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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT

.....

REPORT ON

THE BUDGET IMPLEMENTATION OVERSIGHT FOR THE FY 2025/26 FOR:

A. VOTE 1032: STATE AND DEPARTMENT FOR DEVOLUTION
B. VOTE 1033: STATE DEPARTMENT FOR SPECIAL PROGRAMMES
C. VOTE 1036: STATE DEPARTMENT FOR ASALs & REGIONAL DEVELOPMENT

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 13 OCT 2026
DAY. TUESDAY
TABLED BY: HON. WZA CHELUGE, CBS, MP (VICE CHAIRPERSON)
CLERK-AT THE-TABLE: INZORU MWALE, HSC

DIRECTORATE OF DEPARTMENTAL COMMITTEES
CLERK'S CHAMBERS
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NAIROBI

OCTBER 2026

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CHAIRPERSON'S FOREWORD

Article 95 (4) (b) and (c) of the Constitution requires the National Assembly to appropriate funds for the National Government and National state organ expenditures and exercise oversight over national revenue and expenditure. Further, Standing Order 245A (2) mandates the Departmental Committee to examine and report on the expenditures and non-financial performance of the budget of the National Government and examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.

The National Assembly is additionally mandated to oversee the utilization of allocated public resources in a transparent and effective manner, ensuring the provision of public goods and services in line with the provisions of Article 228(6) of the Constitution and Sections 66(h) and 83(5) of the Public Finance Management Act, CAP 412A.

Additionally, the National Assembly through its Departmental Committees is required to continuously engage the Ministries Departments and Agencies under their purview and assess quarterly progress in implementing the approved budget in line with the provisions of Article 95 (4) (c) of the Constitution and Standing Order 216 (5) (ba).

In this regard and pursuant to Standing Order 216 (5) (ba), the Departmental Committee on Regional Development held a total of four (4) sittings to deliberating on the implementation of the national budget for FY 2025/26 for all the agencies under its purview. The Agencies made written submission to the Committee regarding the implementation of the allocated budget for FY 2025/26. The Committee noted among other thing, there was inadequate funding to the sector that lead to below target execution of planned projects and activities. The Committee considered and unanimously adopted its report on the implementation of the national budget for the FY 2025/26 for the agencies under its purview.

I would like to take this opportunity to thank the members of the Committee for their dedication and commitment to duty, which made it possible to successfully scrutinize the budget's execution for the agencies under its jurisdiction. I would also like to express my profound appreciation to the Committee secretariat for providing technical and logistical support, as well as to the Offices of the Speaker and Clerk of the National Assembly for providing general direction and guidance.

On behalf of the Departmental Committee on Regional Development and pursuant to the provisions of Standing Order 216 (5) (ba), it is my pleasant privilege and honour to present to this House the Report of the Committee on the Budget Implementation Oversight for FY 2025/26 for the State Departments under its purview.

Hon. Lochakapong Peter, MP.
Chairperson, Departmental Committee on Regional Development

CHAPTER ONE

1.0 Preface

1.1 Establishment and mandate of the Committee

1. The Departmental Committee on Regional Development is one of the twenty (20) Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to the **Standing Order 216 (5)** is as follows: -
   (i) *investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
   (ii) *study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
   (iii) *on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
   (iv) *study and review all legislation referred to it;*
   (v) *study, assess and analyze the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
   (vi) *Investigate and inquire into all matters relating to the assigned Ministries and Departments as they may deem necessary, and as may be referred to them by the House;*
   (vii) *vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointment;*
   (viii) *examine treaties, agreements and conventions;*
   (ix) *make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
   (x) *consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
   (xi) *Examine any questions raised by Members on a matter within its mandate.*

1.2 Subjects under the Committee

2. The Second Schedule of the Standing Orders on Departmental Committees further outlines the subjects of the Committee, as follows
   (a) Regional development, including regional development authorities;
   (b) Refugee affairs;
   (c) Devolution;
   (d) Inclusive growth;
   (e) Arid and semi-arid areas;
   (f) Disaster risk management;
   (g) Drought, famine and disaster response; and
   (h) Post- disaster recovery and rehabilitation.

3. The Committee in executing its mandate oversights the **State Department for Devolution, State Department for Special Programmes** and **State Department for Arid and Semi-Arid Lands (ASALs) and Regional Development**

1.3 Committee Membership

4. The Committee was constituted by the House on Thursday 27th October, 2022 and comprises the following Members:

Chairperson
Hon. Lochakapong Peter, M.P.
Sigor Constituency
United Democratic Alliance (UDA)

Vice Chairperson
Hon. Chelule Liza, M.P
Nakuru Constituency
United Democratic Alliance (UDA)

Members

Hon. Abuor Paul, M.P.
Rongo Constituency
Orange Democratic Movement (ODM)

Hon. Njeru Pamela Njoki, M.P.
Embu Constituency
United Democratic Alliance (UDA)

Hon. Majimbo Joseph Kalasinga, M.P.
Kabuchai County
FORD-Kenya Party

Hon. Maina Mwago Amos, M.P.
Starehe Constituency
Jubilee Party

Hon. Basil Robert Ngui, M.P.
Yatta Constituency
Wiper Democratic Movement – Kenya

Hon. Nabulindo Peter Oscar, M.P.
Matunga Constituency
Orange Democratic Movement (ODM) Kenya

Hon. David Kipsang Keter, M.P.
Emurua Dikirr Constituency
United Democratic Alliance (UDA)

Hon. Munyoro Joseph Kamau, M.P.
Kigumo Constituency
United Democratic Alliance (UDA)

Hon. Sudi Oscar Kipchumba, M.P.
Kapseret Constituency
United Democratic Alliance (UDA)

Hon. Tungule Charo Kazungu, M.P.
Ganze Constituency
Pamoja African Alliance (PAA)

Hon. Abdi Khamis Chome, M.P.
Voi Constituency
Wiper Democratic Movement

Hon. Hassan Ahmed Maalim, M.P.
Banissa Constituency
United Democratic Alliance (UDA)

Hon. Mawathe Julius Musili, M.P.
Embakasi South Constituency
Wiper Democratic Movement (WDM) – Kenya

1.4 Committee Secretariat

5. The Committee is facilitated by the following staff:

Mr. Jimale Mohammed
Clerk Assistant I/Head of Secretariat

Ms. Violet Nabwire
Clerk Assistant III

CPA Cyrille Mutali
Fiscal Analyst II

Mr. Moses Mwariri
Legal Counsel I

Ms. Rose Tabuke
Research Officer III

Mr. Peter Muthethia
Audio Officer II

Ms. Mary Kamande
Public Communication Officer III

Ms. Mwanasha Juma
Assistant Sergeant-at-Arms II

CHAPTER TWO

2.0 Introduction

6. Article 95 (4) (b) and (c) of the Constitution requires the National Assembly to appropriate funds for the National Government and National state organ expenditures and exercise oversight over national revenue and expenditure. Further, Standing Order 245A (2) mandates the Departmental Committee to examine and report on the expenditures and non-financial performance of the budget of the National Government and examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.

7. The National Assembly is additionally mandated to oversee the utilization of allocated public resources in a transparent and effective manner, ensuring the provision of public goods and services in line with the provisions of Article 228(6) of the Constitution and Sections 66(h) and 83(5) of the Public Finance Management Act, 2021.

8. In this regard and pursuant to Standing Order 216 (5) (ba), the Departmental Committee on Regional Development held sittings to deliberating on the implementation of the national budget for FY 2025/26 for all the agencies under its purview. The Agencies provided a written submission regarding the implementation of the allocated budget for the FY 2025/26. The Committee noted among other things, that there was inadequate funding to the sector that lead to below target execution of planned projects and activities. The Committee considered and unanimously adopted its report on the implementation of the national budget for the FY 2025/26 for the agencies under its purview.

CHAPTER THREE

3.0 Overall Budget Implemetation For FY 2025/26

3.1 State Department for Devolution

9. The Principal Secretary, for the State Department for Devolution, Mr. Loikenu Lenasalon, appeared before the Committee on Friday, 28th August 2026 and submitted as follows;

Overall Budget Absorption Rate in the FY 2025/26

10. In the FY 2025/26, the State Department was allocated a total budget of Kshs. 15,549.70 million, consisting of Kshs. 1,373.58 million for recurrent expenditure and Kshs. 14,176.12 million for development expenditure.

11. Total expenditure during the period amounted to Kshs. 10,987.18 million, representing an aggregate absorption rate of 71%. Recurrent expenditure reached Kshs. 1,373.57 million, achieving a 100% absorption rate, while development expenditure stood at Kshs. 9,613.61 million, reflecting a 68% absorption rate.

Table 1: Budget Performance for FY 2025/26

Item	Printed Estimates	Revised Estimates	Expenditure	Exchequer issues	Balance	% Absorption
Recurrent Vote						
Compensation of employees	243.90	246.24	246.23	246.23	0.01	99.9%
Operations and Maintenance	361.60	401.59	401.59	401.59	-	100%
Current Grants to Semi-Autonomous Government Agencies	725.80	725.75	725.75	725.75	-	100%
Sub Total Recurrent	**1,331.30**	**1,373.58**	**1,373.57**	**1,373.57**	**0.01**	**99.9%**
Development Vote						
GOK	171.12	171.22	171.12	171.12	-	100%
Loan KDSP II (Donor)	15,744.00	14,005.00	9,442.49	9,442.49	4,562.51	68%
Sub Total Development	**15,915.12**	**14,176.22**	**9,613.61**	**9,613.61**	**4,562.51**	**68%**
Grand Total	**17,246.42**	**15,549.62**	**10,987.18**	**10,987.18**	**4,562.44**	**71%**

Source: MDA Submission

12. The suboptimal absorption rate in development expenditure is attributed to the non-disbursement of funds to county governments, resulting from the performance status of specific Disbursement Linked Indicators (DLIs).

Pending Bills

13. The PS highlighted that the State Department had pending bills amounting to Kshs. 2,728.60 million out of which Kshs. 10.62 million are carry overs from FY 2025/26 while Kshs. 2,717.98 million relate to historical pending bills.

Project Information for Ongoing Capital Projects as at 30th June 2026

Table 2: Capital Projects as at 30th June 2026

Project Name (a)	Project Commencement Date	Expected date of Completion of the project	Source of Funds (GoK/Donor)	Estimated Value of the Project (Kshs.) M	Total funding FY 2025/26		Cumulative Expenditure up to June 2026	Percentage (%) of Completion	Geographical Location
					Donor	GOK			
Kenya Devolution Support Proggramme II (KDSP II)	1/12/2023	31/12/2027	GOK & WORLD BANK	24,078	14,005	141	9,582.51	48%	47 counties
Maarifa Centre for Knowledge Management Among Counties	21/2/2022	30/6/2026	GOK	60	-	35	35.00	57.83%	COG Headquarters
Total				**24,138**	**14,005**	**171**	**9,612.51**	**68%**	

Source: MDA Submission

Key Achievements and Non-financial Outputs during the Implementation of the 2025/26

14. The PS highlighted major achievements in relation to the FY 2025/26. They include:

a) County Fiscal and Human Resource Management Reforms Supported by KDSP II

b) Legal, Policy & Coordination Framework:

- ❖ National policy on devolved governance approved
- ❖ Intergovernmental relations amendment Bill
- ❖ Concurrent functions bill
- ❖ Regulations on transfer of functions between the national government and the county government developed
- ❖ Developed a coordination framework for development partners in devolution related activities

c) Joint Devolution Programme II (JDP II): Launched a coordinated framework to strengthen intergovernmental relations, institutional capacity, and service delivery across 8 counties and 8 national agencies.

d) County Institutional Capacity Building:

- ❖ Developed and rolled out 2 key frameworks namely; public service management framework and devolution performance results framework
- ❖ Forty-six (46) counties were supported to establish project level management committees and fifteen of them trained in addition to county staff as a measure to enhance public participation at the county level
- ❖ Seven (7) county assembly legislative caucuses were established to promote youth engagement and legislative oversight through the scouting movement.

e) Functions Unbundling & Transfer:

- ❖ Seven (7) intergovernmental frameworks on asset sharing between the two levels of government in education sector developed

- ❖ Thirty-four (34) intergovernmental frameworks on provision of education support/ bursaries between the two levels of government developed
- ❖ Four (4) contentious components in six (6) sectors of devolved functions unbundled, delineated and transferred.

f) Asset & Resource Transfer:
- ❖ Valued, gazetted and transferred 62,248 registrable assets of defunct local authorities and devolved functions to counties.

g) Intergovernmental Relations and Coordination:
- ❖ Held 6 intergovernmental sector forums and convened 54 sector working groups to enhance intergovernmental coordination and resolve critical issues between the two levels of government.
- ❖ Held the national coordinating summit meeting to resolve critical issues affecting the two levels of government:
- ❖ Resolved 23 intergovernmental disputes through ADR mechanism.
- ❖ Successfully held the national biennial devolution conference in Homabay county geared towards driving progress on maternal health, OSR, affordable housing, value chains, and county assembly financial autonomy. 70% of the resolutions have so far been implemented

h) County Knowledge Management & Best Practices:
- ❖ Developed knowledge management strategy for the devolved system of government
- ❖ Published 6 compendiums of county best practices and innovations, enabling peer learning and replication of proven service-delivery solutions across counties.

i) Urban governance, green skills & leadership frameworks:
- ❖ Developed specialized frameworks for urban governance (model org structures, M&E guide, private sector engagement), youth green-skilling, climate mainstreaming (model environment bill & guidelines), and governors'/sector induction manuals to strengthen leadership capacity.

Challenges in the Implementation of Core mandate

15. Some of the challenges experienced include:

a) Prolonged resolution of intergovernmental disputes arising from slow involvement of the parties in the dispute and unclear partnership arrangements for the implementation of exclusive functions, resulting in prolonged intergovernmental disputes, role ambiguity, and coordination challenges between national and county actors.

b) Inadequate funding to the sub-sector leading to below target execution of planned projects and activities. Additionally, lack budgetary provision for historical pending bills resulted in penalties, and additional financial costs.

c) Delay in approval of policy and legislative frameworks including delays in passage of the Intergovernmental Relations Amendment Bill.

Key Fiscal, Operational or Governance risks identified in the FY 2025/26

16. Further, the PS presented the key fiscal, operation and governance risks identified in the financial year under review. They include:

a) Inadequate Budgetary Provision for both the core mandate and support programs/activities for example inadequate budgetary provision to cater for holding of sector forums, stakeholder's engagements in validation of the frameworks and guidelines, citizen engagements, capacity building of county executives and county assembly and vehicle maintenance and repair, purchase of ICT equipment and office furniture and equipment.

b) Increased project costs arising from delayed implementation of the Kisumu convention centre.

c) Increased court awards arising from delayed payment of historical pending bills

d) Delayed approval and implementation of intergovernmental frameworks. There are several frameworks that have been finalized but are still waiting cabinet approval. E.g National Civic Education Framework, Local Economic Development (LED) framework and Public Service Management framework

Mitigation Measures and Smart Action Plans

17. The mitigation measures and plans highlighted by the PS include:

Table 3: Mitigation Measures

Risk	Mitigation measures
Inadequate funding	Resource mobilization from development partners – the Joint Devolution Programme is under implementation to fund activities geared towards strengthening of intergovernmental relations, institutional capacity, and service delivery across 8 counties and 8 national agencies. This is in addition to KDSP II.
	FY 2026/27 State Departmental annual work plan has been aligned with available budget/funds.
Increased project costs arising from delayed implementation of the Kisumu Convention Centre	Engaging the National Treasury to allocate funds for the completion of the project.
Increased Court Awards arising from delayed payment of historical pending bills	Engaging the National Treasury to allocate funds for the payment of pending bills.

Risk	Mitigation measures
Delayed approval and implementation of intergovernmental frameworks	Fast-tracking of the approval process of the pending frameworks by the Cabinet to unlock implementation by the relevant structures.

Source: MDA Submission

SAGAs

18. The State Department oversees three (3) Semi-Autonomous Government Agencies (SAGAs), namely the Intergovernmental Relations Technical Committee, the Council of Governors, and the World Scout Parliamentary Union Kenya. During the period under review, the three SAGAs had a cumulative approved budget estimate of Kshs. 806.13 million, against which a total of Kshs. 804.98 million was spent, translating to an overall absorption rate of 99.86%

Table 4: SAGAs Estimates vs Expenditure (Kshs. Millions)

S/No.	SAGA	Approved Estimates	Total Expenditure	Absorption rate
1	Intergovernmental Relations Technical Committee	524.52	523.37	**99%**
2	Council of Governors	231.23	231.23	**100%**
3	World Scout Parliamentary Union Kenya	50.38	50.38	**100%**
	SUM	**806.13**	**804.98**	**99.86%**

Source: MDA Submission

3.1.1 Intergovernmental Relations Technical Committee (IGRTC)

19. The Chairman of IGRTC, CPA Kithinji Kiragu, submitted as follows;

Overall Budget Absorption Rate

20. During the period under review, IGRTC implemented activities in accordance with the approved annual work plan and budget. The total approved budget for the reporting period was KES 524,520,000.00, against which KES 523,373,690.91 was spent, representing an overall absorption rate of 99.78%.

21. IGRTC does not have any capital projects and AIA.

Table 5: Budget Performance Showing a Detailed Breakdown of the Recurrent Budget against Actual Expenditure FY 2025/2026

Economic Classification	Approved Budget	Actual Expenditure	Variance	Absorption
Personnel Emoluments	239,460,247	239,226,503.27	233,743.73	99.90
Utilities Supplies and Services-Electricity	1,600,000	1,559,777.05	40,222.95	97.49
Telephone, Internet & Courier/Postal Services	6,600,000	6,517,062.00	82,938.00	98.74
Medical Insurance Cover	28,700,000	28,580,000.00	120,000.00	99.58
Rentals	49,400,000	49,366,938.92	33,061.08	99.93
Gratuity for Staff on Contract	17,200,000	17,139,999.30	60,000.70	99.65
Mandate Programs	76,209,753	76,077,382.00	132,371.00	99.83
Printing, Advertising and Services	24,400,000	24,395,559.00	4,441.00	99.98
Fuel Oil and Lubricants	10,000,000	9,796,160.00	203,840.00	97.96
Maintenance - Vehicles and Other Transport Equipment	7,400,000	7,301,801.37	98,198.63	98.67
Other O & M (General Office Supplies and Supplies for Computers and Printers, Routine maintenance of other Assets, Training Expenses, Hospitality Supplies, Cleaning Services, Purchases of ICT & other office Equipment)	63,550,000	63,412,508.00	137,492.00	99.78
TOTAL	**524,520,000**	**523,373,690.91**	**1,146,309.09**	**99.78**

Source: MDA Submission

Pending Bills

22. As at 30th June, 2026, IGRTC had two pending bills/obligations amounting to Kshs. 141 million. The two pending bills/obligations are related to the following items;

Table 6: Pending Obligations

No.	Pending Bills/Obligations	Amount (Kshs)	Measures
1.	Service gratuity for IGRTC members who contract lapsed	116,000,000	IGRTC as guided by the National Treasury sought approval to access quarter one and quarter two allocations for the FY 2026/2027 (Kshs 265,600,000) to meet the personnel emoluments for quarter one and use the quarter two allocation for payment of the service gratuity to the members who exited service in June 2026. As guided, the shortfall of Kshs 116,000,000 will be requested for consideration during the Supplementary

No.	Pending Bills/Obligations	Amount (Kshs)	Measures
			Estimates No. 1 for the current financial year 2026/2027.
2.	Government Printer occasioned by bulk publishing of two types of gazette notices for 47 county governments for land assets	25,000,000	IGRTC will request for this shortfall during the Supplementary Estimate Budget process.
TOTAL		**141,000,000**	

Source: MDA Submission

Key Achievements and Non-Financial Outputs for the FY 2025/2026

23. Some of the key achievements that have been realized during the period include:

a) Transferred fixed assets of defunct local authorities and fixed assets of national government relating to devolved functions to respective county governments vide Kenya Gazette Vol. CXXVII-No.171 of 11th August, 2025 and specified in the schedules Gazette Notices No. 11164-11206.

b) Transferred national government houses relating to devolved functions to respective county governments vide Kenya Gazette Vol. CXXVII-No.188 of 5th September, 2025 specified on schedules to Gazette Notice No. 12554-12596.

c) Transferred the management function relating to Amboseli National Park to Kajiado County Government vide Gazette Notice No. 15230 of 16th October, 2025.

d) Developed an intergovernmental framework to facilitate the issuance of education support/bursaries as guided by the Controller of Budget between the Ministry of Education and county governments.

e) Held one (1) National and County Government Coordinating Summit meeting with 90% of resolutions implemented.

f) Five Intergovernmental disputes were resolved using the ADR mechanism (*County Government of Vihiga and the Kenya National Highways Authority; Coast Water Works Development Agency and Kenya Rural Road Authority; Bomet County Government and the Prisons Department; Laikipia County Government and Nyandarua County Government; Kenya Medical Supplies Authority vs County Governments*).

g) Unbundling and delineation of devolved functions in twelve (12) counties was undertaken through extensive consultation process between the two levels of government. The agreed components for transfer were gazetted through the Kenya

Gazette on 16th December, 2024. Further, IGRTC, through a participatory and consultative approach, undertook budget rationalization on transferred functions. Consequently, an interim report on indicative budgetary allocations amounting to KES 65.5 B was identified for transfer to county governments.

h) IGRTC through a multi-agency approach, unbundled the functions of the six Regional Development Authorities in light of the devolution and prepared a report which was handed over to the Executive Office of the President for action. The identified assets, liabilities and personnel of the six RDAs for transfer.

Challenges in the Implementation of Core Mandate

24. The Chairman highlighted the challenges as follows:

i) Slow pace or lack of full implementation of the IGRTC's programmes. For example, IGRTC has unbundled, delineated and gazetted devolved functions, however, the bit of ensuring the financial attendant resources is transferred to county governments has not been implemented despite IGRTC's intervention with National Treasury and Intergovernmental Budget and Economic Council (IBEC).

ii) The Intergovernmental Relations Bill has stalled at the 2nd reading in the National Assembly. The Bill is intended to address key legal gaps that have been identified in the effective implementation of devolution and intergovernmental relations.

iii) Conflicting interpretation of IGRTC mandate by stakeholders in the devolution and intergovernmental relations.

iv) Non-committal by some parties to the ADR process in resolving intergovernmental dispute.

v) Limited resource allocation to fully implement the mandate of IGRTC.

Key fiscal, operational or governance risks that require corrective action or policy reforms

25. Some of the key risks that have been realized by the IGRTC for the period include:

i) Governance risk - IGRTC should be a non-partisan institution serving the two levels of government; however, the national government is represented in the Technical Committee of IGRTC by the PS-State Department for Devolution while the County Governments are not represented.

ii) Fiscal risk - IGRTC continues to rely on the State Department for Devolution for processing and accessing its budget from the National Treasury since it is treated as a Semi-Autonomous Government Agency under SDD.

iii) Operational risk - Dependency on State Department for Devolution to transmit funding for IGRTC programmes. Duplication of programmes within IGRTC's mandate by some stakeholders, e.g. valuation of assets.

