modification of leased premises occupied by the Office of the Prime Cabinet Secretary. Henceforth, the National Treasury should cease financing such expenditures.

Third Schedule: Additional Allocations to County Governments in FY 2026/27.

SN	Project description	Amount (Ksh)
	Unconditional Allocations to County Governments	
1	Unconditional Allocations from Court Fines	148,259,370
2	Unconditional Allocations for 20% Share of Mineral Royalties	1,833,128,821
	Sub-total (A)	**1,981,388,191**
	Conditional Additional Allocations to County Governments from National Government's Revenue	
1	Community Health Promoters (CHPs) Programme	3,234,930,000
2	Supplement Construction of County Headquarters	523,010,000
3	County Aggregation and Industrial Parks (CAIPs) Programme	3,250,000,000
4	Allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	365,991,679
5	Allocations to Remuneration of Health Coverage (UHC) Workers	8,937,615,000
	Sub-total (B)	**16,311,546,679**
	Conditional Additional Allocations from Proceeds of Loans or Grants from Development Partners	
1	AfD (French)-Kenya Informal Settlements Inprovement Project Phase Two (KISIP II)	400,000,000
2	IDA (World Bank) - Building Resilient & Responsive Health Systems(BREHS)	7,800,000,000
3	KfW - Financing Locally- Led Climate Action(FLLoCA) Program-County Climate Resilience Investment Grant(CCRIG)	1,200,000,000
4	IDA (World Bank) -Financing Locally- Led Climate Action(FLLoCA) Program-County Climate Resilience Investment Grant(CCRIG)	6,187,500,000
5	IDA (World Bank) -Food Systems Resilience Project (FSRP)	3,900,000,000
6	IDA (World Bank)-National Agricultural Value Chain Development Project (NAVCDP)	3,560,000,000
7	IDA (World Bank)-Water and Sanitation Development Project (WSDP)	850,000,000
8	IDA (World Bank)-Kenya Urban Support Project (KUSP)- Urban Development Grant(UDG)	16,703,171,420
9	IDA (World Bank)-Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG)	954,734,992
10	IFAD-Kenya Livestock Commercialization Project (KeLCoP)	378,730,000
11	KfW-Drought Resilience Programme in Northern Kenya (DRPNK)	853,600,000
12	IDA (World Bank)-Second Kenya Devolution Support Program (KDSP II)-Institutional Grant(level I Grant)	1,762,500,000
13	IDA (World Bank)-Second Kenya Devolution Support Program (KDSP II)-Service Delivery and Investment Grant(level II Grant)	7,755,000,000
14	IDA (World Bank)-Kenya Water, Sanitation and Hygiene (K-WASH)-Programme	4,282,086,900
15	IFAD-Integrated Natural Resources Management (INReM)-Programme	812,442,000
	Sub-total (C)	**57,399,765,312**
	GRAND TOTAL (A+B+C)	**75,692,700,182**

REPUBLIC OF KENYA

NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT- FIFTH SESSION (2026)

BUDGET AND APPROPRIATIONS COMMITTEE

ADOPTION SCHEDULE

We, the undersigned Members of the Budget and Appropriations Committee, today.....do hereby affix our signatures to this **REPORT OF BUDGET AND APPROPRIATIONS COMMITTEE ON THE 2026 BUDGET POLICY STATEMENT** to affirm our approval and confirm accuracy, validity and authenticity: -

No	NAME	SIGNATURE
1	**Hon. Atandi, Samuel Onunga, M.P. -Chairperson**	
2	**Hon. (Dr.) Pukose Robert, CBS, M.P.- Vice Chairperson**	
3	Hon. Chumel, Samwel Moroto, CBS, M.P.	
4	Hon. (Dr.) Adan Wehliye Keynan, CBS, M.P.	
5	Hon. Mulu, Makali, PhD, CBS, M.P.	
6	Hon. Lekuton, Joseph, CBS, M.P.	
7	Hon. Lesuuda, Josephine Naisula, OGW, M.P.	
8	Hon. Robi, Mathias Nyamabe, M.P.	
9	Hon. Ochieng, David Ouma, M.P.	
10	Hon. Muchira, Michael Mwangi, M.P.	
11	Hon. Mwakuwona, Danson Mwashako, M.P.	
12	Hon. Wangaya, Christopher Aseka, M.P.	
13	Hon. Mwirigi, John Paul, M.P.	
14	Hon. (Dr.) Masara, Peter Francis, M.P.	
15	Hon. (Dr.) Ongili, Babu Owino Paul, M.P.	
16	Hon. Wanjiku, John Njuguna, M.P.	
17	Hon. (Dr.) Gogo, Lilian Achieng, M.P.	
18	Hon. Guyo, Ali Wario, M.P.	

No	NAME	SIGNATURE
19	Hon. Murumba, John Chikati, PhD, M.P.	
20	Hon. Busia, Ruth Adhiambo Odinga, M.P.	
21	Hon. Kitilai, Ole Ntutu, M.P.	
22	Hon. Sergon, Flowrence Jematiah, M.P.	
23	Hon. Mokaya, Nyakundi Japheth, M.P.	
24	Hon. Abdirahman Mohamed Abdi, M.P.	
25	Hon. Mutuse, Eckomas Mwengi, OGW, M.P.	
26	Hon. Kagiri, Jane Wangechi, OGW, M.P.	
27	Hon. (Dr.) Mugo, Edwin Gichuki, M.P.	