3.1.2 Council of Governors (CoG)

26. The Director Committees for Council of Governors, Mr. Kizito Wangalwa, on behalf on the CEO, Ms. Mary Mwiti, appeared before the Committee on Friday 28th August 2026 and submitted as follows;

Overall Budget Absorption Rate

27. In FY 2025/26, the Council of Governors approved a budget estimate of Kshs. 231.23M comprised of Kshs. 201.23 million (recurrent) and Kshs. 30 million (development). The Council did not have pending bills as at 30th June 2026.

Table 7: Budget Performance FY 2025/26

Item	Printed Estimates	Revised Estimates	Expenditure	Exchequer Issues	Balance	% Absorption
Recurrent Vote						
Compensation of employees	163.8	163.8	163.8	163.8	-	100%
Operations and Maintenance	37.4	37.4	37.4	37.4	-	100%
Sub Total Recurrent	201.23	201.23	201.23	201.23	-	100%
Development Vote						
Maarifa Centre	30.0	30.0	30.0	30.0	-	100%
Sub Total Development	30.0	30.0	30.0	30.0	-	100%
Grand Total	**231.23**	**231.23**	**231.23**	**231.23**	**-**	**100%**

Source: MDA Submission

Project Information for Ongoing Capital Projects as at 30th June 2026

Table 8: Capital Projects as at 30th June 2026

Project Name (a)	Project Commencement Date	Expected date of Completion of the project	Source of Funds (GoK/Donor)	Estimated Value of the Project (Kshs.) M	Total funding FY 2025/26		Cumulative Expenditure up to June 2026	Percentage (%) of Completion	Geographical Location
					Donor	GOK			
Maarifa Centre for Knowledge Management Among Counties	21/2/2022	30/6/2026	GOK	60.53	-	35	35	57.82%	COG Headquarters
Total				**60.53**	**-**	**35**	**35**	**57.82%**	

Source: MDA Submission

Key Achievements and Non-Financial Outputs During the Implementation of FY 2025/26 Budget

28. The Director highlighted major achievements in relation to the 2025/26 financial year. They include:

    i) Strengthened Intergovernmental Sector Coordination through convening 54 Sector Working Groups/Committees with respective MCDAs to address emerging issues in the sector, facilitate resolution of sector-specific issues, enhance policy coordination and promote harmonious intergovernmental relations.
    ii) Convening the 2nd Biennial Devolution Conferences in Homa Bay County with conference reports and implementation matrices developed. The Sub-Sector Provided a national platform for reviewing the progress of implementation of the resolutions, building consensus on emerging issues and tracking implementation of resolutions, with approximately 70% of the resolutions reported as implemented.
    iii) Development and publication of six (6) compendiums of County best practices and innovations on Primary Health Care Networks, Service Delivery, Family Planning, Climate Change, County Innovations, and disseminated to Counties and through the Maarifa Platform.
    iv) Undertook five (5) peer-to-peer learning forums on the best practices to enhance knowledge sharing, replication and adoption of proven service-delivery solutions across counties, reducing duplication of effort and strengthening institutional learning and innovation.
    v) Developed draft Inter-City/Inter-Municipality Forum framework to provide counties and urban boards with standardized tools for stronger urban governance, financing, inclusive planning, institutional organization and monitoring of urban service delivery.
    vi) Development of the Private Sector Engagement Framework for Urban Boards
    vii) Development a Private Sector Engagement Framework providing mechanisms for structured public-private dialogue, private-sector databases, diagnostics, capacity building, communication and performance accountability.
    viii) Development of the Model Environment Bill and Climate Mainstreaming Guidelines and Model County Fisheries Policy and Law
    ix) Development of draft Governors' training and induction manual to strengthen leadership and institutional capacity for devolution, provide structured guidance for induction and continuous capacity development of county leadership.
    x) Developed the draft Youth Skilling Guidelines for Green Jobs for County Governments, to provide standardized approaches to skills development and leveraging County Vocational Training Centres and other local training opportunities.
    xi) Developed key urban governance instruments, including Model Organizational Structures for Urban Areas, Urban Service Delivery M&E Reference Guide, Gender Inclusion and Participation Framework, Model County Financing of Urban Areas Bill.

Challenges in the Implementation of Core Mandate

29. They include:

    i) The budget allocation for FY 2025/26 was below the resource requirement; and
    ii) Budget cuts in supplementary estimates thus affecting the planned projects and activities.

Key Fiscal, Operational/Governance Risks Identified in the FY 2025/26

30. The Director highlighted the following risks:

    i) Inadequate funding of the Council of Governors' mandatory costs as well as its core mandate as prescribed by Section 20 of the Inter-Governmental Relations Act, 2012
    ii) Budget cuts during supplementary budget that saw the mandatory costs for Rent and contracted Guards and Cleaners not funded.
    iii) Delays in disbursement of donor funds under programs affect cash flow, planning and absorption.

Mitigation Measures and Smart Action Plans that will Ensure Effective Implementation of the Mandate of the State Department in the FY 2026/27

31. The Director stated that resourcing of the Council of Governors is inadequate to support its operations.

3.1.3 World Scout Parliamentary Union Kenya (WSPU-K)

32. The Executive Director for the World Scout Parliamentary Union Kenya, Mr. Poppins Misoi, appeared before the Committee on Friday 28th August 2026 and submitted that;

Overall Budget Absorption Rate

33. The WSPU's total expenditure amounted to Ksh. 50.38 million (recurrent) against a budget allocation of Kshs. 50.38 million. This represents an overall absorption rate of 100 percent.

34. Key outputs and activities for the FY 2025/26 are presented in the table below.

Table 9: Programmes and Activities Undertaken in the FY 2025/26

OUTPUT	ACTIVITIES	COUNTIES/ CONSTITUENCIES	REMARKS
Capacity Building for Members of Parliament, WSPU	Conducted a capacity building for WSPU secretariat		All staff trained by officers from the various Government institutions

OUTPUT	ACTIVITIES	COUNTIES/ CONSTITUENCIES	REMARKS
Secretariat, WSPU County leaders and Affiliate members undertaken.	Conducted Induction training for Members of Parliament-leadership		The president, 3 vice presidents, technical Committee Chair and senior management
	Conducted an Induction training for members of County Assembly chapters on their role to support WSPU activities	Kakamega County Assembly, Samburu County Assembly, Bungoma County Assembly, Samburu County Assembly, Elgeyo Marakwet County Assembly, Homabay County Assembly and Migori County Assembly	
Established County Assemblies Caucuses and County WSPU chapters	New chapters formed	Kisumu County Assembly Nyeri County Assembly Nairobi County Assembly Migori County Assembly	The Speakers of the Assemblies are Patrons.
Support Scout and youth Activities for youth and Adults in Scouting	Support Scouts with Scout uniforms	Yatta Constituency Starehe Constituency	
	Supported training of the Scout leaders and adults in Scouting	Dagoretti South Constituency	Trained 100 Scout leaders
	Held a training forums on volunteerism, community service, Leadership and governance and government services	Samburu County – Maralal Samburu West and Samburu East	Youth are able to understand their role in county engagement and their role as active citizens
Youth involved in Environmental care, Community Service and Volunteerism in devolved units	Upscaled two youth lead tree nurseries	Nyeri County Embu County	Supported with equipment, seedlings and 20,000 potting bags
	Held a capacity building youth on effective Climate change action mitigation and management	Nyeri County Embu County	
	Participate in tree planting as per presidential National tree planting Programme	Siaya County – Ufinya Dam	1,000 seedlings planted

OUTPUT	ACTIVITIES	COUNTIES/ CONSTITUENCIES	REMARKS
Initiated WSPU Kenya Volunteer and Community service programme	Undertook the University of Scouting programme on Skills Development, Volunteerism and Community Service	Nandi County Nairobi County Siaya County Nyeri County Embu County and Samburu County	50 youth taken through a training by KESAL on soft skills and placed on volunteer work for 3 months.
Hosted the 11th WSPU General Assembly	Hosted the 11th WSPU General Assembly in Kenya	Nairobi Nyeri	1,200 youth attended the WSPU Youth Assembly and 500 delegates attended the main Assembly. 52 international delegates from 20 countries attended
	Hosted the 2025 WSPU Global Executive Committee meeting had representatives from Kenya, Thailand, Canada, Korea, Poland and Luxemburg.	Nairobi	Kenya was elected to the post of Presidency 2025 – 2028 and Global Directorship
Purchased a Motor vehicle for WSPU operations	Procured a bus (33-Seater) for WPU operations		In the progress for collection and commissioning

Source: MDA Submission

3.2 State Department for Special Programmes

35. The Principal Secretary for State Department for Special Programmes, Mr. Ismail Madey, appeared before the Committee on Friday 28th August 2026 and submitted that;

Overall Budget Absorption Rate in the FY 2025/26

36. In the FY 2025/26 the State Department had an allocation of Kshs. 13,975 million with a resultant expenditure of Kshs. 13,778 million translating to an absorption rate of 99%.

37. Of the total allocation, Kshs.13,809 million was allocated to the recurrent budget while Kshs.166 million was allocated to the development budget with a resultant expenditure of Kshs.13,612 million and Kshs.166 million thus an absorption rate of 99% and 100% respectively. It is worth noting that the State Department did not target to collect any AIA as its core mandate is provision of relief and humanitarian assistance and is fully exchequer-funded.

Table 10: Budgetary Allocation and Expenditure FY 2025/26

Vote	FY 2025/26 "Kshs. Million"		
	Budget	Expenditure	Absorption (%)
Recurrent	13,809	13,612	99
Development	166	166	100
Total	**13,975**	**13,778**	99

Source: MDA Submission

Pending Bills

38. The State Department had pending bills amounting to Kshs.17.9 million under use of goods and services. These payments were not fully processed by the end of Financial Year 2025/26 due to IFMIS downtime.

Project Information for Capital Projects as at 30th June 2026

39. The State Department submitted that it does not have a capital project. However, the State Department had a development budgetary allocation of Kshs. 166 million earmarked for the National Drought Emergency Fund (NDEF). As at the end of the FY 2025/26, the State Department had transferred the entire amount to NDEF with the resources utilized to implement the three components of the Fund, namely: Drought Resilience, Drought Response and Drought Recovery. The table below summarizes activities implemented in each component across different counties:

Table 11: Activities Implemented in Different Counties

S/No.	Component	County Implemented	Activity
1	Drought Resilience	Baringo, Marsabit and Isiolo	Camel restocking programme, support to irrigation infrastructure for Taleh Group Farm, implementation of Garsen Water Supply improvement project and rehabilitation of Oletukati water pan among others.
2	Drought Response	Kilifi, Mandera and Garisa	Water trucking, provision of water storage tanks, repair of strategic water facilities and provision of drought pellets among others.
3	Drought Recovery	Kilifi, Garisa, Marsabit, Wajir and Mandera	Supply and delivery of galla goat bucks, and provision of drought pellets among others.

Source: MDA Submission

Keys Achievements and Non-Financial Outputs During the Implementation of FY 2025/26 Budget

40. The PS highlighted some of the achievements as follows:

a) Provision of relief food assistance to 2,889,610 beneficiaries;
b) Provision of non-food relief assistance to 415,807 beneficiaries;

c) Coordination of all reported disaster incidents effectively through timely mobilization of response efforts and stakeholder collaboration e.g. floods in Nairobi, Collapsed buildings (South C), Mudslide in Chesongoch, Elgeyo Marakwet, road accidents, fire incidents amongst others;
d) Provision of post disaster support to 37,465 persons translating to 7,493 families who were supported in Elgeyo Marakwet, Kisumu, Tana River, Nairobi, Turkana, Homabay and Siaya;
e) Implementation of various resilience projects in Nine counties (Baringo, Marsabit, Isiolo, Garissa, Tana River, Narok, Kajiado, Machakos and Mandera);
f) Implementation of drought response intervention including supply of water tanks, water trucking and repair of boreholes;
g) Distribution of livestock feeds (drought pellets-242,471 bags (25kg) and Hay – 427,966 bales) in 11 counties; Kilifi, Garissa, Mandera, Tana River, Kwale, Kajiado, Isiolo, Samburu, Marsabit, Wajir and Turkana counties.
h) Acquisition of office space and partitioned offices at KISM Towers which was at 60% complete;
i) Development of the State Department's Strategic Plan 2025-2027 to guide in the implementation of the State Department's mandate;
j) Development of the draft National Relief Assistance Policy and the draft Relief Management Guidelines.

Challenges in the Implementation of Core Mandate

41. They include:

Category	Gap/Challenge	Impact on Effective Implementation
Policy	Logistics and accessibility constraints	Poor road infrastructure, difficult terrain, insecurity and high transportation costs increased the cost and time required to reach vulnerable populations.
	Inadequate information management infrastructure	The absence of an integrated relief management system limited timely access to information required for planning, beneficiary targeting and coordination of relief assistance.
	Community conflict and migration	Community conflicts and migration has led to increased resource pressures contributing to more demand for coordinated humanitarian assistance
Financial	Inadequate and unpredictable funding	Limited financial resources constrain resilience building, preparedness, timely emergency response and recovery efforts, affected the State Department's ability to provide timely and adequate relief assistance.

	Inadequate funding for operationalization of the State Department	Constrained operationalization (inadequate office space, inadequate technical staff, equipping of offices) of the State Department has affected efficient delivery our mandate
Financial	Insufficient pre-positioning of relief supplies	Inadequate funding for relief supplies and storage facilities limited the capacity to pre-position essential relief items.
	Increasing frequency and intensity of disasters risk	Climate change has increased the frequency and severity of droughts, floods and other emergencies, placing additional pressure on existing policies, response mechanisms and available resources.
Legislative	Inadequate legal framework to guide relief assistance management	Poor coordination, targeting and standardization of relief assistance

Source: MDA Submission

Key Fiscal, Operational/Governance Risks Identified in the FY 2025/26

Risk Category	Key Risk Identified in FY 2025/26	Required Corrective Action / Policy Reform
Governance	Lack of a legal framework guiding relief assistance.	The State Department has developed a draft National Relief Assistance Policy; there is therefore need to Fast-track approval by Cabinet and implementation of the Policy
	Oversight of the Fund: Pursuant to the Public Finance Management (National Drought Emergency Fund) Regulations, 2021, the oversight of the Fund is vested in the NDMA Board, established under the NDMA Act. The Secretary of the NDMA Board is the Administrator of the Fund. The secretariat of the NDMA is the secretariat of the Fund. NDMA is a SAGA under the State Department for ASALs despite the Fund being an Institution under the State Department for Special Programmes.	Review the Public Finance Management (National Drought Emergency Fund) Regulations, 2021, with a view of enabling the NDEF to operate independently from the NDMA.
Fiscal	Inadequate and unpredictable financing of the core mandate: Significant reliance on Article 223 of the Constitution to finance activities through supplementary appropriations undermines budget predictability and effective programme planning and implementation.	Provide adequate and predictable funding through the printed estimates.

Risk Category	Key Risk Identified in FY 2025/26	Required Corrective Action / Policy Reform
	Non-Operational Strategic Food Reserve.	Provide and ring fence resources for a Strategic Food Reserve
Operational	Absence of an integrated Relief Management information System: Lack of a centralized system limits timely access to reliable information on relief needs, beneficiaries, assistance provided and outstanding requirements, potentially delaying decision-making and weakening coordination.	Develop and operationalize Relief Management Information System.
	Inadequate technical personnel constraints institutional capacity and affect effective delivery of the State Department's mandate.	Recruitment of technical staff
Governance	Lack of a legal framework guiding relief assistance.	Expedite approval and implementation of the National Relief Assistance Policy
	Unclear oversight of NDEF:	Strengthen the governance, oversight, reporting and accountability framework for NDEF.
Fiscal	Inadequate and unpredictable financing of the core mandate	Ensure adequate allocation for core-mandate programmes through the Printed Estimates
Operational	Absence of an integrated Relief Management Information System	Develop and operationalize integrated Relief Management Information System
	Inadequate technical personnel	Petition the National Treasury to grant approval for the recruitment of technical personnel

Source: MDA Submission

3.3 State Department for the ASALs and Regional Development

42. The Secretary Administration, Mr. Paul Muraya, on behalf of the Principal Secretary, Dr. Caroline Karugu, appeared before the Committee on Saturday 29th August 2026 and submitted as follows;

Overall Budget Absorption Rate

43. In the FY 2025/26, the State Department had a budgetary allocation of Kshs. 14.598 billion out of which Kshs. 9.622 billion was under recurrent budget while KShs. 4.975 billion was under the development budget.

44. The total expenditure for the State Department was Kshs. 14.191 billion which represents 97.86% overall absorption rate. Under the recurrent vote, the total expenditure was Kshs. 9.515 billion representing 98.88% absorption; while under the development budget, the total expenditure was KShs. 4.676 billion representing 93.98% rate of absorption.

Table 12 : FY2025/2026 Approved Budget vs Actual Expenditure

Budget	Approved Budget	Actual Expenditure	Absorption Rate
Recurrent	9,622,656,046	9,515,452,446.5	**98.88%**
Development	4,975,689,612	4,676,161,123	**93.98%**
Total	**14,598,345,658**	**14,191,613,569.5**	**97.21%**

Source: MDA Submission

45. The Budget performance across individual programmes is as per table 13 below;

Programme	Recurrent (millions)			Development (millions)		
	Approved Budget	Actual Expenditure	Absorption Rate	Approved Budget	Actual Expenditure	Absorption Rate
Programme 1: Accelerated ASALs Development	6,738.00	6,734.39	**99.94%**	1,464.19	1,199.00	**81.9%**
Programme 2: Integrated Regional Development	2,614.29	2,516.27	**96.25%**	3,511.50	3,477.16	**99%**
Programme 3: General Administration Planning and Support Services	270.36	264.79	**97.94%**	0	0	**0**
TOTAL	**9,622.65**	**9,515.45**	**99.88%**	**4,975.69**	**4,676.16**	**93.98%**

Table 13: Budget performance across individual Programmes
Source: MDA Submission

46. The detailed budget performance under Recurrent and Development is as per the tables below;

Table 14: Detailed Recurrent Budget Breakdown

Description	Approved Budget	Actual Expenditure	Absorption Rate
Gross	9,622,656,046	9,515,452,446	**98.88%**
AIA	602,500,000	506,751,550	**84.10%**
NET	9,020,156,046	9,008,700,896	**99.87%**

Source: MDA Submission

Table 15: Detailed Development Budget Breakdown

Description	Approved Budget	Actual Expenditure	Absorption Rate
Gross	**4,975,689,612**	**4,676,161,123**	**93.98%**
GoK	3,676,159,612	3,589,671,123	97.65%
Loans	572,000,000	568,710,000	99.42%
Grants	727,530,000	517,780,000	71.17%

Source: MDA Submission

Appropriation In Aid (AIA)

47. The RDAs had targeted to collect Kshs. 602.5 million in AIA during the period under review, the actual AIA collected was Kshs. 506,751,550 leaving a shortfall of Kshs.95,748,450 as illustrated below;

Table 16: Budgeted AIA VS Actual

S/No.	RDA	Budgeted AIA	Actual	Deviation
1.	KVDA	195,000,000	153,413,148	41,586,852
2.	TARDA	157,000,000	138,100,000	18,900,000
3.	LBDA	120,000,000	120,000,000	0
4.	ENSDA	17,500,000	17,500,000	0
5.	CDA	98,000,000	72,980,000	25,020,000
6.	ENNDA	15,000,000	4,758,402	10,241,598
	TOTAL	**602,500,000**	**506,751,550**	**95,748,450**

Source: MDA Submission

Pending Bills

48. At the Headquarters, the State Department has a total pending bill of Kshs.89,757,657. Kshs.19,148,112 incurred during FY 2025/26 was due to construction of boreholes but the contractor had not completed the works as at the closure of the Financial Year and therefore could not be paid, while Kshs.56,285,155 under FY 2024/25 consists of amount due to National Cereals and Produce board for supply of rice and beans which remained unpaid due to insufficient exchequer as at the closure of the Financial Year. Kshs.14,324,390 under FY 2023/24 was for supply of air tickets which was not cleared due to lack of provision under Foreign Travel.
49. Regional Development Authorities (RDAs) have a total current cumulative pending bill of Kshs.3,354,407,129.17 as summarized in the table below.

Table 17: Summary of SAGAs Pending Bills

S/No.	Name of RDA	Amount
1.	LBDA	1,110,962,958
2.	KVDA	101,609,753
3.	ENNDA	463,069,913
4.	TARDA	536,678,419
5.	CDA	696,263,134
6.	ENSDA	445,822,952
	Total	**3,354,407,129**

Source: MDA Submission

50. Further, historic pending bills amounting to KShs.2,420,544,557.80 under Headquarters and Kshs.11,163,871,356 under the RDAs were submitted to the Pending Bills Verification Committee.

Project Information For All Ongoing Capital Projects as at June 2026

51. In the FY2025/26, the State Department implemented a total of 50 projects as listed in the table below:

Table 18: List of Projects and their Respective Expenditure Allocations

No.	Project Code & Project Title	Implementing Agency	Source of Funds	Allocation for 2025/26	
				GoK	Foreign
				Ksh Million	
1.	Drought Response & Resilience in Arid & Semi-Arid Areas of Kenya.	HQtrs	GoK	335.00	-
2.	Ending Drought Emergencies: Support to Resilient Livelihood II	NDMA	GoK & EU	15.00	30.00
3.	Sustainable Food Systems and Resilience Livelihood	HQtrs	GoK	12.00	-
4.	Ending Drought Emergencies, Ecosystem Based Adapt. in ASAL -TWENDE	NDMA	GoK & GCF	30.00	177.53
5.	Garissa River Bank Flood Protection	NDMA	GoK	15.00	-
6.	Dry Land Climate Action for Community Drought Resilience	NDMA	GoK & EU	35.00	520.00
7.	Gum Arabic and Resins Integrated Development Programme - Headquarter	ENNDA	GoK	116.00	-
8.	Tana Delta Rice Irrigation Project (TDIP) - Headquarters - BETA	ENSDA	GoK	21.00	-
9.	Ewaso Ngiro Leather Factory - Headquarters	KVDA	GoK	20.00	-
10.	Wei Wei Phase 3 Irrigation Project - Headquarters	CDA	GoK	20.00	272.00
11.	Wananchi Cottages in Kilifi County	CDA	GoK	20.00	-
12.	Malindi Integrated Social & Health Dev. Programme (MISHDP) -BETA.	CDA	Govt. of Italy	-	300.00
13.	Kimira-Oluch Smallholder Farm Improvement Project - LBDA	LBDA	GoK	19.50	-
14.	Coast Development Authority -	CDA	GoK	100.00	-
15.	Drought Mitigation Interventions	TARDA	GoK	45.00	-
16	Drought Mitigation Interventions	KVDA	GoK	120.00	-
17.	Drought Mitigation Interventions	ENSDA	GoK	240.00	-
18.	Cherengany Watershed Conservation Programme	KVDA	GoK	110.00	-
19.	Construction of Wayam Lencho Snake Dam	ENNDA	GoK	120.00	-
20.	Ewaso Ngiro N Integrated Water Drought & Food Security Dev Project	ENSDA	GoK	100.00	-
21.	Della Water supply Project	ENNDA	GoK	30.00	-
22.	Integrated Resilience for Sustainable Food Systems	HQtrs	GoK	14.66	-
23.	Drought Mitigation Interventions	CDA	GoK	60.00	-
24.	Drought Mitigation Interventions	ENNDA	GoK	83.00	-
25.	Chemeron Dam Phase II - Baringo	KVDA	GoK	130.00	-
26.	BETA Priorities and flood control	KVDA	GoK	100.00	-

No.	Project Code & Project Title	Implementing Agency	Source of Funds	Allocation for 2025/26	
				GoK	Foreign
27.	BETA Priorities and flood control	ENNDA	GoK	440.00	-
28.	BETA Priorities and flood control	TARDA	GoK	40.00	-
29.	BETA Priorities and flood control	LBDA	GoK	90.00	-
30.	BETA Priorities and flood control	CDA	GoK	70.00	-
31.	Construction of Dykes in Muhoroni and Nyando Constituencies, Kisumu	LBDA	GoK	100.00	-
32.	Etio Phase II Water Distribution Supply	KVDA	GoK	120.00	-
33.	Drought Mitigation Interventions	NDMA	Gok	260.00	-
34.	Production of 5Billion Fruit Tree seedling	ENSDA	GoK	50.00	-
35.	Eldas Lakoley South Water Supply Project - ENNDA	ENNDA	GoK	10.00	-
36.	Sololo Ramata Water Supply Project	ENNDA	GoK	10.00	-
37.	Pulunga borehole	ENSDA	GoK	10.00	-
38.	Kiserian (Ereteti Borehole)	ENSDA	GoK	10.00	-
39.	Ololtoto Borehole	ENSDA	GoK	10.00	-
40.	St. Celestino Nyangubo girls water project	LBDA	GoK	15.00	-
41.	St. Francis Wiga Girls water project	LBDA	GoK	15.00	-
42.	Sibuoche mixed water projects	LBDA	GoK	15.00	-
43.	Modernizing Ndhiwa Honey processing plant	LBDA	GoK	100.00	-
44.	Madhgasi Water Dam	ENNDA	GoK	50.00	-
45.	Ewaso Ng'iro North Catchment Conversation Project - HQ catchment con	ENNDA	GoK	100.00	-
46.	Loyapat Surface Irigation Scheme	KVDA	GoK	50.00	-
47.	Drilling and Equipping 11 boreholes	KVDA	GoK	120.00	-
48.	Construction of a water pan in Lokakwan Kibish	KVDA	GoK	20.00	-
49.	Climate smart integrated pasture production in Song'ot	KVDA	GoK	30.00	-
50.	Construction of Napuu Farm Guest House	KVDA	Gok	30.00	-
	Total			3,676.16	1,299.53
	Grand Total				**4,975.69**

Source: MDA Submission

Key Achievements and Non-Financial Outputs During the Implementation of FY 2025/26 Budget

52. The Secretary submitted that during the FY 2025/26, the State Department made significant progress in value addition, water access, food security, infrastructure development, capacity building, humanitarian support and environmental conservation as listed here-under:

A. Value Chains

- ✓ On Value Addition on Leather, the State Department had a target of processing 1,000,000 square feet of finished leather at the Ewaso Ng'iro Tannery and Leather Factory. By the end of the financial year, a cumulative total of 216,949 square feet had been processed. In addition, the Authority had a target of producing 4,000 pairs of shoes, of which 993 pairs were produced.

- ✓ Under the Mango value chain, we completed the automation and expansion of the mango processing plant in Tot, Elgeyo-Marakwet County. Through the initiative, the processing plant has increased the production of ready to drink juice from112,789 litres to 132,000 litres generating over Kshs. 20 million in income that benefits farmers. Additionally, 123 tons of mango fruit were procured from farmers.
- ✓ The Honey value chain saw 132 tonnes of semi-processed honey collected from beekeepers in West Pokot and Baringo East and processed at Rokocho Honey processing plant thereby stabilizing honey prices and benefiting farmers who earn over Kshs. 60 million annually.
- ✓ Further, we advanced the modernization of the Ndhiwa Honey processing plant with upscaling works ongoing as at the end of the financial year. Upon completion, the facility will increase its annual crude honey processing capacity from the current 2.5 tonnes to over 8 tonnes, thereby enhancing value addition and expanding market opportunities for local beekeepers in Homa Bay County.
- ✓ We also partnered with Wire Forest Management Association (WIFOMA), a local agricultural support NGO, under which 1,000 farmers were recruited into the programme with 310 farmers receiving training on modern apiculture practices and 200 improved beehives being distributed to participating households.
- ✓ Additionally, we completed and operationalized one processing line under Gums and Resins value chain at the Ewaso Ng'iro North Gum Resins factory and produced 1,030 kgs of essential oil.
- ✓ The Rice Value Chain within the Kimira-Oluch Irrigation Scheme in Homabay County was supported through mechanization of farm activities, rehabilitation of infrastructure, opening up of 2,700 acres within the scheme and assisting farmers with rice nursery preparation and distribution of Rice Seeds leading to higher yields. We also undertook mopping up of harvested rice for processing at the Rice Mill whereby, 150 metric tonnes of paddy rice was mopped up providing a ready market to rice farmers.
- ✓ Rice Paddy mopping up at South West Kano and Bunyala irrigation schemes yielded a total of 1200 metric tonnes while a total of 2,063 tonnes of paddy was produced at the Tana Delta Irrigation Project (TDIP) through a lease partnership with Agri-All Africa (AAA–Kenya).
- ✓ Under the TDIP farmer programme, Community farmers in Hewani and Wema were supported to cultivate 698 acres of green grams.
- ✓ At Hola in Tana River County, we operationalized the Integrated Fruit and honey Processing Plant (IFPP) with a capacity of 1.5 MT per hour for mango processing to reduce post-harvest losses and generate revenue for the Coast Development Authority. Capacity building and provision of a ready market for more than 205 mango growing farmers was also undertaken in FY 2025/26, with a total of 312 farmers trained in collaboration with other stakeholders.

B. Drought Mitigation and flood control

53. Under drought Mitigation and flood control, the State Department implemented key water resource interventions to enhance water access in targeted areas. These interventions included:

    Under ENSDA, three boreholes were drilled and equipped (Ereteti, Olooltoto and Entarara) and three water pans constructed (Risa, Kitilikini and Endikir Osinyai).

    1) A total of 21 boreholes were drilled and equipped, 4 water pans and 2 small dams constructed in the Kerio Valley Basin to provide water for consumption for an estimated 300 households and 2000 livestock, as well as for vegetable gardening. The water pans and small dams provided over 300,000 cubic litres of water which reduced the distances travelled by households and livestock to access water.
        a) Five boreholes were drilled and equipped in ENNDA providing clean water to 1,900 households, 10,000 traders, and 4,900 livestock, and established the Badhia Smallholder Irrigation Scheme, which serves 140 households and irrigates 500 acres.
        b) During the same period, we disbursed monthly cash transfers to 133,484 households and scale up payments to 226,070 households each receiving Kshs.2,700 through the NDMA. We implemented drought response interventions across 16 of the most affected counties through strategic borehole repairs, water trucking, water facility improvements, fuel subsidies for strategic boreholes, provision of water storage facilities, supply of drought pellets, and coordinated response efforts. This also included the development and review of 31 ward contingency plans, the review of 25 County Drought Contingency Plans, and the development of new County Drought Contingency Plans
        c) Further on drought mitigation, we drilled and equipped 11 boreholes serving schools and community areas within the Lake Region. Drought resilience and mitigation water structures such as boreholes, water pans, earth-fill dams and djabias were constructed in the coastal region, providing 1,211,700 cubic meters of water when fully filled over the period. This led to increased access to water for domestic, livestock and irrigation use.
    2) Additionally, we provided 366,400 cubic metres of water from solar-powered boreholes for domestic and smallholders' irrigation schemes at Nakurto in Taveta, constructed seven (7) water structures, namely an earth-fill dam at Dadh Abbas, three (3) boreholes at Buguta, Zungulukani and Kale, and two (2) water pans (Nzovuni and Marungu).
    3) At Ewaso Ng'iro North Basin, we constructed 64 water harvesting structures with a combined capacity of 3.5million cubic meters, developed 37 boreholes, excavated 15 kilometres of river draining and flood water diversion channels and erected 10 kms of dykes. This benefited over 12,000 households and 100,000 livestock promoting climate change mitigation and communities' adaptive capacity to floods and droughts.

C. Food Security

4) On food security, State Department completed implementation of the Weiwei phase III irrigation project, covering 325 ha, this included the construction of irrigation infrastructure, delivery of farm equipment and implements, and capacity building of farmers in modern farming practices. We also completed the Kampsiwet and Chepkum irrigation schemes and laid irrigation infrastructure at the Napuu and Lomut irrigation schemes, bringing an additional 200acres and 275hectares of land under food production respectively.
5) In total, 1,141.50 tons of food was produced from the Wei Wei, Napuu, Lomut, Kamsiwet and Chepkum irrigation schemes.
6) Under food security information, we exceeded the annual target of 288 bulletins produced by the NDMA due to the preparation of an additional 12 consolidated national early warning bulletins during the reporting period. In addition, a total of 48 biannual food security assessment reports (Long Rains Assessment (LRA) and Short Rains Assessment (SRA)) were produced.
7) We opened up 1,189 acres of land for irrigation, of which 1,112 smallholder farmers in Kilifi County (Chakama farmers), Tana River County (Boji farms), and T/Taveta County (Taveta-Challa Tuhire & Kasokoni) undertook smallholders' irrigation initiatives.
8) We provided technical support to 312 farmers in the Chakama and Challa smallholders' irrigation projects, who undertook irrigation on more than 200ha, collectively growing high-value crops that have increased household incomes.

D. Infrastructure development

9) Under infrastructure development, the State Department revamped the Turkwel Multipurpose dam through construction and refurbishment of the administration block, conference facilities, and guest and staff houses.
10) We renovated the Tana Delta Resort Guesthouse to promote local tourism and rehabilitated 2.5 km of flood protection dykes and 13.3 km of service roads within the TDIP. We established three smallholder irrigation schemes in Murang'a and Nyeri, benefiting 1,120 households and irrigating 369 acres.
11) Construction of the Kiangochi Muchungucha Irrigation Water Project in Murang'a is ongoing and will irrigate 250 acres serving 2,000 households. We also completed the Katothya Water Pan in Machakos County irrigating 61.5 acres and benefiting 250 households.
12) Further, we constructed 5 kilometres of protective dykes in the Nyando River basin in Kisumu to safeguard livelihoods, agricultural land and ecological assets in vulnerable zones affected by recurrent flooding. To support long-term environmental sustainability, the sub-sector produced 250,000 tree seedlings for distribution to communities, schools and institutions for catchment conservation and agroforestry initiatives.

13) We further completed construction of the Wananchi Cottages conference facility in Kilifi. The facility includes a 400-pax conference facility, 120-pax outdoor and indoor restaurants, and a 41-room accommodation capacity.
14) We also constructed and rehabilitated education facilities, including 24 classrooms, at Buragi, Ngomeni primary and secondary, and Midodoni schools in Magarini.
15) Furthermore, we constructed and equipped an ICU and HDU facility at Malindi Hospital, renovated the Mambrui dispensary; and commenced construction of the 12 km Mjanaheri–Ngomeni road in Kilifi County under the Malindi Integrated Social Health Development Programme II (MISHDP II).

E. Capacity building and technology transfer

16) Through the Ewaso Ng'iro Tannery and Leather Factory, we trained 10 MSMEs on the leather value chain. On technology transfer and capacity building, we undertook training of 1500 farmers at Weiwei Phase III, 105 farmers at Napuu and 95 farmers at Lomut irrigation projects. A further 55 mango farmers were trained on modern agricultural practices under KVDA.
17) Through TARDA, we trained and equipped 32 Community-Based Organizations (CBOs) and built the capacity of 711 farmers on improved crop production technologies, innovation, and apiculture to enhance agricultural productivity and livelihoods.

F. Catchment conservation

54. Increased efforts towards catchment conservation in the River Basins by undertaking various activities such as;

- ✓ Raising a total of 811,999 seedlings at KVDA in partnership with community groups and tree nursery operators and planting 1,574,975 tree seedlings within Cherangany watershed.
- ✓ We produced and planted 3.29 million tree seedlings, including 197,258 fruit tree seedlings, in collaboration with local communities to enhance catchment restoration and environmental conservation at TARDA.
- ✓ More than 1,200ha of Mwache watershed at CDA were put under catchment management initiatives namely tree growing, marking & pegging of riparian areas, terracing of farmland and development of sub-catchment management plans for 24 Water Resource Users Associations (WRUAs).
- ✓ We rehabilitated 95 hectares of mangrove, coral reef, and seagrass ecosystems in Kwale, resulting in improved biodiversity and enhanced adaptation to climate change through the Kenya Climate Change and Adaptation Programme (KCCAP). CDA also conserved 446.55hectares of land under the Mwache catchment management programme to support sustainable land use through terracing technologies. We also propagated 1,645,701 seedlings in collaboration

with local community groups and planted 466,357 tree seedlings in the Coastal Basin.

- ✓ Further, within the Ewaso Ng'iro North River Basin, 1,612 hectares of catchment and riparian areas were rehabilitated through tree planting. 3 camel peace caravans were held to promote environmental awareness and peace.

Challenges in the Implementation of Core Mandates, Projects and Programmes During FY 2025/26

55. During the implementation of the FY 2025/26 budget, the State Department encountered the following challenges;

- Inadequate financial resources.
- Delays in project procurement and implementation.
- Erratic climatic changes and other shock and stressors.
- Monitoring and evaluation constraints: Limited resources for monitoring, supervision and evaluation affected the frequency and coverage of field monitoring activities, thereby creating challenges in tracking implementation and outcomes of some programmes.

Key Fiscal, Operational, or Governance Risks Identified in the FY 2025/26

- Inadequate and unpredictable funding: Limited and delayed release of funds posed a risk to timely implementation of planned programmes, projects and core activities. There is need for more predictable and timely exchequer releases and better alignment between actual resource requirements and approved budgets.
- Accumulation of pending bills: the continued non-payment of pending bills continues to be a risk affecting service delivery and creating additional financial pressure in subsequent financial years. Strengthening commitment controls and ensuring timely settlement of verified obligations is therefore necessary.
- Weak monitoring and reporting capacity: Inadequate resources for monitoring and evaluation affect timely identification of project implementation challenges and measurement of programme results. Strengthening monitoring frameworks and periodic performance reviews would improve accountability and decision making.

Mitigation Measures and Smart Action Plans that will ensure effective Implementation of Core Mandates

56. To address the challenges and risks identified during FY 2025/26, the State Department will implement the following mitigation measures and SMART action plans to enhance efficiency, accountability and effective delivery of its core mandate during FY 2026/27:

a) Strengthen budget execution and expenditure controls: Ensure that available resources are aligned to priority programmes and activities and closely monitor expenditure against approved work plans and budgets. Monthly and quarterly budget performance reviews will be undertaken to identify variances and take prompt corrective action.
b) Enhance timely utilisation of allocated funds: We will develop and implement realistic annual procurement and activity plans aligned to the approved budget. All priority procurements and activities will be initiated within the prescribed timelines to minimise delays and improve absorption of funds.
c) Improve management of pending bills and commitments: Maintaining an up-to-date commitments and pending bills register and prioritise settlement of verified obligations in line with Government guidelines. Quarterly reviews will also be undertaken to prevent accumulation of new pending bills.
d) Strengthen procurement planning and implementation: Ensuring that procurement plans are prepared and approved within the required timelines and closely monitored throughout the financial year. Procurement performance will be reviewed quarterly to identify and address delays affecting programme implementation.
e) Prioritise programmes within available fiscal space: Undertaking regular review of programmes and activities to ensure that resources are directed towards high priority and high impact interventions. Emerging activities will only be accommodated subject to availability of resources and appropriate approval.
f) Strengthen monitoring, evaluation and reporting: Establish a structured quarterly monitoring framework for all major programmes and projects. Implementation progress will be assessed against approved targets, and corrective measures taken where performance falls below expectations.

3.3.1 National Drought Management Authority (NDMA)

57. The CEO for NDMA, Lt. Col. (Rtd) Hared Hassan Adan, appeared before the Committee on Friday 28th August 2026 and submitted as follows:

Overview

58. The National Drought Management Authority (NDMA) is established under the NDMA Act, CAP 388. The Act mandates NDMA to coordinate all matters relating to drought risk management and to establish mechanisms, either on its own or with stakeholders, to end drought emergencies in Kenya.

59. The Authority has a national mandate with operational offices in 23 Arid and Semi-arid Lands (ASAL) counties. The Authority plans to expand to 9 additional counties (Strategic Plan 2023-2027), bringing coverage to 32 drought-prone counties.

Budget Performance - Recurrent and Development Budget

60. During FY 2025/26, the Authority received Ksh. 6,618,636,845 under the Recurrent Budget and recorded an absorption rate of 95%. The variance from full absorption was mainly attributable to funds earmarked for drought interventions that were received towards the end of the fourth quarter, leaving insufficient time for full utilisation within the financial year.

61. Under the Development Budget, the Authority had an approved allocation of Ksh.1,237,530,000 (Ending Drought Emergencies – Support to Drought Risk Management II Project, Dryland Climate Action for Community Drought Resilience (DCADR) Project, Towards Ending Drought Emergencies Project (TWENDE), the National Drought Emergency Fund (NDEF), and Government of Kenya-funded interventions). The Development Budget recorded an absorption rate of 61%.

62. The lower absorption rate arose from non-receipt of Ksh.378 million under the TWENDE donor funding as well as Ksh.110 million earmarked for drought resilience initiatives under Supplementary Estimates II received in July 2026, after the close of FY 2025/26, and could therefore not be utilised within the reporting period.

63. Under the National Drought Emergency Fund (NDEF), the cumulative absorption rate is 69% against the total funds (648.5 million) received since inception, due to delayed exchequer releases over the years and transitions.

Recurrent Budget

Item	Printed Estimates	Actual	Difference
	2025/26	2025/26	2025/26
Gross Revenue	**6,618.64**	**6,618.64**	**-**
Of which is:			-
1. Hunger safety Net Program	5,519.04	5,519.04	-
2. Kenya Drought Early Warning	13.50	13.50	-
3. Drought Recovery Initiatives	350.00	350.00	-
4. **Recurrent (P/E & O&M)**	736.10	736.10	-
Net	**6,618.64**	**6,618.64**	**-**
Expenditures			
Recurrent – Compensation to Employees	558.33	558.33	-
Others – As explained below	6,060.31	6,060.31	-
1. **Hunger Safety Net Program (HSNP)**	**5,519.04**	**5,519.04**	**-**
Cash transfer and related costs	5,050.80	5,050.80	-
Registration and Targeting of Households	-	-	-
Nutrition Sensitive Early / Anticipatory action for flood/scalability strategy	-	-	-

Item	Printed Estimates	Actual	Difference
	2025/26	2025/26	2025/26
Other delivery mechanism costs	468.24	468.24	-
2. Kenya Drought Early Warning (KDEWs)	**13.50**	**13.50**	**-**
Field monitors allowances during data collection	13.50	13.50	-
Supervision and verification costs	-	-	-
Fuel & finance costs	-	-	-
3. **Other Recurrent (O&M)**	**177.77**	**177.77**	**-**
Utilities	5.14	5.14	-
Contractual obligations (Rent, Insurance, guarding & cleaning, Internet & communication costs)	84.67	84.67	-
Board expenses	30.00	30.00	-
Other O&M (Fuel, Repairs & Maintenance, Office stationery)	57.96	57.96	-

Source: MDA Submission

Development Budget

Programme/Project		Allocation (Ksh. millions)			Expenditure (Ksh. millions)	Difference (Ksh. millions)
		GoK	Donor	Total		
1.	EU- EDE Support to Resilient Livelihoods and Drought Risk Management II	15	0	15	15	0
2.	EU- Dryland Climate Action for Community Drought Resilience - DCADR (GoK/EU)	35	520	555	555	0
3.	Towards Ending Drought Emergencies – Adaptation on Kenya ASAL - TWENDE (GoK/IUCN)	30	377.53	407.53	30	377.53
TOTAL		**80**	**897.53**	**977.53**	**599.645**	**377.885**

Source: MDA Submission

National Drought Emergency Fund

64. The National Drought Emergency Fund (NDEF) is a multi-donor basket Fund established under the Public Finance Management (National Drought Emergency Fund) Regulations, 2021, as a complementary financing mechanism for Drought Risk Management.

65. NDEF is governed by the NDMA Board as the Fund Board, stipulated under NDEF Regulation 8. The NDEF Regulations provide for its financing through annual appropriations by the National Assembly, which may include contributions from the private sector, donor support and global climate change and disaster risk financing facilities.

66. Since its establishment in 2021, the Fund has received a cumulative total of Ksh.648.5 million (Ksh. 200 million in FY 2021/2022, Ksh.263.3 million in FY 2022/2023, Ksh. 20 million in FY 2023/2024 and Ksh.165.2 million in FY 2025/2026). No resources were provided during FY 2024/2025.

Key Achievements and Non-Financial Outputs

a) Strengthened drought early warning and preparedness: Produced 288 monthly drought early warning bulletins, comprising 276 county-level bulletins and 12 national bulletins, providing timely and actionable information to guide drought preparedness and response interventions.

b) Enhanced drought response Interventions: The financial year was characterised by drought conditions that necessitated the implementation of drought response interventions. During the period, the Authority reached 117,800 households across six counties through water trucking and supported 27,415 households across nine counties with livestock feeds.

c) Scaled up climate resilience investments: During the period, the Authority initiated a total of 37 strategic macro projects valued at Ksh. 599.9 million, across ASAL counties.

d) Strengthened social protection for drought-affected households: Through the Hunger Safety Net Programme (HSNP), the Authority disbursed Ksh.4.313 billion in cash transfers to 133,484 00 households across eight arid counties, thereby enhancing household resilience to climate and livelihood shocks.

e) Strengthened resource mobilisation and climate finance readiness: The Authority operationalised its Resource Mobilisation Strategy and advanced institutional readiness towards Green Climate Fund (GCF) accreditation, strengthening its capacity to access and mobilise additional climate finance for drought risk management, resilience building and climate action in the ASALs.

Challenges in Implementation of Projects and Programmes

a) Inadequate Budgetary Allocation to the Hunger Safety Net Programme (HSNP): Declining budget allocation to HSNP undermines the Government's commitments to social protection of poor and vulnerable households. HSNP cash transfers provide critical consumption support to targeted households, and failure to disburse these transfers compromises the food and nutrition security of beneficiaries.

b) Shortfall in GoK Counterpart Funding for the EU-funded DCADR Project: In FY 2025/26, the project received a GoK counterpart allocation of KSh 60 million (approximately 8.3% of the donor contribution), against an expected KSh 201.6 million (28% of the donor contribution) as stipulated in the Financing Agreement. Cumulatively, the Government has an outstanding counterpart funding commitment of KSh 253.4 million under this Agreement.

c) Shortfall in GoK Counterpart Funding for the GCF-funded TWENDE Project: The GoK counterpart funds allocation of KSh 30 million (8% of donor funds) for the "Towards Ending Drought Emergencies: Ecosystem-Based Adaptation in Kenya's Arid and Semi-Arid Rangelands (TWENDE)" project in FY 2025/2026 falls significantly short of the required matching funds of KSh 164 million under the Financing Agreement.

d) Underfunding of the Drought Early Warning System: The drought early warning system requires an annual budget of KSh 45 million but has consistently received only KSh 30 million annually. In FY 2025/2026, this allocation has been further reduced to KSh 13.5 million, undermining the system's capacity for timely drought detection and response.

e) Lack of a Dedicated Budget Line for Food Security Assessments: NDMA coordinates bi-annual multi-sectoral, multi-agency food security assessments at an approximate cost of KSh 60 million, currently financed by development partners. This programme requires a specific Government budget line, which has not been established over time.

f) Lack of a Dedicated Budget Line for Drought Risk Management Coordination: The Authority requires an annual allocation of KSh 90 million for drought risk management coordination. This has not been considered as a specific budget line by the Government over time.

g) Institutional Fragmentation in Drought Emergency Governance: Executive Order No. 1 of 2025 placed the National Drought Emergency Fund (NDEF) under the State Department for Special Programmes, while the National Drought Management Authority (NDMA) remains under the State Department for ASALs and Regional Development. This institutional separation creates coordination challenges between the fund and the implementing authority.

h) Delays in Approval of the EDE CPF II: The Ending Drought Emergencies Common Programme Framework II (EDE CPF II) has experienced delays in progressing through the relevant Government approval and concurrence processes, including securing ownership across responsible portfolios and alignment with the Medium-Term Plans and associated budget frameworks.

i) Legal and Structural Constraints on NDEF Resource Mobilisation: The Public Finance Management Act, 2012 requires that partner contributions to NDEF be channelled through the National Treasury, limiting the Fund's ability to directly mobilise and manage resources from development partners and the private sector. This constrains NDEF's flexibility to operate as a common basket fund for timely drought preparedness, anticipatory action, response, and resilience building.

Key Fiscal, Operational and Governance Risks

67. The CEO highlighted that:

    a) Diminishing and fluctuating budgetary allocations affecting predictability and implementation of projects, programmes and activities, undermining delivery of institutional mandate.

    b) Shrinking resource mobilisation opportunities among the donor community, limiting resource partnerships for Drought Risk Management (DRM) and Climate Change Adaptation.

Mitigation measures and SMART Action Plans

68. The CEO submitted that:

    a) The Authority to continue engaging the National Assembly through the line committee and the National Treasury with a view to strengthening its resource mobilisation strategies, including ring-fencing of HSNP, NDEF and GoK Counterpart funding.

    b) Advocating for policy reviews and adjustments to streamline programming in drought risk management and climate change adaptation. The Authority has initiated the process of reviewing the various legal instruments.

CHAPTER FOUR

4.0 Committee Observations

69. The Committee having considered the submissions by the agencies made the following observations:

4.1 State Department for Devolution

(i) The approved budget for FY 2025/26 under the State Department was Kshs. 15.55 billion. As of June 30, 2026, the State Department's total expenditure stood at Kshs. 10.99 billion. This expenditure reflects an absorption rate of 71 percent.

(ii) The Committee observes that the State Department has pending bills of Kshs. 2,728.60 million out of which Kshs. 10.62 million are carry overs from FY 2025/26 while Kshs. 2,717.98 million relate to historical pending bills, which are presently under review by the National Treasury Verification Committee. The Committee notes that these unresolved obligations pose risks to service delivery and underscore the need for strengthened cash-flow planning and timely settlement of verified claims.

(iii) The Committee noted the Department's achievements, including County Fiscal and Human Resource Management Reforms supported by KDSP II; development of a Legal, Policy and Coordination framework; launch of the Joint Devolution Programme II; county institutional capacity building; strengthened intergovernmental relations and coordination; county knowledge management and best practice sharing; and urban governance and green skills leadership frameworks.

(iv) The Committee noted IGRTC's achievements during the period, including the transfer of assets, national government houses and Amboseli National Park to relevant entities; development of an intergovernmental framework; convening of one Summit; resolution of five intergovernmental disputes; and the unbundling and delineation of functions, culminating in a report submitted to the Head of Public Service.

(v) The Committee observes that IGRTC has two pending bills/obligations amounting to Kshs. 141 million. These include service gratuity for IGRTC – Kshs. 116 and Government Printer – Kshs 25 million.

4.2 State Department for Special Programmes

(i) The approved budget for FY 2025/26 under the State Department was Kshs. 13.98 billion. As of June 30, 2026, the State Department's total expenditure stood at Kshs. 13.78 billion. This expenditure reflects an absorption rate of 99 percent.

(ii) The Committee noted pending bills amounting to Kshs. 17.9 million for the period ending FY 2025/26.

(iii) The Committee noted that NDEF has a cumulative amount of Kshs. 648.5 million against a Kshs. 2 billion requirement as established in the The Public Finance Management (National Drought Emergency Fund) Regulations.

4.3 State Department for ASALs and Regional Development

(i) The approved budget for FY 2024/25 under the State Department was Kshs. 14.59 billion. As of June 30, 2026, the State Department's total expenditure stood at Kshs. 14.19 billion. This expenditure reflects an overall absorption rate of 98 percent.

(ii) The Committee noted that the RDAs had targeted to collect Kshs. 602.5 million. The actual AIA collected was Kshs. 506.75 million leaving a shortfall of Kshs.95.78 million.

(iii) The Committee observed that there exists historical pending bills amounting to Kshs. 2.42 billion under Headquarters and Kshs. 11.16 billion under the RDAs which were submitted to the Pending Bills Verification Committee.

(iv) The Committee noted that the State Department has a total pending bill of Kshs. 89.76 million, comprising Kshs. 19.15 million incurred during FY 2025/26, Kshs. 56.29 million under FY 2024/25, and Kshs. 14.32 million under FY 2023/24. The Regional Development Authorities (RDAs) have a total current cumulative pending bill of Kshs. 3.35 billion, with LBDA accounting for the largest share at Kshs. 1.11 billion, followed by CDA at Kshs. 696.26 million, TARDA at Kshs. 536.68 million, ENNDA at Kshs. 463.07 million, ENSDA at Kshs. 445.82 million, and KVDA at Kshs. 101.61 million.

(v) The Committee noted the NDMA's key achievements, including strengthened drought early warning and preparedness systems; enhanced drought response interventions; scaled-up climate-resilient investments; strengthened social protection for drought-affected households; and enhanced resource mobilization and climate finance readiness.

(vi) The Committee observed that RDAs continue to experience considerable underfunding, particularly with respect to recurrent expenditure, coupled with a lack of adequate support, thereby undermining their capacity to effectively execute their mandate.

CHAPTER FIVE

5.0 Committee Recommendation

70. The Committee made the following recommendations;

(i) The Cabinet Secretary for the National Treasury & Economic Planning should publicize the report by the Pending Bills Verification Committee by December 2026 in order to ensure amounts owed by the National Government are settled.

(ii) The Head of the Public Service should by 30th December 2026 issue a formal directive clarifying the institutional mandate and administrative responsibility for the National Drought Emergency Fund (NDEF), taking into account its domiciliation in the State Department for Special Programmes and its management by the Board of the National Drought Management Authority which is domiciled under State Department for the ASALs and Regional Development.

(iii) The State Department and Agencies should prioritize payment of all pending bills in the FY 2026/27.

SIGNED..... **DATE**13/10/2026.....

HON. LOCHAKAPONG PETER, M.P., CBS

CHAIRPERSON, DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 13 OCT 2026	DAY. TUESDAY
TABLED BY:	HON LIZA CHELULE, CBS, MP (VICE CHAIRPERSON)
CLERK-AT THE-TABLE:	INNOCENT MUNAKE, HSC

ADOPTION LIST

THIRTEENTH PARLIAMENT – FIFITH SESSION – 2026

COMMITTEE ON REGIONAL DEVELOPMENT

Adoption of the Report on the Consideration of the Budget Implementation Oversight for the FY 2025/2026 for;-
(i) Vote 1032: State Department for Devolution;
(ii) Vote 1033: State Department for Special Programme; and
(iii) Vote 1036: State Department for the ASALs and Regional Development
We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 1/10/2026

	HON. MEMBER	SIGNATURE
1.	Hon. Lochakapong Peter, CBS, M.P. – **Chairperson**	
2.	Hon. Chelule Liza Chepkorir, CBS, M.P. – **Vice Chairperson**	
3.	Hon. Basil Robert Ngui, M.P.	
4.	Hon. Mawathe Julius Musili, M.P.	
5.	Hon. Paul Abuor, M.P.	
6.	Hon. Kalasinga Joseph Majimbo, M.P.	
7.	Hon. Nabulindo Peter Oscar, M.P.	
8.	Hon. Khamis Chome Abdi, M.P.	
9.	Hon. Maina Amos Mwago, M.P.	
10.	Hon. Tungule Charo Kazungu, M.P.	
11.	Hon. Munyoro Joseph Kamau, M.P.	
12.	Hon. Njeru Pamela Njoki, M.P.	
13.	Hon. Hassan Ahmed Maalim, MP,	
14.	Hon. David Kipsang Keter, M.P.	
15.	Hon. Sudi Oscar Kipchumba, M.P.	

MINUTES OF THE 35TH SITTING OF THE DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT HELD ON THURSDAY, 1ST OCTOBER 2026 IN COMMITTE ROOM 22 ON 5TH FLOOR, BUNGE TOWER, PARLIAMENT BUILDLINGS AT 12.00 NOON.

PRESENT

1. Hon. Lochakapong Peter, CBS, M.P. - Chairperson
2. Hon. Chelule Liza Chepkorir, CBS, M.P. - Vice Chairperson
3. Hon. Basil Robert Ngui, M.P.
4. Hon. Munyoro Joseph Kamau, M.P.
5. Hon. Njeru Pamela Njoki, M.P.
6. Hon. Hassan Ahmed Maalim, M.P

ABSENT WITH APOLOGY

1. Hon. Mawathe Julius Musili, M.P
2. Hon. Paul Abuor, M.P.
3. Hon. Kalasinga Joseph Majimbo, M.P.
4. Hon. Tungule Charo Kazungu, M.P.
5. Hon. Nabulindo Peter Oscar, M.P.
6. Hon. Khamis Chome Abdi, M.P.
7. Hon. David Kipsang Keter, M.P.
8. Hon. Maina Amos Mwago, M.P.
9. Hon. Sudi Oscar Kipchumba, M.P.

SECRETARIAT

1. Mr. Mohamed Jimale - Clerk Assistant I
2. Ms. Violet Ouma - Clerk Assistant III
3. Mr. Moses Mwariri - Legal Counsel II
4. Mr. Cyril Mutali - Fiscal Analyst Officer II
5. Mr. Mohamed Shilo - Research Officer III
6. Mr. James Macharia - Senior Media Relation Officer
7. Ms. Mary Kamande - Public Communications Officer
8. Mr. Peter Mutethia - Audio Officer

MIN. NO. NA/DC-RD/2026/159: PRELIMINARIES

The meeting was called to order at 12:02 p.m. by the Chairperson, and requested Hon Liza Chelule, CBS, MP to pray and followed by round of introduction. The Agenda of the meeting agenda was then adopted, having been proposed by Hon Liza Chelule, MP and seconded by Hon. Hassan Ahmed Maalim, M.P.

MIN.NO.NA/DC-RD/2026/160: CONSIDERATION OF THE REPORT OF THE BUDGET IMPLEMENTATION OVERSIGHT FOR FY 2025/26

The Committee considered the draft Report on the Budget Implementation Oversight for FY 2025/2026 with the State Departments and Agencies under the purview of the Committee. The Fiscal Analyst, apprised the Members on the Committee's observations and recommendations made during the engagements with the stakeholders in a retreat undertaken in Mombasa from 27th to 31st August 2026, on Budget Implementation Oversight for FY 2025/2026.

Committee observations

The Committee having considered the submission by the MDAs and made the following observations:

The Committee having considered the submissions by the agencies made the following observations:

a) State Department for Devolution

(i) The approved budget for FY 2025/26 under the State Department was Kshs. 15.55 billion. As of June 30, 2024, the State Department's total expenditure stood at Kshs. 10.99 billion. This expenditure reflects an absorption rate of 71 percent.

(ii) The Committee observed that the State Department has pending bills of Kshs. 2,728.60 million out of which Kshs. 10.62 million are carry overs from FY 2025/26 while Kshs. 2,717.98 million relate to historical pending bills, which are presently under review by the National Treasury Verification Committee. The Committee notes that these unresolved obligations pose risks to service delivery and underscore the need for strengthened cash-flow planning and timely settlement of verified claims.

(iii) The Committee noted the Department's achievements, including County Fiscal and Human Resource Management Reforms supported by KDSP II; development of a Legal, Policy and Coordination framework; launch of the Joint Devolution Programme II; county institutional capacity building; strengthened intergovernmental relations and coordination; county knowledge management and best practice sharing; and urban governance and green skills leadership frameworks.

(iv) The Committee noted IGRTC's achievements during the period, including the transfer of assets, national government houses and Amboseli National Park to relevant entities; development of an intergovernmental framework; convening of one Summit; resolution of five intergovernmental disputes; and the unbundling and delineation of functions, culminating in a report submitted to the Head of Public Service.

(v) The Committee observed that IGRTC has two pending bills/obligations amounting to Kshs. 141 million. These include service gratuity for IGRTC – Kshs. 116 and Government Printer – Kshs 25 million.

b) State Department for Special Programmes

(i) The approved budget for FY 2025/26 under the State Department was Kshs. 13.98 billion. As of June 30, 2026, the State Department's total expenditure stood at Kshs. 13.78 billion. This expenditure reflects an absorption rate of 99 percent.

(ii) The Committee noted pending bills amounting to Kshs. 17.9 million for the period ending FY 2025/26.

(iii) The Committee noted that NDEF has a cumulative amount of Kshs. 648.5 million against a Kshs. 2 billion requirement as established in the Public Finance Management (National Drought Emergency Fund) Regulations.

c) State Department for ASALs and Regional Development

(i) The approved budget for FY 2025/26 under the State Department was Kshs. 14.59 billion. As of June 30, 2026, the State Department's total expenditure stood at Kshs. 14.19 billion. This expenditure reflects an overall absorption rate of 98 percent.

(ii) The Committee noted that the RDAs had targeted to collect Kshs. 602.5 million. The actual AIA collected was Kshs. 506.75 million leaving a shortfall of Kshs.95.78 million.

(iii) The Committee observes that pending bills total Kshs. 10,327.42 million, with LBDA accounting for the largest share at Kshs. 9,110.09 million, followed by ENNDA at Kshs. 790.52 million and CDA at Kshs. 200.24 million.

(iv) The Committee noted that the State Department has a total pending bill of Kshs. 89.76 million, comprising Kshs. 19,15 million incurred during FY 2025/26, Kshs. 56.29 million under FY 2024/25, and Kshs. 14.32 million under FY 2023/24. The Regional Development Authorities (RDAs) have a total current cumulative pending bill of Kshs. 3.35 billion, with LBDA accounting for the largest share at Kshs. 1.11 billion, followed by CDA at Kshs. 696.26 million, TARDA at Kshs. 536.68 million, ENNDA at Kshs. 463.07 million, ENSDA at Kshs. 445.82 million, and KVDA at Kshs. 101.61 million. Further, historic pending bills amounting to Kshs. 2.42 billion under Headquarters and Kshs. 11.16 billion under the RDAs were submitted to the Pending Bills Verification Committee.

(v) The Committee noted the NDMA's key achievements, including strengthened drought early warning and preparedness systems; enhanced drought response interventions; scaled-up climate-resilient investments; strengthened social

protection for drought-affected households; and enhanced resource mobilization and climate finance readiness.

(vi) The Committee observed that RDAs continue to experience considerable underfunding, particularly with respect to recurrent expenditure, coupled with a lack of adequate support, thereby undermining their capacity to effectively execute their mandate.

Committee recommendations

The Committee made the following recommendations;

(i) The Cabinet Secretary, for the National Treasury and Economic Planingshould publicize the report by the Pending Bills Verification Committee by December 2026 to ensure amounts owed by the National Government are settled.
(ii) The State Department and Agencies should also prioritize payment of pending bills in the subsequent fiscal year.
(iii) The National Treasury and Economic Planing to provide clarification on management of NDEF.

MIN.NO.NA/DC-RD/2026/161: ADOPTION OF THE REPORT OF THE BUDGET IMPLEMENTATION OVERSIGHT FOR FY 2025/26

Having considered the Report on the consideration of the Report on the Budget Implementation Oversight for FY 2025/2026 with the State Department and Agencies, the Committee adopted the Report pursuant to SO. 232 (5), as having been proposed by Hon. Hassan Ahmed Maalim, M.P. and seconded by Hon. Chelule Liza Chepkorir,CBS, M.P.

MIN.NO.NA/DC-RD/2026/162: ANY OTHER BUSINESS

The Committee was informed of the second phase of public hearings which involves visits to the Lake Basin Development Authority (LBDA), the Tana and Athi Rivers Development Authority (TARDA) and the Coast Development Authority (CDA) from 22nd - 25th October, 2026.

MIN. NO. NA/DC-RD/2026/163: ADJOURNMENT

The meeting adjourned at 12:29 p.m. The next sitting is to be called on notice.

Signed.....**Date** 13/10/2026.

Hon. Lochakapong Peter, CBS, M.P.

Chairperson Departmental Committee

EXECUTIVE OFFICE OF THE DEPUTY PRESIDENT
STATE DEPARTMENT FOR DEVOLUTION

PRESENTATION TO THE DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT ON THE STATUS REPORT ON BUDGET IMPLEMENTATION MONITORING FOR THE FINANCIAL YEAR 2025/26

VOTE 1032

BY

M.L LENASALON

PRINCIPAL SECRETARY

OUTLINE

- ☑ Introduction - **Slide 3, 4**
- ☑ Overall Budget Absorption Rate in FY 2025/26 - **Slide 5,6,7**
- ☑ Current FY2026/27 Implementation Status of both Recurrent and Development Budget - **Slide 8, 9**
- ☑ Latest Project Information - **Slide 10**
- ☑ Budget Performance with Detailed Breakdown of the Recurrent and Development Budget FY 2025/26 - **Slide 11**
- ☑ Performance Of Appropriation In Aid (Aia) The Full Year FY 2025/26 - **Slide 12**
- ☑ Keys Achievements and Non-financial Outputs during the Implementation of FY 2025/26 budget - **Slide 13,14,15, 16**
- ☑ Challenges in the Implementation of Core Mandate, Projects and Programmes during the FY 2025/26 - **Slide 17**
- ☑ Key Fiscal, Operational or Governance Risks identified in the FY 2025/26 that require corrective action or Policy Reforms - **Slide 18**
- ☑ Mitigation Measures and SMART action Plans that will ensure Effective Implementation of the Mandate of the State Department in the FY 2026/27 - **Slide 19**
- ☑ Conclusion - **Slide 20**

INTRODUCTION

HON. CHAIR AND MEMBERS

The State Department for Devolution is honored to present its submission to the Departmental Committee on Regional Development regarding the status of budget implementation for the Financial Year 2025/26

MANDATE OF THE STATE DEPARTMENT

The mandate of the state department as envisaged under Article 190 of the constitution, sec 121 of the County Governments Act 2012 and Executive Order No. 1 of 2023 includes inter alia; management of devolution affairs, fostering intergovernmental relations, capacity development and technical assistance to county governments, management of civic education & public participation, management of devolution collaborations, partnerships and linkages.

INTRODUCTION CONT...

The State Department for Devolution has one programme and six sub-programme as follows;

Programme:

- Devolution Services

Programme Objective: To enhance management and implementation of the devolved system of government.

- **Sub-Programmes**

1. Management of Devolution Affairs
2. Intergovernmental Relations
3. Capacity Building and Civic Education
4. Administrative Services
5. Finance Management Services
6. Information Communication Technology Service

1. OVERALL BUDGET ABSORPTION RATE IN FY 2025/26

☑n the Financial Year 2025/26, the State Department was allocated a total budget of **KSh. 15,549.70 Million,** consisting of **KSh.1,373.58 Million** for Recurrent Expenditure and **KSh. 14,176.12 Million** for Development Expenditure.

☑Total expenditure during the period amounted to **KSh.10,987.18 Million**, representing an aggregate absorption rate of **71%**. Recurrent expenditure reached **KSh.1,373.57 Million**, achieving a 100% absorption rate, while development expenditure stood at **KSh.9,613.61 Million,** reflecting a **68%** absorption rate.

1. OVERALL BUDGET ABSORPTION RATE SUMMARY IN FY 2025/26 CONT...

Classification	Printed Estimates Kshs. (millions)	Revised Estimates Kshs.(millions)	Expenditure Kshs.(millions)
	FY 2025/26	FY 2025/26	FY 2025/26
Recurrent	1,331.30	1,373.58	1373.57
Development	15,915.12	14,176.22	9,613.61
Totals	**17,246.42**	**15,549.8**	**10,987.18**
The detailed financial performance is as shown in annex 1			

1. OVERALL BUDGET ABSORPTION RATE IN FY 2025/26 CONT...

- The suboptimal absorption rate in development expenditure is attributed to the non-disbursement of funds to county governments, resulting from the performance status of specific Disbursement Linked Indicators (DLIs).
- Under the prescribed allocation criteria for Disbursement Linked Indicators (DLIs) 3 through 7, the Level 2 grant allocation is distributed to qualifying county governments based on a two-tier framework:
  - Fixed Performance Component (50%): Half of the allocation is released to a county government upon successful attainment of the respective DLI result, calculated in accordance with the approved Commission on Revenue Allocation (CRA) formula.
  - Variable Performance Component (50%): The remaining half is determined dynamically and allocated based on the county's specific compliance scores against the performance measures established for that DLI result area.

2. CURRENT FY 2026/27
IMPLEMENTATION STATUS OF BOTH RECURRENTS AND DEVELOPMENT BUDGET

Item	Printed Estimates (kshs. Millions)	Expenditure (Kshs. Millions)	Balance (Kshs. Millions)	% Absorption
Recurrent Vote				
Compensation of employees	252.30	18.94	233.36	7.5%
Operations and Maintenance	451.88	82.82	369.06	18.3%
Current Grants to Semi-Autonomous Government Agencies	758.50	322.43	436.07	42.5%
Sub Total Recurrent	**1,462.68**	**424.18**	**1,038.5**	**29.0%**
Development Vote				
GOK	323.10	36.76	286.34	11.3%
Loan KDSP II	10,176.20	-	10,176.20	0%
Grant AiA	160.00	-	160.00	0%
Sub Total Development	**10,659.30**	**36.76**	**10,622.54**	**%**
Grand Total	**12,121.98**	**460.94**	**11,661.04**	**3.8%**

2. INFORMATION ON THE CURRENT STOCK OF PENDING BILLS

- The State Department has pending bills amounting to Kshs.2,728.60 Million out of which **Kshs.10.62** Million are carry overs from FY 2025/26 while Kshs.2,717.98 Million are historical pending bills.
- The State Department will process the FY 2025/26 carry overs in the current FY 2026/27 while the historical pending bills were submitted to the Pending Bills Verification Committee and awaiting the outcome.
- **The detailed information on pending bills is provided in Annex 2 attached**

3. PROJECT INFORMATION FOR ALL ONGOING CAPITAL PROJECTS AS AT 30TH JUNE 2026

Project Name (a)	Project Commencement Date	Expected date of Completion of the project	Source of Funds (GoK/Donor/ Foreign Borrowings/ Commercial Borrowings)	Estimated Value of the Project (Kshs.) M	Total funding FY 2025/26 Kshs. M		Cumulative Expenditure up to June 2026 Kshs.M	Percentage (%) of Completion (i=h/e)	Geographical
					Donor	GOK			
Kenya Devolution Support Proggramme II (KDSP II)	1/12/2023	31/12/2027	GOK & WORLD BANK	24,078	14,005	141	9,582.51	48%	47 counties
Maarifa Centre for Knowledge Management Among Counties	21/2/2022	30/6/2026	GOK	60	-	35	35.00	57.83%	COG Headquarters
Total				**24,138**	**14,005**	**171**	**9,612.51**	**68%**	

4. BUDGET PERFORMANCE WITH DETAILED BREAKDOWN OF THE RECURRENT AND DEVELOPMENT BUDGET FY 2025/26 (KSHS) MILLIONS

Item	Printed Estimates	Revised Estimates	Expenditure	Exchequer issues	Balance	% Absorption
Recurrent Vote						
Compensation of employees	243.90	246.24	246.23	246.23	0.01	99.9%
Operations and Maintenance	361.60	401.59	401.59	401.59	-	100%
Current Grants to Semi-Autonomous Government Agencies	725.80	725.75	725.75	725.75	-	100%
Sub Total Recurrent	**1,331.30**	**1,373.58**	**1,373.57**	**1,373.57**	**0.01**	**99.9%**
Development Vote						
GOK	171.12	171.22	171.12	171.12	-	100%
Loan KDSP II (Donor)	15,744.00	14,005.00	9,442.49	9,442.49	4,562.51	68%
Sub Total Development	**15,915.12**	**14,176.22**	**9,613.61**	**9,613.61**	**4,562.51**	**68%**
Grand Total	**17,246.42**	**15,549.62**	**10,987.18**	**10,987.18**	**4,562.44**	**71%**

5. PERFORMANCE OF APPROPRIATION IN AID (AIA) THE FUL YEAR FY 2025/26

❖The State Department for had no AIA in FY 2025/26

6. KEYS ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET

1. **County Fiscal & Human Resource Management Reforms Supported by KDSP II:**
   - ❖ Rolled out comprehensive guidelines for revenue management, pending bills, HR, and public investment management. This led to 41 counties growing OSR by more than 5% above the rate of inflation, 16 counties cutting pending bills by at least 10%, all 47 counties updating staff structures, and kshs. 9.02 billion in performance-linked grants disbursed.

2. **Legal, Policy & Coordination Framework:**
   - ❖ National policy on devolved governance approved
   - ❖ Intergovernmental relations amendment bill
   - ❖ Concurrent functions bill
   - ❖ Regulations on transfer of functions between the national government and the county government developed
   - ❖ Developed a coordination framework for development partners in devolution related activities

3. **Joint Devolution Programme II (JDP II):**
   - ❖ Launched a coordinated framework to strengthen intergovernmental relations, institutional capacity, and service delivery across 8 counties and 8 national agencies.

6. KEYS ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET CONT....

4. County Institutional Capacity Building:

- ❖Developed and rolled out 2 key frameworks namely; public service management framework and devolution performance results framework
- ❖Forty-six (46) counties were supported to establish project level management committees and fifteen of them trained in addition to county staff as a measure to enhance public participation at the county level
- ❖Seven (7) county assembly legislative caucuses were established to promote youth engagement and legislative oversight through the scouting movement.

5. Functions Unbundling & Transfer:

- ❖Seven (7) intergovernmental frameworks on asset sharing between the two levels of government in education sector developed
- ❖Thirty-four (34) intergovernmental frameworks on provision of education support/ bursaries between the two levels of government developed
- ❖Four (4) contentious components in six (6) sectors of devolved functions unbundled, delineated and transferred

6. KEYS ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET CONT....

6. Asset & Resource Transfer:

- Valued, gazetted and transferred 62,248 registrable assets of defunct local authorities and devolved functions to counties

7. Intergovernmental Relations and Coordination:

- Held 6 intergovernmental sector forums and convened 54 sector working groups to enhance intergovernmental coordination and resolve critical issues between the two levels of government.
- Held the national coordinating summit meeting to resolve critical issues affecting the two levels of government:
- Resolved 23 intergovernmental disputes through ADR mechanism.
- Successfully held the national biennial devolution conference in Homabay county geared towards driving progress on maternal health, OSR, affordable housing, value chains, and county assembly financial autonomy. 70% of the resolutions have so far been implemented

6. KEYS ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET CONT....

8. County Knowledge Management & Best Practices:

- ❖ Developed knowledge management strategy for the devolved system of government
- ❖ Published 6 compendiums of county best practices and innovations, enabling peer learning and replication of proven service-delivery solutions across counties.

9. Urban governance, green skills & leadership frameworks:

- ❖ Developed specialized frameworks for urban governance (model org structures, M&E guide, private sector engagement), youth green-skilling, climate mainstreaming (model environment bill & guidelines), and governors' / sector induction manuals to strengthen leadership capacity.

The Detailed Information on Achievements is provided in Annex 3 attached

7. CHALLENGES IN THE IMPLEMENTATION OF CORE MANDATE, PROJECTS AND PROGRAMMES DURING THE FY 2025/26 INCLUDING POLICY, FINANCIAL AND LEGISLATIVE GAPS HINDERING EFFECTIVE EXECUTION OF THE MANDATE

1. Prolonged resolution of intergovernmental disputes arising from slow involvement of the parties in the dispute and unclear partnership arrangements for the implementation of exclusive functions, resulting in prolonged intergovernmental disputes, role ambiguity, and coordination challenges between national and county actors.

2. Inadequate funding to the sub-sector leading to below target execution of planned projects and activities. Additionally, lack budgetary provision for historical pending bills resulted in penalties, and additional financial costs.

3. Delay in approval of policy and legislative frameworks including delays in passage of the Intergovernmental Relations Amendment Bill.

8. KEY FISCAL, OPERATIONAL OR GOVERNANCE RISKS IDENTIFIED IN THE FY 2025/26 THAT REQUIRE CORRECTIVE ACTION OR POLICY REFORMS

1. Inadequate Budgetary Provision for both the core mandate and support programs/activities. Eg inadequate budgetary provision to cater for holding of sector forums, stakeholder's engagements in validation of the frameworks and guidelines, citizen engagements, capacity building of county executives and county assembly and vehicle maintenance and repair, purchase of ICT equipment and office furniture and equipment
2. Increased project costs arising from delayed implementation of the Kisumu convention centre
3. Increased court awards arising from delayed payment of historical pending bills
4. Delayed approval and implementation of intergovernmental frameworks. There are several frameworks that have been finalized but are still waiting cabinet approval. E.g National Civic Education Framework, Local Economic Development (LED) framework and Public Service Management framework

9. MITIGATION MEASURES AND SMART ACTION PLANS THAT WILL ENSURE EFFECTIVE IMPLEMENTATION OF THE MANDATE OF THE STATE DEPARTMENT IN THE FY 2026/27

Risk	Mitigation measures
Inadequate funding	Resource mobilization from development partners – the Joint Devolution Programme is under implementation to fund activities geared towards strengthening of intergovernmental relations, institutional capacity, and service delivery across 8 counties and 8 national agencies. This is in addition to KDSP II
	FY 2026/27 State Departmental annual work plan has been aligned with available budget/funds
Increased project costs arising from delayed implementation of the Kisumu Convention Centre	Engaging the National Treasury to allocate funds for the completion of the project
Increased Court Awards arising from delayed payment of historical pending bills	Engaging the National Treasury to allocate funds for the payment of pending bills
Delayed approval and implementation of intergovernmental frameworks	Fast Tracking of the approval process of the pending frameworks by the Cabinet to unlock implementation by the relevant structures

10. CONCLUSION

Finally, Hon Chair and Members,

- The State Department for Devolution plays a pivotal role in ensuring effective governance by fostering strong Intergovernmental Relations and Providing Technical Assistance and Capacity Development to County Governments. Additionally, the department manages Civic Education, Public Participation, and Cross-county Collaborations while facilitating Strategic Partnerships between both levels of government. Through these mandates, the department remains steadfast in driving the National Economic Development Agenda

THANK YOU, HON. CHAIR & MEMBERS,

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OVERALL BUDGET ABPSORTION RATE IN FY 2025/26

Breakdown of the Recurrent Expenditure

	Approved Budget (Kshs. Million)	Expenditure(Kshs. Million)	Balance(Kshs. Million	% Absorption
Economic Classification	**FY 2025/26**	**FY 2025/26**	**FY 2025/26**	
Gross	**1,373.58**	**1,373.57**	0.01	99.9%
AIA	-	-	-	
NET	1,373.58	1,373.57		99.9%
Compensation to Employees	246.24	246.23	0.01	99.9%
Transfers	725.75	725.75	-	100%
Other Recurrent	401.59	401.59	-	100%
Of which				
Utilities	0.10	0.10	-	100%
Rent	130.30	130.29	0.01	99.9%
Insurance	-	-	-	
Subsidies	-	-	-	
Gratuity	-	-	-	
Contracted Professionals (Guards & Cleaners)	5.86	5.82	0.04	99.3%
Others	265.33	264.64	0.69	99.7%

BUDGET IMPLEMENTATION STATUS FOR SAGAS FY 2025/26 BUDGET (KSHS) MILLIONS) Cont.....

Item	Approved Estimates(Kshs. millions)	Expenditure(Kshs. millions)	Balance(Kshs. millions)	% Absorption
INTERGOVERNMENTAL RELATIONS TECHNICAL COMMITTEE (IGRTC)				
Recurrent Vote				
Compensation of employees	**239.46**	**239.41**	**0.05**	**99.97%**
Operations and Maintenance	**285.06**	**284.87**	**0.19**	**99.93%**
Sub Total	**524.52**	524.28	-	**99.95%**
COUNCIL OF GOVERNORS				
Compensation of employees	163.80	163.80	-	100%
Operations and Maintenance	37.40	37.40	-	100%
Subtotal Recurrent	**201.20**	**201.20**	-	**100%**
Development Vote				
Maarifa	30.00	30.00	-	100%
Sub Total Development	**231.20**	**231.20**	-	**100%**
Grand Total	**755.72**	**755.48**	**0.24**	**99.9%**

OVERALL BUDGET ABSORPTION RATE IN FY 2025/26 Cont...

Breakdown of the Development Budget:

	Approved Budget (Kshs. Millions)	Actual Expenditure (Kshs.Millions)
Description	**FY 2025/26**	**FY 2025/26**
GOK	171.12	171.12
Loans	14,005.00	9,442.49
Gross	**14,176.12**	**9,613.61**

		CURRENT 2025-2026				
1	MS Nyambaric Office Agencies	390,000.00	2025-2026	390,000.00	Lack of exchequer	SDD - GOK Recurrent
2	Pago Air ways Travel Services Ltd	39,980.00	2025-2026	39,980.00	Lack of exchequer	SDD - GOK Recurrent
3	Pago Air ways Travel Services Ltd	385,825.00	2025-2026	385,825.00	Lack of exchequer	SDD - GOK Recurrent
4	Prudential Travels	95,170.00	2025-2026	95,170.00	Lack of exchequer	SDD - GOK Recurrent
5	ABC Travel Ltd	109,300.00	2025-2026	109,300.00	Lack of exchequer	SDD - GOK Recurrent
6	ABC Travel Ltd	79,000.00	2025-2026	79,000.00	Lack of exchequer	SDD - GOK Recurrent
7	ABC Travel Ltd	118,300.00	2025-2026	118,300.00	Lack of exchequer	SDD - GOK Recurrent
8	ABC Travel Ltd	103,500.00	2025-2026	103,500.00	Lack of exchequer	SDD - GOK Recurrent
9	Granite Travel Ltd	36,600.00	2025-2026	36,600.00	Lack of exchequer	SDD - GOK Recurrent
10	Granite Travel Ltd	34,600.00	2025-2026	34,600.00	Lack of exchequer	SDD - GOK Recurrent
11	Granite Travel Ltd	133,845.00	2025-2026	133,845.00	Lack of exchequer	SDD - GOK Recurrent
12	Granite Travel Ltd	131,270.00	2025-2026	131,270.00	Lack of exchequer	SDD - GOK Recurrent
13	ABC Travel Ltd	117,750.00	2025-2026	117,750.00	Lack of exchequer	SDD - GOK Recurrent
14	Ms Jumeira Safaris Ltd	575,000.00	2025-2026	575,000.00	Lack of exchequer	SDD - GOK Recurrent
15	ABC Travel Ltd	46,790.00	2025-2026	46,790.00	Lack of exchequer	SDD - GOK Recurrent

16	ABC Travel Ltd	49,500.00	2025-2026	49,500.00	Lack of exchequer	SDD - GOK Recurrent
17	ABC Travel Ltd	69,800.00	2025-2026	69,800.00	Lack of exchequer	SDD - GOK Recurrent
18	ABC Travel Ltd	67,750.00	2025-2026	67,750.00	Lack of exchequer	SDD - GOK Recurrent
19	ABC Travel Ltd	73,680.00	2025-2026	73,680.00	Lack of exchequer	SDD - GOK Recurrent
20	Wildlife Research and Training In	276,000.00	2025-2026	276,000.00	Lack of exchequer	SDD - GOK Recurrent
21	CFAO Mobility Kenya Limited	357,195.00	2025-2026	357,195.00	Lack of exchequer	SDD - GOK Recurrent
22	San Mendota Investments	990,298.00	2025-2026	990,298.00	Lack of exchequer	SDD - GOK Recurrent
23	ABC Travel Ltd	2,188,550.00	2025-2026	2,188,550.00	Lack of exchequer	SDD - GOK Recurrent
24	Ms Airgo Tours & Travel	191,920.00	2025-2026	191,920.00	Lack of exchequer	SDD - GOK Recurrent
25	Meymah Enterprises Ltd	1,419,000.00	2025-2026	1,419,000.00	Lack of exchequer	KDSP II- donor
26	Samuel Ewoton Nakope	780,000.00	2025-2026	780,000.00	Lack of exchequer	KDSP II- donor
27	Airgo tours and travel	118,800.00	2025-2026	118,800.00	Lack of exchequer	KDSP II-GOK Development
28	Primate Tours	180,000.00	2025-2026	180,000.00	Lack of exchequer	KDSP II-GOK Development
29	Primate Tours	129,300.00	2025-2026	129,300.00	Lack of exchequer	KDSP II-GOK Development

30	Primate Tours	79,100.00	2025-2026	79,100.00	Lack of exchequer	KDSP II-GOK Development
31	Primate Tours	72,980.00	2025-2026	72,980.00	Lack of exchequer	KDSP II-GOK Development
32	Longview Hotel	244,000.00	2025-2026	244,000.00	Lack of exchequer	KDSP II- donor
33	Primate Tours	112,200.00	2025-2026	112,200.00	Lack of exchequer	KDSP II-GOK Development
34	Panaroma Hotel	220,000.00	2025-2026	220,000.00	Lack of exchequer	KDSP II-GOK Development
35	Rosape Resorts Limited	202,800.00	2025-2026	202,800.00	Lack of exchequer	KDSP II- donor
36	Government Adevertising Agency	401,163.60	2025-2027	401,163.60		**SDD - GOK Recurrent**
	TOTAL	**10,620,966.60**		**10,620,966.60**		

Annex: Analysis of Pending Accounts Payable						
A	Supply of Services/ Goods/ Works	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance	Comments
	HISTORICAL BILLS					
1	M/s Ultimate Events Management Services	210,973,164.00	2021/22	20,000,000.00	190,973,164.00	Lack of budgetary allocation
2	M/s Homeland Events	217,624,340.00	2021/22	30,000,000.00	187,624,340.00	Lack of budgetary allocation
3	M/s Sarova Stanley Group Hotels	112,656,500.00	2021/22	10,000,000.00	102,656,500.00	Lack of budgetary allocation
	M/s rural distributor enterprises	2,000,000.00	2019/20		2,000,000.00	Lack of exchequer
	M/S north wood Agencies	1,527,760.00	2019/20		1,527,760.00	Lack of exchequer
	M/s Snavem Enterprises	930,758.00	2020/21		930,758.00	Lack of exchequer
	M/s Unes University Bookstore	350,100.00	2021/22		350,100.00	Lack of exchequer
	M/s Al Point Venture	1,028,000.00	2021/22		1,028,000.00	Lack of exchequer
	M/s RH Devani	1,300,000.00	2021/22		1,300,000.00	Lack of exchequer
	M/s Rex Kiosk	454,624.00	2021/22	454,624.00	-	Lack of exchequer
	M/s Quickmode Traders	1,168,000.00	2021/22		1,168,000.00	Lack of exchequer
	M/s Lexxy Technologies	226,200.00	2021/22	226,200.00	-	Lack of exchequer
	M/s Bonito Hotels Ltd	78,500.00	2021/22		78,500.00	Lack of exchequer
	The Baobab Lodge	150,000.00	2021/22		150,000.00	Lack of exchequer
	M/s Great Rift Valley Lodge	2,911,000.00	2021/22	1,398,687.77	1,512,312.23	Lack of exchequer
	M/s Samo Agencies	440,000.00	2021/22		440,000.00	Lack of exchequer
	M/s Pro Flight Ltd	1,204,022.40	2021/22		1,204,022.40	Lack of exchequer
	M/s Sarova Panafric	220,400.00	2021/22		220,400.00	Lack of exchequer
	M/s Diverse Eco-safety Consultants	2,875,000.00	2021/22	2,000,000.00	875,000.00	Lack of exchequer
	M/s Pro Flight Ltd	1,046,976.00	2021/22		1,046,976.00	Lack of exchequer
	M/s Kisumu Hotel	684,000.00	2021/22		684,000.00	Lack of exchequer
	M/s Attic Tours & Travel Ltd	403,480.00	2021/22		403,480.00	Lack of exchequer
	M/s Mavuno auto masters Ltd	545,200.00	2021/22		545,200.00	Lack of exchequer
	M/s Balmoral Beach Hotel	354,000.00	2021/22		354,000.00	Lack of exchequer
	M/s Pago Airways	644,900.00	2021/22		644,900.00	Lack of exchequer
	M/s Langata Hotel	424,000.00	2021/22		424,000.00	Lack of exchequer
	M/s Geotide Safaris	48,570.00	2021/22		48,570.00	Lack of exchequer

	M/s Ragwa Travels Ltd	46,900.00	2021/22		46,900.00	Lack of exchequer
	M/s Njekin Agencies	72,820.00	2021/22		72,820.00	Lack of exchequer
	M/s Welma Agencies Limited	348,000.00	2021/22		348,000.00	Lack of exchequer
	M/s Ragwa Travels Ltd	170,950.00	2021/22		170,950.00	Lack of exchequer
	M/s Dawin Tours and Travel	24,155.00	2021/22		24,155.00	Lack of exchequer
	M/s Ragwa Travels Ltd	27,300.00	2021/22		27,300.00	Lack of exchequer
	M/s Ragwa Travels Ltd	43,970.00	2021/22		43,970.00	Lack of exchequer
	M/s Pago Airways	69,000.00	2021/22		69,000.00	Lack of exchequer
	M/s Primate Tours	196,780.00	2021/22		196,780.00	Lack of exchequer
	M/s Mavuno(K) Automaster	419,920.00	2021/22		419,920.00	Lack of exchequer
	M/s Mavuno(K) Automaster	145,000.00	2021/22		145,000.00	Lack of exchequer
	M/s Wanderjoy World Ltd	5,621,840.00	2021/22		5,621,840.00	Lack of exchequer
	M/s Mweru Hotel Holdings Ltd	70,000.00	2021/22		70,000.00	Lack of exchequer
	M/s Safari Park Hotel	322,980.00	2021/22		322,980.00	Lack of exchequer
	M/s Sunset Hotel	1,800,000.00	2021/22		1,800,000.00	Lack of exchequer
	M/s Jepco Services & Renovators Ltd	1,058,163.00	2021/22	1,058,163.00	-	Lack of exchequer
	M/s First Option Ventures	1,490,000.00	2021/22		1,490,000.00	Lack of exchequer
	Kenya Railways	105,000,000.00	2009/10		105,000,000.00	Kenya Railways didn't provide the Title Deed to allow for payment
	M/s Pride Inn Paradise	636,000.00	2018/20		636,000.00	Lack of exchequer
	M/s Whitespan	1,428,000.00	2019/20		1,428,000.00	Lack of exchequer
	M/s Javan Tours and Travel	53,200.00	2019/20		53,200.00	Lack of exchequer
	M/s Laico Agency	816,000.00	2019/20		816,000.00	Lack of exchequer
	M/ s Nyali Beach Holiday Resort	619,137.00	2019/20		619,137.00	Lack of exchequer
	M/s Primate Tours	67,600.00	2019/20		67,600.00	Lack of exchequer
	M/s Primate Tours Ltd	157,900.00	2019/20		157,900.00	Lack of exchequer
	M/s Worldbay Agencies	52,750.00	2019/20		52,750.00	Lack of exchequer
	M/s Kayleaf Tours And Travel	772,670.00	2019/20		772,670.00	Lack of exchequer
	M/s Primate Tours Ltd	67,200.00	2019/20		67,200.00	Lack of exchequer
	M/s Lukenya Getaway	169,600.00	2019/20		169,600.00	Lack of exchequer
	M/s Kenya School of Government	901,680.15	2019/20		901,680.15	Lack of exchequer

	M/s Specicom Technologies Ltd	3,048,000.00	2020/21		3,048,000.00	Lack of exchequer
	M/s Stewaki Agencies	43,340.00	2020/21		43,340.00	Lack of exchequer
	M/s Late Hour House	300,000.00	2020/21		300,000.00	Lack of exchequer
	M/s Lukenya Gateway	1,189,000.00	2020/21		1,189,000.00	Lack of exchequer
	M/s Prestige Management	2,496,897.00	2020/21		2,496,897.00	Lack of exchequer
	M/s Attic Tours and Travel Ltd	32,665.00	2020/21		32,665.00	Lack of exchequer
	M/s Ragwa Travels	74,080.00	2020/21		74,080.00	Lack of exchequer
	M/s Golf Hotel Kakamega	1,450,000.00	2020/21		1,450,000.00	Lack of exchequer
	M/s GAA	292,106.25	2020/21		292,106.25	Lack of exchequer
	M/s Kenya Safari Lodges and Hotels	245,000.00	2020/21		245,000.00	Lack of exchequer
	M/s Kayleaf Tours	384,390.00	2020/21		384,390.00	Lack of exchequer
	M/s Waterfall Agencies Ltd	2,974,500.00	2021/22		2,974,500.00	Lack of exchequer
	M/s Jubryant Limited	902,300.00	2021/22		902,300.00	Lack of exchequer
	M/s Glaadian Investment	138,000.00	2021/22		138,000.00	Lack of exchequer
	M/s Skydrop Merchants	2,983,500.00	2021/22		2,983,500.00	Lack of exchequer
	M/s Druwan Enterprises	1,919,000.00	2021/22		1,919,000.00	Lack of exchequer
	M/s Lightways ventures	490,000.00	2021/22		490,000.00	Lack of exchequer
	M/s Lake Nakuru Lodge	2,436,000.00	2021/22	2,008,997.00	427,003.00	Lack of exchequer
	M/s Pago Airways Travel Services Ltd	70,380.00	2021/22		70,380.00	Lack of exchequer
	M/s English Point Marina	2,997,000.00	2021/22		2,997,000.00	Lack of exchequer
	M/s Lake Naivasha Resort	2,025,000.00	2021/22	2,000,000.00	25,000.00	Lack of exchequer
	M/s Attic Tours and Travel Ltd	34,700.00	2021/22		34,700.00	Lack of exchequer
	M/s Stewaki Agencies	195,130.00	2021/22		195,130.00	Lack of exchequer
	M/s Waterbuck Limited	372,900.00	2021/22		372,900.00	Lack of exchequer
	M/s Pago Airways Travel Services Ltd	203,400.00	2021/22		203,400.00	Lack of exchequer
	M/s PrideInn Flamingo Beach Resort	112,000.00	2021/22		112,000.00	Lack of exchequer
	Mr. Joseph Ochieng	1,684,214.50	2021/22		1,684,214.50	Lack of exchequer
	M/s Pago Airways Travel Services Ltd	270,400.00	2021/22		270,400.00	Lack of exchequer
	M/s Pago Airways Travel Services Ltd	1,099,900.00	2021/22		1,099,900.00	Lack of exchequer
	M/s Burchs Resort Naivasha Ltd	1,243,200.00	2021/22		1,243,200.00	Lack of exchequer
	M/s Lexxy Techonolgies	735,000.00	2021/22		735,000.00	Lack of exchequer

	M/s Horrizon Business Solutions Limited	20,949,931.00	2021/22		20,949,931.00	Lack of exchequer
	M/s Esada Insights	11,403,960.00	2021/22	2,000,000.00	9,403,960.00	Lack of exchequer
	M/s Prefix Research Limited	11,543,000.00	2021/22		11,543,000.00	Lack of exchequer
		35,853,000.00	2020/21	20,000,000.00	15,853,000.00	Lack of exchequer
	M/s Institute for Research and Policy Alternatives	6,842,653.51	2020/21		6,842,653.51	Lack of exchequer
	M/s Attic Tours And Travel	40,490.00	2018/19		40,490.00	Budget cuts
	M/s Attic Tours & Travel	31,835.00	2018/19		31,835.00	Budget cuts
	M/s national cereal board	42,339.60	2019/20		42,339.60	Budget cuts
	The White Rhino	202,850.00	2019/20		202,850.00	Budget cuts
	M/s Attic Tours & Travel	27,000.00	2019/20		27,000.00	Budget cuts
	M/s Primate Tours Ltd	105,300.00	2019/20		105,300.00	Budget cuts
	M/s Inter-Flight Ventures	39,790.00	2019/20		39,790.00	Budget cuts
	M/s sawela lodges	296,000.00	2019/20		296,000.00	Budget cuts
	M/s seasonal hotel Narok	93,000.00	2019/20		93,000.00	Budget cuts
	M/s Laico Agency Hotel	125,690.00	2019/20		125,690.00	Budget cuts
	M/s Geotide safari	17,500.00	2019/20		17,500.00	Budget cuts
	M/s Geotide Safaris	75,180.00	2019/20		75,180.00	Budget cuts
	M/s madara motor solution	78,000.00	2019/20		78,000.00	Budget cuts
	M/s Lumber Solution	97,150.00	2019/20		97,150.00	Budget cuts
	M/s primate tours ltd	113,400.00	2019/20		113,400.00	Budget cuts
	M/s Tanad Transporter	93,858.95	2019/20		93,858.95	Budget cuts
	M/s Attic Tours & Travel	45,100.00	2019/20		45,100.00	Budget cuts
	M/s Worldbay Agencies	109,430.00	2020/21		109,430.00	Budget cuts
	M/s Kayleaf Tours and Travel	39,850.00	2020/21		39,850.00	Budget cuts
	M/s Ragwa Travels	27,565.00	2020/21		27,565.00	Budget cuts
	M/s Sovereign Hotel	283,050.00	2020/21		283,050.00	Budget cuts
	M/s Worldbay Agencies	36,650.00	2020/21		36,650.00	Budget cuts
	M/s Raptors Automotive Motors Works	410,500.00	2020/21		410,500.00	Budget cuts
	M/s Geotide safari	73,800.00	2020/21		73,800.00	Budget cuts
	M/s Joto Enterprise	784,230.00	2020/21		784,230.00	Budget cuts
	M/s Attic Tours And Travel	32,200.00	2020/21		32,200.00	Budget cuts
	M/s Attic Tours & Travel	45,205.00	2020/21		45,205.00	Budget cuts
	M/s Attic Tours & Travel	281,500.00	2020/21		281,500.00	Budget cuts
	M/s Geotide Safaris	91,650.00	2020/21		91,650.00	Budget cuts
	M/s Worldbay Agencies	54,950.00	2020/21		54,950.00	Budget cuts
	M/s Attic Tours And Travel	15,650.00	2020/21		15,650.00	Budget cuts
	M/s Attic Tours & Travel	44,800.00	2020/21		44,800.00	Budget cuts
	M/s Geotide Safaris	72,800.00	2020/21		72,800.00	Budget cuts
	M/s Maanzoni Lodge	240,000.00	2020/21		240,000.00	Budget cuts
	M/s Geotide Safaris	52,850.00	2020/21		52,850.00	Budget cuts
	M/s Joto Enterprise	576,840.00	2021/22		576,840.00	Budget cuts
	M/s Geotide Safaris	51,400.00	2021/22		51,400.00	Budget cuts
	M/s Kite Logistics	2,300,000.00	2021/22		2,300,000.00	Budget cuts
	M/s Kite Logistics	2,400,000.00	2021/22		2,400,000.00	Budget cuts
	M/s Kite Logistics	2,100,000.00	2021/22		2,100,000.00	Budget cuts
	M/s Mweru Hotel Holdings Ltd T/A Best Western Hotel	589,750.00	2021/22		589,750.00	Budget cuts
	M/s Waterbuck Limited	105,600.00	2021/22		105,600.00	Budget cuts
	M/s Mweru Hotel Holdings Ltd T/A Best Western Hotel	311,500.00	2021/22		311,500.00	Budget cuts
	M/s Pago Airways	61,000.00	2021/22		61,000.00	Budget cuts
	M/s Homeboyz Entertainment	119,051,934.00	2021/22	15,000,000.00	104,051,934.00	Budget cuts
	Samo Agencies LTD	96,570.00	2021/22		96,570.00	Budget cuts
	Samo Agencies LTD	78,184.00	2021/22		78,184.00	Budget cuts
	Samo Agencies LTD	89,668.00	2021/22		89,668.00	Budget cuts
	Samo Agencies LTD	63,278.00	2021/22		63,278.00	Budget cuts
	M/s Attic Tours And Travel	848,085.00	2022/23		848,085.00	Budget cuts

	M/s China Jiangxi International Kenya Limited	129,461,444.98	30/06/2021		129,461,444.98	Lack of exchequer
	M/s China Jiangxi International Kenya Limited	14,198,154.56	30/06/2021		14,198,154.56	Lack of exchequer
	M/s Whitespan	9,685,080.00	30/10/2020		9,685,080.00	under verification
	M/s China Jiangxi International Kenya Limited	6,905,841.65	30/06/2021		6,905,841.65	under verification
	M/s China Jiangxi International Kenya Limited	1,134,100,586.68	17/07/2023		1,134,100,586.68	In respect to costs and interests on the contractor's idle assets
	TOTALS				**2,717,986,909.40**	

	M/s Dubai Matresses	145779.01	2020/21		145,779.01	Budget cuts
	M/s Kayleaf Tours and Travel	74,083.00	2020/21		74,083.00	Budget cuts
	M/s Fd Global Limited	38,750.00	2020/21		38,750.00	Budget cuts
	M/s Geotide Safari Ltd	70,000.00	2020/21		70,000.00	Budget cuts
	M/s madara motor service	593,370.00	2020/21		593,370.00	Budget cuts
	M/s Geotide Safaris	79,980.00	2020/21		79,980.00	Budget cuts
	M/s FD Global Limited	60,925.00	2020/21		60,925.00	Budget cuts
	Kiragu Wachira	2,000,000.00	2018/19		2,000,000.00	Consultancy had outstanding issue with KRA
	M/s Travellers Beach Hotel	406,000.00	2020/21		406,000.00	Budget cuts
	M/s Legend Hotels Limited	212,500.00	2020/21		212,500.00	Budget cuts
	M/s Hale Pest Control Services Ltd	600,000.00	2020/21		600,000.00	Budget cuts
	M/s Libken Agencies	6,439,517.00	2020/21		6,439,517.00	Budget cuts
	M/s Kisumu Hotel	2,178,525.00	2017/18		2,178,525.00	Budget cuts
	M/s Jays Protechnique Limited	580,000.00	2018/19		580,000.00	Budget cuts
	M/s Pride Inn Paradise	2,150,000.00	2018/19		2,150,000.00	Budget cuts
	M/s Masada Hotel	1,119,000.00	2019/20		1,119,000.00	Budget cuts
	M/s Hotel Waterbuck	569,500.00	2019/20		569,500.00	Budget cuts
	M/s Kayleaf Tours And Travel	38,970.00	2019/20		38,970.00	Budget cuts
	The Lukenya Gateaway	210,000.00	2019/20		210,000.00	Budget cuts
	M/s Chambai Safari Hotel	234,000.00	2019/20		234,000.00	Budget cuts
	The Grand Royal Swiss Hotel	50,000.00	2019/20		50,000.00	Budget cuts
	M/s KICC	776,440.37	2019/20		776,440.37	Budget cuts
	M/s Primate Tours Ltd	32,800.00	2019/20		32,800.00	Budget cuts
	M/s Primate Tours Ltd	99,000.00	2019/20		99,000.00	Budget cuts
	M/s Primate Tours Ltd	140,700.00	2019/20		140,700.00	Budget cuts
	M/s Primate Tours	35,750.00	2019/20		35,750.00	Budget cuts
	M/s Suncity Hotel	2,800,000.00	2019/20		2,800,000.00	Budget cuts
	M/s Samburu House Limited	2,750,000.00	2019/20		2,750,000.00	Budget cuts
	M/s Sun Africa Hotel	413,305.00	2019/20		413,305.00	Budget cuts
	M/s Lukenya Getaway	360,200.00	2019/20		360,200.00	Budget cuts
	M/s Prideinn Paradise	864,000.00	2019/20		864,000.00	Budget cuts
	M/s Geotide Safaris	279,650.00	2020/21		279,650.00	Budget cuts
	M/s Kyaka Hotel	306,240.00	2020/21		306,240.00	Budget cuts
	M/s Sarova Whitesands	3,240,000.00	2020/21		3,240,000.00	Budget cuts
	M/s Kayleaf Tours	155,520.00	2020/21		155,520.00	Budget cuts
	M/s Geotide Safaris	35,000.00	2020/21		35,000.00	Budget cuts
	M/s Geotide Safaris	39,750.00	2020/21		39,750.00	Budget cuts
	M/s Kayleaf Tours	118,150.00	2020/21		118,150.00	Budget cuts
	M/s Waterbuck Limited	389,400.00	2020/21		389,400.00	Budget cuts
	M/s PrideInn Flamingo	136,000.00	2020/21		136,000.00	Budget cuts
	M/s Ragwa Travels Ltd	295,920.00	2020/21		295,920.00	Budget cuts
	M/s Attic Tours & Travel	99,250.00	2020/21		99,250.00	Budget cuts
	M/s Ragwa Travels Ltd	820,800.00	2020/21		820,800.00	Budget cuts
	M/s FD Global Limited	658,820.00	2020/21		658,820.00	Budget cuts
	M/s FD Global Limited	526,500.00	2020/21		526,500.00	Budget cuts
	M/s FD Global Limited	258,650.00	2020/21		258,650.00	Budget cuts
	M/s FD Global Limited	96,695.00	2020/21		96,695.00	Budget cuts
	M/s Interflights Ventures	39,990.00	2020/21		39,990.00	Budget cuts
	M/s Standard Group	107,316.00	2020/21		107,316.00	Budget cuts
	M/s Geotide Safaris	39,200.00	2020/21		39,200.00	Budget cuts
	M/s Lake Naivasha Crescent Camp	300,000.00	2020/21		300,000.00	Budget cuts
	M/s Pride Paradise	575,000.00	2020/21		575,000.00	Budget cuts
	M/s Lake Naivasha Crescent Camp	800,000.00	2020/21		800,000.00	Budget cuts
	M/s Worldbay Agencies	586,050.00	2020/21		586,050.00	Budget cuts
	M/s Maanzoni Lodge	443,000.00	2020/21		443,000.00	Budget cuts

	M/s Naivasha Country Hotel T/A Sawela	1,100,250.00	2020/21		1,100,250.00	Budget cuts
	M/s Primate Tours	35,400.00	2020/21		35,400.00	Budget cuts
	M/s Primate Tours	35,750.00	2020/21		35,750.00	Budget cuts
	M/s Geotide Safaris	52,850.00	2020/21		52,850.00	Budget cuts
	M/s Crowne Plaza	200,000.00	2020/21		200,000.00	Budget cuts
	M/s Crowne Plaza	184,000.00	2020/21		184,000.00	Budget cuts
	M/s Lake Naivasha Crescent Camp	422,400.00	2020/21		422,400.00	Budget cuts
	M/s Lukenya Getaway	162,260.00	2020/21		162,260.00	Budget cuts
	M/s Lukenya Getaway	108,200.00	2020/21		108,200.00	Budget cuts
	M/s Lake Naivasha Resort Ltd	148,500.00	2020/21		148,500.00	Budget cuts
	M/s Maanzoni Lodge	70,000.00	2020/21		70,000.00	Budget cuts
	M/s attic tour travel ltd	33,800.00	2020/21		33,800.00	Budget cuts
	M/s Engo Airport Resort Kitale	2,900,000.00	2020/21		2,900,000.00	Budget cuts
	M/s Crowne Plaza	76,000.00	2020/21		76,000.00	Budget cuts
	M/s Kajiado Cultural Resort Ltd	2,683,500.00	2020/21		2,683,500.00	Budget cuts
	M/s Kitui Premier Resort Limited	2,800,000.00	2020/21		2,800,000.00	Budget cuts
	M/s Kelvian Hotel	2,932,500.00	2020/21		2,932,500.00	Budget cuts
	M/s Gelian Investment Ltd	237,000.00	2020/21		237,000.00	Budget cuts
	M/s Primate Tours Ltd	182,000.00	2020/21		182,000.00	Budget cuts
	M/s Primate Tours Ltd	201,500.00	2020/21		201,500.00	Budget cuts
	M/s Pride Inn Paradise	160,000.00	2020/21		160,000.00	Budget cuts
	M/s Pride Inn Paradise	1,890,000	2020/21		1,890,000.00	Budget cuts
	M/s Ciala Resort	1,500,000.00	2020/21		1,500,000.00	Budget cuts
	M/s Kayleaf Tours & Travel	459,470.00	2020/21		459,470.00	Budget cuts
	M/s Sun Africa Hotels	2,824,490.00	2020/21		2,824,490.00	Budget cuts
	M/s Geotide Safari Ltd	18,200.00	2020/21		18,200.00	Budget cuts
	M/s Joto Enterprises	345,192.00	2020/21		345,192.00	Budget cuts
	M/s Stewaki Agencies	127,880.00	2020/21		127,880.00	Budget cuts
	M/s Voyager Beach Resort	525,000.00	2020/21		525,000.00	Budget cuts
	M/s Worldbay Agencies	77,900.00	2020/21		77,900.00	Budget cuts
	M/s Njekin Agencies	35,780.00	2020/21		35,780.00	Budget cuts
	M/s Jays Protechnique	570,720.00	2020/21		570,720.00	Budget cuts
	M/s Kwale Golden Limited	2,875,000.00	2020/21		2,875,000.00	Budget cuts
	M/s Isiolo Grande Hotel	2,790,000.00	2020/21		2,790,000.00	Budget cuts
	M/s Panalis Resort	2,875,000.00	2020/21		2,875,000.00	Budget cuts
	M/s Kenya Safari Lodges and Hotels	484,500.00	2020/21		484,500.00	Budget cuts
	M/s Rangers Restaurant Narok	2,812,500.00	2020/21		2,812,500.00	Budget cuts
	M/s Kyaka Hotel Ltd	756,000.00	2020/21		756,000.00	Budget cuts
	M/s Pride Inn Paradise	365,250.00	2020/21		365,250.00	Budget cuts
	M/s Kayleaf Tours and Travel Ltd	264,950.00	2020/21		264,950.00	Budget cuts
	M/s Pago Airways Travel Services Ltd	464,660.00	2020/21		464,660.00	Budget cuts
	M/s Lake Nakuru Lodge	2,548,800.00	2021/22		2,548,800.00	Budget cuts
	M/s Naivasha Country Hotel T/A Sawela	621,000.00	2021/22		621,000.00	Budget cuts
	M/s Stewaki Agencies	43,340.00	2021/22		43,340.00	Budget cuts
	Ms Joto Enterprises	374,376.00	2021/22		374,376.00	Budget cuts
	M/s Naivasha Country Hotel / sawela lodge	1,035,000.00	2021/22		1,035,000.00	Budget cuts
	M/s Prideinn Paradise	468,000.00	2019/20		468,000.00	Budget cuts
	M/s Specon Kenya Ltd	452,545,180.52	17/11/2010		452,545,180.52	Lack of exchequer
	M/s China Jiangxi International Kenya Limited	61,969,850.04	30/06/2021		61,969,850.04	Lack of exchequer

State Department for Devolution

Programme Performance for FY 2025/26 Targets Vs Actual Achievement

Programme: Devolution Services

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
Policy and Research	**Sub-Programme 1.1: Management of Devolution Affairs**				
	Performance of the concurrent function draft bill developed	No. of draft bill	1	1	Target achieved
	Strengthened institutional capacity for management of devolution	Number of devolution support programs implemented and monitored	1	1	Joint Devolution Programme was approved for implementation
	Construction of Kisumu Convention Centre Finalized	Completion status (%)	-	55%	The project is awaiting the allocation of budget to clear pending bills and complete the remaining works
	Sub Programme 1.2: Capacity Building & Technical Assistance				
Capacity Building and Technical Assistance	County public Service management Framework Developed and implemented	No. of counties Trained on County public Service management Framework	10	10	Target achieved
	Local Economic Development Framework Developed and implemented	No. of Counties Trained	15	15	Target achieved

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
	County public Participation guidelines reviewed and disseminated	No. of Counties Trained	47	47	Target achieved
	Trained county staff and Project Management Committee members	No. of Counties Trained	5	15	Target achieved
	Devolution Performance Results Framework (DPRF) developed and implemented	No. of Counties sensitized on the Devolution Performance Framework	10	10	Target achieved
DCP	KDSP II Coordinated	Number of Annual Performance Assessment Reports for level II grants	47	47	Target achieved
		Program M&E report	2	2	Target achieved
		No. of MCDAs supported to implement the program	64	66	Supported 19 implementing agencies and 47 County Governments
	KDSP II Implemented	No. of counties that screened investment projects screened on feasibility, climate change, environmental and social risks	35	47	All 47 counties screened their KDSP II Proposed Investments
		No. of counties with project dashboards with citizen feedback	35	46	Target achieved
		No. counties that have increased their OSR by at least 5% annually, over and above the rate of inflation	21	40	Target achieved

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
		No. of counties with integrated human resource records, staff establishment, and payroll in HRIS Kenya	15	23	Target achieved
		No. of counties that adopted and implemented accountability for results through an integrated performance management framework	25	45	Target achieved
		No. of counties that implemented pending bills action plans to reduce the stock of pending bills	47	46	One county did not provide evidence required
		No. of counties that reduced pending bills by at least 10% in FY 2024/25	15	16	Target achieved
		No. of counties with project level management committees	40	46	Target achieved
		No. of counties capacity build and supported on Social Occupational Health and Safety	47	47	Target achieved
	Devolution Partners Coordinated	Development partners Coordination Framework	1	1	Target achieved
	Devolution sector Working groups Coordinated	No. of Forums held	2	2	Target achieved
	Sub programme 1.3: Intergovernmental Relations				

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
IGR/CoG	Bi-annual Devolution Conference hosted	Devolution Conference	1	1	Target achieved
		No. of status Reports Prepared	1	1	Target achieved
IGR	Intergovernmental sector forums Convened	No. of forums convened	7	6	
	Intergovernmental relations Services	Assumption of the Office of the Governor Act, CAP 265A reviewed and counties sensitized	1	0	
		No. of Regulations on Transfer of functions between the National Government and the County Government developed	1	1	Target achieved
		Intergovernmental frameworks on asset sharing between the two levels of Government in Education Sector developed	7	7	Target Achieved
IGRTC	Summit meetings held	No. of summit meetings held	1	1	Target achieved
	Resolutions of Summit Implemented	Implementation status (%)	100%	90%	
IGRTC & IGR	Registrable assets of defunct local authorities and devolved functions valued	No. of assets gazetted and transferred to counties.	62,248	62,248	Target achieved

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
	Intergovernmental/Intra Governmental Disputes Resolved	% of declared disputes resolved	100	71	Slow pace of disputes resolution between the parties
	Contentious components in Six (6) Sectors of devolved functions unbundled, delineated and transferred	No. of components in Six (6) Sectors unbundled and delineated	4	4	Initial target of 6 in FY 2024/25; 2 achieved, balance of 4 forwarded to the next financial year and fully unbundled
	Sector Working Groups & Committees on unbundling functions Operationalized	No. Sector Working Groups & Committees on unbundling functions Operationalized	4	4	
	Unbundled and Delineated Devolved functions attendant resources identified	No. of Unbundled and Delineated Devolved functions attendant resources identified	3	5	Target achieved
	Intergovernmental frameworks on provision of Education support/ Bursaries between the two levels of Government developed	No. of County Intergovernmental frameworks developed and signed.	47	34	The frameworks were developed on request by counties.
CoG	Inter county Peer learning forums held	No. of forums held	8	5	
	Compendium of best practices published	No. of publication	3	2	

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
	Sub-Programme 1.4: Administrative Services				
WSPU	Capacity Building for County leaders and Affiliate members undertaken	No. of WSPU/ affiliate Members inducted	500	400	
		No. of County assembly caucuses inducted	15	21	Target achieved
	Youth and Scouts trained in Volunteerism Community Service, leadership and governance and Government services	No. of Youth mobilized Sensitized for tree growing, Community Service and Government Services	4,000	5,000	Additionally supported a youth tree nursery in Nyeri with equipment and material
		No. of pupils supported with scout uniforms	1,500	1,700	
	Presidential and Cabinet directives implemented.	No. of trees planted	15.6 M	1.06M	Budgetary constraints
		% of corruption eradication measures implemented	100	60	Draft of Anti-Bribery and corruption mitigation plan and procedures developed Capacity building of integrity Assurance Officers
	Sub-Programme 1.5 Finance Management Services				
CPPMD	Planning, Monitoring and Reporting prepared	No. of M&E reports	4	4	Target achieved
	Sub-Programme 1.6 Information Communication Technology Service				
ICT	ICT infrastructure Upgraded	% Upgrade of ICT Infrastructure	20	10	

Delivery Unit	Key Output	Key Performance Indicator	Planned Target FY 2025/26	Actual Achievement FY 2025/26	Remarks
	Integrated Devolution Management Information System (IDMIS) developed	% of Integrated Devolution Management Information System (IDMIS) developed	100	10	System requirement developed
Public Comm Communication	Communication Strategy Developed	% of communication strategy development	100	100	Target achieved

REPUBLIC OF KENYA

IGRTC
INTERGOVERNMENTAL RELATIONS TECHNICAL COMMITTEE
Consultation, Cooperation & Coordination in Devolution

MEETING WITH THE COMMITTEE ON REGIONAL DEVELOPMENT ON STATUS OF BUDGET IMPLEMENTATION FOR FY 2025/26

INTRODUCTION

The Intergovernmental Relations Technical Committee is established pursuant to the provisions of the Constitution and the Intergovernmental Relations Act, 2012, to, among other objectives, facilitate cooperation and consultation between the National and County Governments and amongst County Governments as provided under Articles 6 and 189 of the Constitution.

Under Section 12 of the Intergovernmental Relations Act, 2012, IGRTC shall;

a) be responsible for the day-to-day administration of the Summit and of the Council and in particular—
   i. facilitate the activities of the Summit and of the Council; and
   ii. implement the decisions of the Summit and of the Council;
b) take over the residual functions of the transition entity established under the law relating to transition to devolved government after dissolution of such entity;
c) convene a meeting of the forty-seven County Secretaries within thirty days preceding every Summit meeting; and
d) perform any other function as may be conferred on it by the Summit, the Council, this Act or any other legislation.

1. Overall Budget Absorption Rate

During the period under review, IGRTC implemented activities in accordance with the approved annual work plan and budget. The total approved budget for the reporting period was **KES 524,520,000.00**, against which **KES 523,373, 690.91** was spent, representing an overall absorption rate of **99.78%**.

2. Current Status of Recurrent Expenditure and Pending Bills

In the Current FY 2026/2027, IGRTC was allocated a budget of KES 531,200,000.00. Below is the expenditure as at 26th August, 2026.

Economic Classification	Approved Budget	Actual Expenditure as at 26th August,2026	Absorption
Personnel Emoluments	246,200,000	29,718,494.20	12.07
Utilities Supplies and Services-Electricity	1,600,000	152,273.00	9.52
Telephone, Internet & Courier/Postal Services	6,600,000	1,078,000.00	16.33
Medical Insurance Cover	28,000,000	5,716,090.00	20.41
Rentals	49,400,000	12,341,734.74	24.98
Gratuity for Staff on Contract	8,700,000	1,446,438.80	16.63

Economic Classification	Approved Budget	Actual Expenditure as at 26th August,2026	Absorption
Mandate Programs	79,300,000	8,800,900.00	11.10
Printing, Advertising and Services	20,000,000	2,020,000.00	10.10
Fuel Oil and Lubricants	12,000,000	2,110,000.00	17.58
Maintenance - Vehicles and Other Transport Equipment	7,400,000	870,000.00	11.76
Other O & M (General Office Supplies and Supplies for Computers and Printers, Routine maintenance of other Assets, Training Expenses, Hospitality Supplies, Cleaning Services, Purchases of ICT & other office Equipment)	72,000,000	2,046,069.26	2.84
TOTAL	**531,200,000**	**66,300,000.00**	

Pending Bills/Obligations

As at 30th June, 2026, IGRTC had two pending bills/obligations amounting to **KShs 141 million.**

The two pending bills/obligations are related to the following items;

No.	Pending Bills/Obligations	Amount (Kshs)	Measures
1.	Service gratuity for IGRTC members who contract lapsed	116,000,000	IGRTC as guided by the National Treasury sought approval to access quarter one and quarter two allocations for the FY 2026/2027 (Kshs 265,600,000) to meet the personnel emoluments for quarter one and use the quarter two allocation for payment of the service gratuity to the members who exited service in June 2026. As guided, the shortfall of Kshs 116,000,000 will be requested for consideration during the Supplementary Estimates No.1 for the current financial year 2026/2027
2.	Government Printer occasioned by bulk publishing of two types of gazette notices for 47 county governments for land assets	25,000,000	IGRTC will request for this shortfall during the Supplementary Estimate Budget process.
TOTAL		**141,000,000**	

3. **Latest Project Information for ongoing Capital Projects**

IGRTC does not have any capital projects.

4. **Budget Performance Showing a Detailed Breakdown of the Recurrent Budget against Actual Expenditure FY 2025/2026**

Economic Classification	Approved Budget	Actual Expenditure	Variance	Absorption
Personnel Emoluments	239,460,247	239,226,503.27	233,743.73	99.90
Utilities Supplies and Services-Electricity	1,600,000	1,559,777.05	40,222.95	97.49
Telephone, Internet & Courier/Postal Services	6,600,000	6,517,062.00	82,938.00	98.74
Medical Insurance Cover	28,700,000	28,580,000.00	120,000.00	99.58
Rentals	49,400,000	49,366,938.92	33,061.08	99.93
Gratuity for Staff on Contract	17,200,000	17,139,999.30	60,000.70	99.65
Mandate Programs	76,209,753	76,077,382.00	132,371.00	99.83
Printing, Advertising and Services	24,400,000	24,395,559.00	4,441.00	99.98
Fuel Oil and Lubricants	10,000,000	9,796,160.00	203,840.00	97.96
Maintenance - Vehicles and Other Transport Equipment	7,400,000	7,301,801.37	98,198.63	98.67
Other O & M (General Office Supplies and Supplies for Computers and Printers, Routine maintenance of other Assets, Training Expenses, Hospitality Supplies, Cleaning Services, Purchases of ICT & other office Equipment)	63,550,000	63,412,508.00	137,492.00	99.78
TOTAL	**524,520,000**	**523,373,690.91**	**1,146,309.09**	**99.78**

5. **Performance of the Appropriation-in-Aid for the FY ended 30th June 2026**

IGRTC did not have any AIA.

6. **Key Achievements and Non-financial Outputs for the FY 2025/2026**

a) Transferred fixed assets of defunct local authorities and fixed assets of national government relating to devolved functions to respective county governments vide Kenya Gazette Vol. CXXVII-No.171 of 11th August, 2025 and specified in the schedules Gazette Notices No. 11164-11206. ***(as annexed)***

b) Transferred national government houses relating to devolved functions to respective county governments vide Kenya Gazette Vol. CXXVII-No.188 of 5th September, 2025 specified on schedules Gazette Notices No. 12554-12596. ***(as annexed)***

c) Transferred the management function relating to Amboseli National Park to Kajiado County Government vide Gazette Notice No. 15230 of 16th October, 2025 (***as annexed)***

d) Developed intergovernmental framework to facilitate the issuance of education support/bursaries as guided by Controller of Budget between the Ministry of Education and county governments **(33 Counties signed)**

e) Held One (1) National and County Government Coordinating Summit meetings with 90% resolutions implemented. (***Communique and implementation matrix annexed***)

f) Five Intergovernmental disputes were resolved using ADR mechanism **(***County government of Vihiga and Kenya National Highway Authority; Coast Water Works Development Agency and Kenya Rural Road Authority; Bomet County Government and the Prisons Department; Laikipia County Government and Nyandarua County Government; Kenya Medical Supplies Authority vs County Governments***)**

g) Unbundling and delineation of devolved functions in twelve (12) was undertaken through extensive consultation process between the two levels of government. The agreed components for transfer were gazetted through the Kenya Gazette on 16th December, 2024. (***as annexed***). Further IGRTC through a participatory and consultative approach, undertook budget rationalization on transferred functions. Consequently, an interim report on indicative budgetary allocations amounting to KES 65.5 B was identified for transfer to county governments.

h) IGRTC through a multi-agency approach unbundle the functions of the six Regional Development Authorities in light of the devolution and prepared a report which was handed over to the Executive Office of the President for action. The identified assets, liabilities and personnel of the six RDAs for transfer.

7. Challenges in the Implementation of Core Mandate

i. Slow paced or lack of fully implementing the IGRTC's programmes. Example, IGRTC has unbundled, delineated and gazetted devolved functions, however, the bit of ensuring the financial attendant resources is transferred to county governments has not been implemented despite IGRTC's intervention with National Treasury and Intergovernmental Budget and Economic Council (IBEC).

ii. The Intergovernmental Relations Bill has stalled at the 2nd reading at National Assembly. The Bill is intended to address key legal gaps that have been identified in the effective implementation of devolution and intergovernmental relations.

iii. Conflicting interpretation of IGRTC mandate by stakeholders in the devolution and intergovernmental relations.

iv. Non-committal by some parties to the ADR process in resolving intergovernmental dispute.

v. Limited resource allocation to fully implement the mandate of IGRTC.

8. **Key fiscal, operational or governance risks that require corrective action or policy reforms**

Governance risk- IGRTC should be a non-partisan institution serving the two levels of government; however, the national government is represented in the Technical Committee of IGRTC by the PS-State Department for Devolution while the County Governments are not represented.

Fiscal risk- IGRTC continues to rely on the State Department for Devolution for processing and accessing its budget from the National Treasury since it is treated as a Semi-Autonomous Government Agency under SDD.

Operational risk- Dependency on State Department for Devolution to transmit funding for IGRTC programmes. Duplication of programmes within IGRTC's mandate by some stakeholders, e.g. valuation of assets.

9. **Mitigation measures**

Amendment of the Intergovernmental Relations Act to give IGRTC legal and regulatory autonomy.

Annexes

1. Unbundled, delineated and transferred functions-16th December, 2024



2. Transfer of fixed Assets- 11th August, 2025.



3. Transfer of Housing Units- 5th September, 2025



4. Deed of Transfer and Gazette Notice on Transfer of the Management Functions of Amboseli National Park to County Government of Kajiado



5. Communique from the 11th and 12th Summit meetings

TITLE	LINK
The Twelfth (12th) Ordinary Session of The National and County Governments Coordinating Summit Communique held on 10th December, 2025	**https://igrtc.go.ke/sites/default/files/2026-04/12th%20SUmmit%20Communique.pdf**
The Eleventh (11th) Ordinary Session of The National and County Governments Coordinating Summit Communique held on 16th December, 2024	**https://igrtc.go.ke/sites/default/files/2025-02/11th%20Summit%20Communique.pdf**

6. Status of Implementation of the Summit Resolutions

TITLE	QR CODEs
Implementation Matrix on Resolutions of the 12th National and County Governments Coordinating Summit Meeting held on 10th December 2025	
Implementation Matrix on Resolutions of the 11th National and County Governments Coordinating Summit Meeting held on 16th December 2024	

COUNCIL OF GOVERNORS

48 Governments 1 Nation

PRESENTATION TO THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT ON FY 2025/26 BUDGET IMPLEMENTATION



Ms. MARY MWITI, EBS
CHIEF EXECUTIVE OFFICER
COUNCIL OF GOVERNORS

OUTLINE: NINE INFORMATION REQUIREMENTS

- Introduction
- Overall Budget Absorption Rate in FY 2025/26
- Current FY2026/27 Implementation Status of both Recurrent and Development Budget
- Project information for all ongoing capital projects as at 30th June 2026
- Budget Performance with Detailed Breakdown of the Recurrent and Development Budget FY 2025/26
- Keys Achievements and Non-financial Outputs during the Implementation of FY 2025/26 budget
- Challenges in the Implementation of Core Mandate, Projects and Programmes during the FY 2025/26
- Key Fiscal, Operational or Governance Risks identified in the FY 2025/26 that require corrective action or Policy Reforms
- Mitigation Measures and SMART action Plans that will ensure Effective Implementation of the Mandate of the State Department in the FY 2026/27

INTRODUCTION

The **Council of Governors** appreciates the continued collaboration with the **National Assembly of Kenya**, and in particular the cordial working relationship with the Standing Committee on Regional Development over the years. The Council recognizes the Committee's critical role in matters of budgeting, revenue sharing, and legislation allocating resources, which are central to strengthening devolution and ensuring effective service delivery.

Mandate of the Council of Governors

Pursuant to **Section 20** of the Intergovernmental Relations Act the Council is mandated to consider matters of common interest to county governments, facilitate dispute resolution between counties, and promote information sharing and coordination in the execution of devolved functions. However, the execution of these statutory functions remains critically underfunded, constraining structured intergovernmental consultation, mediation processes, policy coordination, and dissemination of best practices necessary for cooperative governance.

INTRODUCTION CONT

- The Council of Governors has the below broad programme and sub-programme ;

Programme: Devolution Services

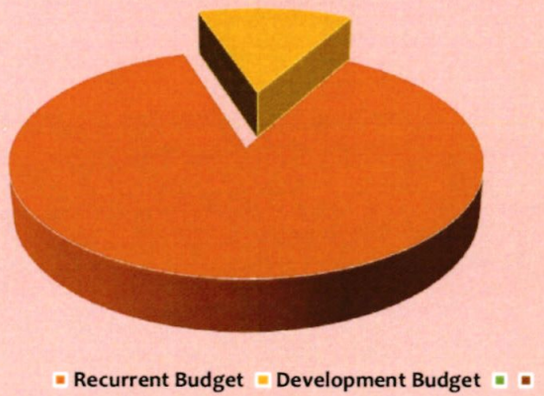
Programme Objective: To enhance management and implementation of the devolved system of government

Sub-Programmes: Intergovernmental Relations

OVERALL BUDGET ABPSORTION RATE IN FY 2025/26

- In the **FY 2025/26**, the Council of Governors Approved Budget Estimate **Ksh.231.23M** comprising of;
  - ✓ Recurrent Budget – **Kshs.201.23M**
  - ✓ Development Budget – **Kshs.30M**
- In the FY 2025/26 the Council's resource requirement was **Kshs.769.57M** against an approved allocation of **Ksh.231.23** resulting in a budgetary deficit of **Kshs.538.34M**.
- Based on the approved estimates, the Council prioritized its key mandatory requirements as the allocation could not support the Council's total budget requirement for the financial year.

Approved Budget Estimate



Kshs. 538.34M → **Budgetary deficit In the FY 2025/26**

OVERALL BUDGET ABSORPTION RATE IN THE FY 2025/26 CONT...

The Council fully absorbed its FY 2025/26 Recurrent and Development budget, giving an absorption rate of 100 per cent.

Expenditure category	Approved Budget Estimated (KSh M)	Actual Expenditure (KSh m)	Absorption Rate	Comment
Recurrent	201.23	201.23	100%	Annual approved budget fully utilized
Development - Maarifa Centre	30.00	30.00	100%	Annual approved budget fully utilized

Overall Budget Absorption Rate in the FY 2025/26 cont...

Breakdown of the Recurrent Expenditure

Economic Classification/ FY	Approved Budget 2025/26	Actual Expenditure 2025/26	Absorption Rate
Gross	201.23	201.23	100%
AIA	-	-	
NET	201.23	201.23	
Compensation of Employees	163.80	163.80	100%
Other Recurrent	37.43	37.43	100%
Utilities	-	-	
Rent	21.00	21.00	100%
Insurance	16.43	16.43	100%
Subsidies	-	-	-
Gratuity	-	-	-
Contracted Guards & Cleaners Services	-	-	-
Others	-	-	-

Current FY 2026/27 Implementation Status of Both Recurrent and Development Budget

Economic Classification	Approved Budget (Kshs. M)	Actual Expenditure (Kshs. M)	Absorption Rate
	2026/27	2026/27	
Recurrent Vote			
Compensation of Employees	168.7	12.7	8%
Operation and Maintenance	58.6	3.2	5.5%
Sub Total Recurrent	227.3	15.9	7%
Development Vote			
Maarifa Centre	25.43	-	0%
Sub Total Development	25.43	-	0%
Grand Total	252.73	15.9	6.3%

PENDING BILLS AND CONTRACTUAL COMMITMENTS

- The Council of Governors did not have recurrent or development pending bills as at 30 June 2026.
- This indicates that FY 2025/26 obligations were managed within the available budget and cash resources. Consequently, no unpaid contractual commitment was reported as a pending bill.

The Council has implemented the following controls to sustain the nil pending-bill position;

- ✓ Align procurement plans and commitments to the approved budget and confirmed cash-flow projections.
- ✓ Maintain vote-book and commitment-control reviews before procurement or contract variation approval.
- ✓ Verify invoices promptly and settle valid obligations within the financial year and contractual payment terms.
- ✓ Undertake monthly bank, ledger, supplier and commitment reconciliations, with quarterly management review.
- ✓ Defer or re-scope non-critical activities where budget provision or exchequer availability is not confirmed.

PROJECT INFORMATION FOR ALL ONGOING CAPITAL PROJECTS AS AT 30TH JUNE 2026

Project Name (a)	Project Commencement Date	Expected date of Completion of the project	Source of Funds (GoK/Donor/ Foreign Borrowings/ Commercial Borrowings)	Estimated Value of the Project (Kshs.) M	Total funding FY 2025/26 Kshs. M		Cumulative Expenditure up to June 2026 Kshs.M	Percentage (%) of Completion (i=h/e)	Geographical Location
					Donor	GOK			
Maarifa Centre for Knowledge Management Among Counties	21/2/2022	30/6/2026	GOK	60.53	-	35	35	57.82%	COG Headquarters
Total				60.53	-	35	35	57.82%	

Budget Performance: Recurrent and Development Budge FY 2025/26

Item	Printed Estimates	Revised Estimates	Expenditure	Exchequer issues	Balance	% Absorption
Recurrent Vote						
Compensation of employees	163.8	163.8	163.8	163.8	-	100%
Operations and Maintenance	37.4	37.4	37.4	37.4	-	100%
Sub Total Recurrent	201.23	201.23	201.23	201.23	-	100%
Development Vote						
Maarifa Centre	30.0	30.0	30.0	30.0	-	100%
Sub Total Development	30.0	30.0	30.0	30.0	-	100%
Grand Total	231.23	231.23	231.23	231.23	-	100%

KEYS ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET

Strengthened Intergovernmental Sector Coordination:

Convened **54 Sector Working Groups/Committees with respective MCDAs** to address emerging issues in the sector, facilitate resolution of sector-specific issues, enhance policy coordination and promote harmonious intergovernmental relations.

Convening of Biennial Devolution Conferences:
Successfully held **two (2) Biennial Devolution Conferences** in FY 2023/24 and FY 2024/25 in Uasin Gishu and Homa Bay Counties respectively, with conference reports and implementation matrices developed. The Sub-Sector Provided a national platform for reviewing the progress of implementation of the resolutions, building consensus on emerging issues and tracking implementation of resolutions, with approximately **70% of the resolutions reported as implemented**.

Developed and published six (6) compendium of County best practices and innovations and disseminated to Counties and through Maarifa Platform.

KEY ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET CONT....

Undertook five (5) peer to peer learning forums on the best practices to enhance knowledge sharing, replication and adoption of proven service-delivery solutions across counties, reducing duplication of effort and strengthening institutional learning and innovation.

Developed draft **Inter-City/Inter-Municipality Forum framework**. This will provided counties and urban boards with standardized tools for stronger urban governance, financing, inclusive planning, institutional organization and monitoring of urban service delivery.

Development of the Private Sector Engagement Framework for Urban Boards. This will provide a mechanisms for structured public-private dialogue, private-sector databases, diagnostics, capacity building, communication and performance accountability. This has strengthened the framework for collaboration between urban boards and businesses, supporting investment, MSME participation and private-sector contribution to sustainable urban development.

Developed a **Private Sector Engagement Framework** providing mechanisms for structured public-private dialogue, private-sector databases, diagnostics, capacity building, communication and performance accountability. This has strengthened the framework for collaboration between urban boards and businesses, supporting investment, MSME participation and private-sector contribution to sustainable urban development.

KEY ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET cont....

Development of the Model Environment Bill and Climate Mainstreaming Guidelines and Model County Fisheries Policy and Law
Facilitated stakeholder engagement towards development and validation of the draft **Model Environment Bill and Climate Mainstreaming (CM) Guidelines** and **Model County Fisheries Policy and Law** for County Governments. The policy and legislative frameworks seeks to enable counties integration of climate considerations into county planning, as well as manage fisheries resources effectively.

Developed draft Governors training and induction manual

to strengthen leadership and institutional capacity for devolution, provide structured guidance for induction and continuous capacity development of county leadership. The establishment of a standardized mechanism for strengthening the understanding of Governors and sector leadership on their roles, responsibilities and governance frameworks, seeks to support a more effective management of devolved functions.

KEYS ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET CONT....

Development of Youth Green-Skilling Guidelines

Developed the draft **Youth Skilling Guidelines for Green Jobs for County Governments**, to provide standardized approaches to skills development and leveraging County Vocational Training Centres and other local training opportunities. This Supports counties to align youth skills with emerging opportunities in climate-smart agriculture, renewable energy, digital innovation, blue economy and other green sectors, thereby enhancing youth employability and climate resilience.

Development of Urban Governance and Service Delivery Frameworks

Developed key urban governance instruments, including Model Organizational Structures for Urban Areas, Urban Service Delivery M&E Reference Guide, Gender Inclusion and Participation Framework, Model County Financing of Urban Areas Bill,

CHALLENGES IN THE IMPLEMENTATION OF CORE MANDATE, PROJECTS AND PROGRAMMES DURING THE FY 2025/26 INCLUDING POLICY, FINANCIAL AND LEGISLATIVE GAPS HINDERING EFFECTIVE EXECUTION OF THE MANDATE

1. The Exchequer allocation to the Council for the FY 2025/26 was inadequate to support its operations as the allocation barely supported the mandatory costs.

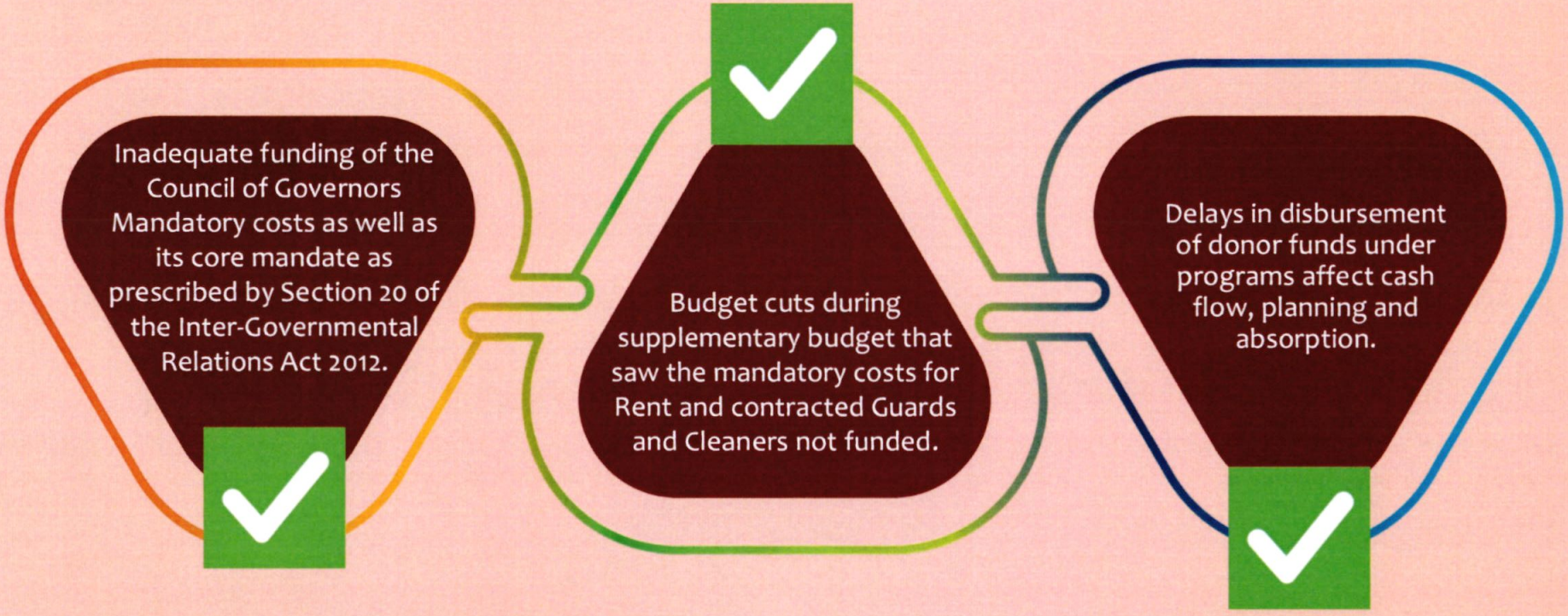
2. Budget cuts in supplementary estimates further led to below target execution of planned projects and activities.

CHALLENGES IN THE IMPLEMENTATION OF CORE MANDATE, PROJECTS AND PROGRAMMES DURING THE FY 2025/26 INCLUDING POLICY, FINANCIAL AND LEGISLATIVE GAPS HINDERING EFFECTIVE EXECUTION OF THE MANDATE CONT.....

- The allocation to the Council of Governors has shown a consistent downward trend over the last three financial years, despite increasing operational demands.
- The declining resource envelope, against a backdrop of rising statutory obligations and inflationary pressures, has significantly constrained the Council's capacity to effectively execute its mandate.
- **decline over the period: Kshs. 9.41 million**

Financial Year	Allocation (Kshs. Millions)	Year-on-Year Change (Kshs. Millions)
FY 2023/24	210.64	–
FY 2024/25	207.4	(3.24)
FY 2025/26	201.23	(6.17)

KEY FISCAL, OPERATIONAL OR GOVERNANCE RISKS IDENTIFIED IN THE FY 2025/26 THAT REQUIRE CORRECTIVE ACTION OR POLICY REFORMS



MITIGATION MEASURES AND SMART ACTION PLANS THAT WILL ENSURE EFFECTIVE IMPLEMENTATION OF THE MANDATE OF THE STATE DEPARTMENT IN THE FY 2026/27

Challenge	Description	Mitigation Measures
Resourcing of the Council of Governors	Exchequer allocation to the Council is inadequate to support its operations as the current allocation can only support its mandatory costs.	The Council request the committee to support in advocating for enhanced resource allocation to the Council.
	Adjustments in the Supplementary budgets disrupting annual work plans.	Engagement with the National Treasury to enhance growth of the Council's Allocation.
	Delays in disbursement of donor funds for programs affect cash flow planning and absorption.	Engagement with the Implementing Ministry to advocate for timely disbursement of program/ project funds to ensure proper implementation and absorption of resources.
	Inadequate Funding of the programmatic Activities of the Council.	Map out exciting and new partners to finance Council programme activities that are unfunded.

THANK YOU

EXECUTIVE OFFICE OF THE DEPUTY PRESIDENT
STATE DEPARTMENT FOR DEVOLUTION
WORLD SCOUT PARLIAMENTARY UNION KENYA

PRESENTATION TO THE DEPARTMENTAL COMMITTEE ON

REGIONAL DEVELOPMENT ON THE STATUS REPORT ON BUDGET IMPLEMENTATION MONITORING FOR THE FINANCIAL YEAR 2025/26

VOTE 1032

BY

POPPINS MISOI

EXECUTIVE DIRECTOR

WORLD SCOUT PARLIAMENTARY UNION KENYA

Mission

"To engage, advocate and promote Scouting through Parliamentarians for national Development".

Vision

"An empowered society embracing National Values, Volunteerism, Community service, leadership and environmental care".

Slogan

'Be prepared for life'

WSPU KENYA YOUTH PROGRAMMES

Leadership and Governance;

National Values;

Mentorship; and

Volunteerism and Community Service.

LEADERSHIP

The leadership consists of the following

1.Patron

Speaker of the national Assembly

2.WSPU Caucus

Both National Assembly and Senate - 80 Members

3.Advisory Committee

Seven members Chaired by the Speaker of the Senate

4.Executive Committee

15 Members, Members of Parliament, Senators, MCA's, One Governor, 4 Principal Secretaries and the Secretary

5. Technical Committee

Members from youth Serving organizations and other stakeholders

6. Secretariat

20 members

Department

State Department for Devolution

Programme Name

World Scout Parliamentary Union Kenya

Programme outcome

Enhancing Scouting in devolved units of governance

Sub - Programme name

Capacity building for members, Scouting and Youth support

Delivery unit

World Scout Parliamentary Union Secretariat

PROGRAMMES AND ACTIVITIES CARRIED OUT FOR THE FY 2025/2026



OUTPUT	ACTIVITIES	COUNTIES/ CONSTITUENCIES	REMARKS
Capacity Building for Members of Parliament, WSPU Secretariat, WSPU County leaders and Affiliate members undertaken.	Conducted a capacity building for WSPU secretariat		all staff trained by officers from the various Government institutions
	Conducted Induction training for Members of Parliament- leadership		The president, 3 vice presidents, technical Committee Chair and senior management
	Conducted an Induction training for members of County Assembly chapters on their role to support WSPU activities	• Kakamega County Assembly, • Samburu County Assembly, • Bungoma County Assembly, • Samburu County Assembly, • Elgeyo Marakwet County Assembly, • Homabay County Assembly and • Migori County Assembly	

Established County Assemblies Caucuses and County WSPU chapters	New chapters formed	Kisumu County Assembly Nyeri County Assembly Nairobi County Assembly Migori County Assembly	The Speakers of the Assemblies are Patrons
Support Scout and youth Activities for youth and Adults in Scouting	Support Scouts with Scout uniforms	Yatta Constituency, Starehe Constituency	
	Supported training of the Scout leaders and adults in Scouting	Dagoretti South Constituency	Trained 100 Scout leaders
	Held a training forums on volunteerism, community service, Leadership and governance and government services	Samburu County – Maralal Samburu West and Samburu East	Youth are able to understand their role in county engagement and their role as active citizens

Youth involved in Environmental care, Community Service and Volunteerism in devolved units	Upscaled two youth lead tree nurseries	Nyeri County Embu County	Supported with equipment, seedlings and 20,000 potting bags
	Held a capacity building youth on effective Climate change action mitigation and management	Nyeri County Embu County	
	Participate in tree planting as per presidential National tree planting Programme	Siaya County - Ufinya Dam	1, 000 seedlings planted
Initiated WSPU Kenya Volunteer and Community service programme	Undertook the University of Scouting programme on Skills Development, Volunteerism and Community Service	Nandi County Nairobi County Siaya County Nyeri County Embu County and Samburu County	50 youth taken through a training by KESAL on soft skills and placed on volunteer work for 3 months.

Hosted the 11th WSPU General Assembly	Hosted the 11th WSPU General Assembly in Kenya	Nairobi Nyeri	1,200 youth attended the WSPU Youth Assembly and 500 delegates attended the main Assembly. 52 international delegates from 20 countries attended
	Hosted the 2025 WSPU Global Executive Committee meeting had representatives from Kenya, Thailand, Canada, Korea, Poland and Luxemburg.	Nairobi	Kenya was elected to the post of Presidency 2025 – 2028 and Global Directorship
Purchased a Motor vehicle for WSPU operations	Procured a bus (33-Seater) for WPU operations		In the progress for collection and commissioning

ANNEX

Budget allocated	Expenditure	Absorption rate
Ksh. 50,381,000	Ksh. 50,379,525	100 %

11TH WSPU GENERAL ASSEMBLY





Thank You

REPUBLIC OF KENYA

MINISTRY OF PUBLIC SERVICE, HUMAN CAPITAL DEVELOPMENT AND SPECIAL PROGRAMMES

STATE DEPARTMENT FOR SPECIAL PROGRAMMES

PRESENTATION TO THE DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT ON THE STATUS REPORT ON BUDGET IMPLEMENTATION MONITORING FOR THE FY 2025/2026

By : Ismail Maalim Madey, CBS
Principal Secretary
State Department for Special Programmes
28th August, 2026

PRESENTATION OUTLINE

1. Overall budget absorption rate for the State Departments in FY 2025/26, disaggregated by recurrent and development expenditure, and how this performance varied across individual programmes
2. The current status of both recurrent and development budgets, pending bills and how these are linked to existing contractual commitments and measures being implemented to address and prevent further accumulations of pending bills in FY 2026/27
3. The latest project information for all ongoing Capital projects as at 30th June 2026, including start date, initial cost, cumulative expenditure, financing sources, completion status and geographical location (county/constituency)
4. Budget performance showing the detailed breakdown of the recurrent and development budget for FY 2025/26 against actual expenditure, consisting of exchequer issues, donor and appropriation in aid (AIA);
5. Performance of the appropriation in aid (AIA) for the full year ending 30th June 2026, relative to the approved targets, and what were the fiscal and operational implications of any deviations on service delivery and overall budget execution
6. Key achievements and non-financial outputs during the implementation of FY 2025/26 budget
7. Challenges in the implementation of core mandates, projects and Programmes during FY 2025/26, including policy, financial and legislative gaps hindering effective execution of the mandate
8. Key fiscal, operational, or Governance risks identified in the FY 2025/26 that requires corrective action or policy reforms
9. Mitigation measures and SMART action plans that will ensure effective implementation of core mandates by the MDAs in FY 2026/27

INTRODUCTION

Hon Chair, the State Department for Special Programmes is mandated to provide relief food and essential supplies to disaster-affected populations; maintain a Strategic Food Reserve; develop programmes that strengthen community adaptation and mitigation against disasters; and implement disaster recovery programmes aimed at rebuilding affected communities and restoring livelihoods.

To achieve this, the State Department implements one (1) Programme and three (3) Sub - Programmes as tabulated below.

S/NO.	Programme	Sub Programme
1.	Disaster Risk Management	1. Disaster risk reduction services
		2. Relief and rehabilitation services
		3. General Administration and Support Services

Q 1: OVERALL BUDGET ABSORPTION RATE FOR THE STATE DEPARTMENTS IN FY 2025/26, DISAGGREGATED BY RECURRENT AND DEVELOPMENT EXPENDITURE, AND HOW THIS PERFORMANCE VARIED ACROSS INDIVIDUAL PROGRAMMES

Hon Chair, during the FY 2025/26 the State Department had an allocation of **Kshs.13,975Million** with a resultant expenditure of **Kshs.13,778Million** translating to an absorption rate of 99%.

Of the total allocation, **Kshs.13,809Million** was allocated to the recurrent budget while **Kshs.166Million** was allocated to the development budget with a resultant expenditure of **Kshs.13,612Million** and **Kshs.166Million** thus an absorption rate of **99%** and **100%** respectively.

The table below summarizes the budgetary allocation and the resultant expenditures for FY 2025/26.

Vote	FY 2025/26 "Kshs. Million"		
	Budget	Expenditure	Absorption (%)
Recurrent	13,809	13,612	99
Development	166	166	100
Total	**13,975**	**13,778**	99

PERFORMANCE ACROSS INDIVIDUAL PROGRAMMES

Hon. Chair, the table below presents the performance of the respective Sub-Programmes in the FY 2025/26

Programme & Sub - Programmes	Budget "Ksh. Million" 2025/26	Actual Expenditure "Ksh. Million" 2025/26	Absorption
PROGRAMME 1: Disaster Risk Management			
Sub-Programme 1: Disaster Risk Reduction Services	256	252	98
Sub-Programme 2: Relief, Rehabilitation and Recovery Services	13,437	13,307	99
Sub-Programme 3: General Administration and Support Services	281	219	78
TOTAL PROGRAMME	**13,974**	**13,778**	99

The performance of Sub-Programmes above shows that;

- SP1: Disaster Risk Reduction was allocated **Kshs.256Million** against an expenditure of **Kshs.252Million** thus 98% absorption rate.
- SP2: Relief Rehabilitation and Recovery Services was allocated **Kshs.13,437Million** (this allocation includes **Kshs.200Million** to Non-Profit Non-Governmental Organization (Red Cross Society of Kenya) against an expenditure of **Kshs.13,307Million** thus 99% absorption rate.
- SP3: General Administration and Support Services had an allocation of **Kshs.281Million** against an expenditure of **Kshs.219Million** thus 78% absorption rate. The under absorption was attributed to challenges experienced in the implementation of electronic Government Procurement (e-GP) system.

Q 2: THE CURRENT STATUS OF BOTH RECURRENT AND DEVELOPMENT BUDGETS, PENDING BILLS AND HOW THESE ARE LINKED TO EXISTING CONTRACTUAL COMMITMENTS AND MEASURES BEING IMPLEMENTED TO ADDRESS AND PREVENT FURTHER ACCUMULATIONS OF PENDING BILLS IN FY 2026/27

a. Current status of both recurrent and development budgets

In the current FY 2026/27, the State Department has a budgetary allocation of **Kshs.1,459Million** comprising of **Kshs.1,294Million** in the recurrent budget and **Kshs.165Million** in the development budget as shown in the table below.

Programme & Sub-Programme	Printed Estimates ("Kshs. Million")		
	Recurrent	Development	Total
1.Programme: Disaster Risk Management			
(a)Sub-Programme: Disaster Risk Reduction Services	-	165	165
(b)Sub-Programme: Relief, Rehabilitation and Recovery Services	971	-	971
(c)Sub-Programme: General Administration and Support Services	323	-	323
Grand Total	**1,294**	**165**	**1,459**

b. **Pending Bills and how they are linked to existing contractual commitments**

Hon. Chair, as at the beginning of the FY 2026/27, the State Department had pending bills amounting to **Kshs.17.9Million** under use of goods and services. These payments were not fully processed by the end of Financial Year 2025/26 due to IFMIS downtime and hence resulted to a Pending Bill.

The Pending Bills will not affect the existing contractual commitments since the bills will form first charge in the FY 2026/27 budget as per the National Treasury guidelines on budget implementation upon verification by the internal audit unit.

c. Measures being implemented to address and prevent further accumulations of pending bills in FY 2026/27

Hon. Chair, to mitigate the recurrence of Pending Bills, the State Department will:

- Ensure that Pending Bills form first charge in the FY 2026/27 budget.
- Ensure compliance to the relevant regulation governing public finance management.

Q 3. THE LATEST PROJECT INFORMATION FOR ALL ONGOING CAPITAL PROJECTS AS AT 30TH JUNE 2026, INCLUDING START DATE, INITIAL COST, CUMULATIVE EXPENDITURE, FINANCING SOURCES, COMPLETION STATUS AND GEOGRAPHICAL LOCATION (COUNTY/CONSTITUENCY)

Hon Chair, the State Department does not have a capital project.

However, the State Department had a development budgetary allocation of **Kshs.166Million** earmarked for the National Drought Emergency Fund (NDEF). As at the end of the FY 2025/26, the State Department had transferred the entire amount to NDEF.

Below is the NDEF allocation criteria as stipulated in the NDEF Regulations:

Component of Drought Cycle	Proportion in %	Budget "Ksh. Million"
Resilience and preparedness	50	83
Response	40	66
Recovery	5	8
Administration (not more than 3%)	3	5
Retention	2	3
Total	100	166

Q 3. THE LATEST PROJECT INFORMATION FOR ALL ONGOING CAPITAL PROJECTS AS AT 30TH JUNE 2026, INCLUDING START DATE, INITIAL COST, CUMULATIVE EXPENDITURE, FINANCING SOURCES, COMPLETION STATUS AND GEOGRAPHICAL LOCATION (COUNTY/CONSTITUENCY) CONT..

Hon. Chair, NDEF resources were utilized to implement the three components of the Fund, namely: Drought Resilience, Drought Response and Drought Recovery.

The table below summarizes activities implemented in each component across different counties.

S/No.	Component	County Implemented	Activity
1	Drought Resilience	Baringo, Marsabit and Isiolo	Camel restocking programme, support to irrigation infrastructure for Taleh Group Farm, implementation of Garsen Water Supply improvement project and rehabilitation of Oletukati water pan among others
2	Drought Response	Kilifi, Mandera and Garisa	Water trucking, provision of water storage tanks, repair of strategic water facilities and provision of drought pellets among others
3	Drought Recovery	Kilifi, Garisa, Marsabit, Wajir and Mandera	Supply and delivery of galla goat bucks, and provision of drought pellets among others

Q 3. THE LATEST PROJECT INFORMATION FOR ALL ONGOING CAPITAL PROJECTS AS AT 30TH JUNE 2026, INCLUDING START DATE, INITIAL COST, CUMULATIVE EXPENDITURE, FINANCING SOURCES, COMPLETION STATUS AND GEOGRAPHICAL LOCATION (COUNTY/CONSTITUENCY) CONT..

Hon. Chair, Pursuant to the PFM (NDEF) Regulations, 2021, the initial capital of the National Drought Emergency Fund (NDEF) is required to be **Kshs.2Billion**, as appropriated by Parliament. However, to date, the Fund has received only **Kshs.648.9Million**, representing a shortfall of **Kshs.1,3511Billion**. This significant funding gap has constrained the Fund's capacity to effectively implement drought preparedness, response and recovery interventions.

Q 4.BUDGET PERFORMANCE SHOWING THE DETAILED BREAKDOWN OF THE RECURRENT AND DEVELOPMENT BUDGET FOR FY 2025/26 AGAINST ACTUAL EXPENDITURE, CONSISTING OF EXCHEQUER ISSUES, DONOR AND APPROPRIATION IN AID (AIA)

The table below presents the budget performance, highlighting the printed estimates against the actual expenditure for recurrent and development allocations across the various sub-programmes.

Name of the Programme & Sub-Programme	Printed Estimates ("Ksh. Million")			Gross Expenditure ("Ksh. Million")			Absorption Rate (%)
	Recurrent	Development	Total	Recurrent	Development	Total	
	a	b	c=a+b	d	e	f=d+e	g=f/c
Programme: Disaster Risk Management							
Sub-Programme 1: Disaster Risk Reduction Services	91	166	256	86	166	252	98
Sub-Programme 2: Relief, Rehabilitation and Recovery Services	13,437	-	13,437	13,307	-	13,307	99
Sub-Programme 3: General Administration and Support Services	281	-	281	219	-	219	78
Grand Total	13,809	166	13,974	13,612	166	13,778	99

Q 4.BUDGET PERFORMANCE SHOWING THE DETAILED BREAKDOWN OF THE RECURRENT AND DEVELOPMENT BUDGET FOR FY 2025/26 AGAINST ACTUAL EXPENDITURE, CONSISTING OF EXCHEQUER ISSUES, DONOR AND APPROPRIATION IN AID (AIA) CONT..

Hon. Chair, exchequer receipts, donor funds and AIA target were as follows:

a. Exchequer Receipts

The State Department received exchequer amounting to **Kshs.13.8 Billion** comprising of recurrent receipts of **Kshs.13.6 Billion** and development receipt of **Kshs.166 million**.

b. Donor Funds

The State Department did not receive donor any funds in the FY 2025/26.

c. AIA Target

The State Department did not target to collect any AIA as its core mandate is provision of relief and humanitarian assistance.

Q 5. PERFORMANCE OF THE APPROPRIATION IN AID (AIA) FOR THE FULL YEAR ENDING 30TH JUNE 2026, RELATIVE TO THE APPROVED TARGETS, AND WHAT WERE THE FISCAL AND OPERATIONAL IMPLICATIONS OF ANY DEVIATIONS ON SERVICE DELIVERY AND OVERALL BUDGET EXECUTION

Hon. Chair, in the FY 2025/26 the State Department was fully exchequer-funded and therefore did not generate any Appropriation in Aid (AIA).

Q 6. KEY ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET

Hon. Chair, the following are some of the key achievements realized by the State Department during the FY 2025/26:

1. Provided relief food assistance to **2,889,610** beneficiaries;

2. Provided non-food relief assistance to **415,807** beneficiaries;

3. Coordinated all reported disaster incidents effectively through timely mobilization of response efforts and stakeholder collaboration e.g. floods in Nairobi, Collapsed buildings (South C), Mudslide in Chesongoch, Elgeyo Marakwet, road accidents, fire incidents amongst others;

4. Provided post disaster support to **37,465** persons translating to 7,493 families who were supported in Elgeyo Marakwet, Kisumu, Tana River, Nairobi, Turkana, Homabay and Siaya;

5. Implemented various resilience projects in Nine counties (Baringo, Marsabit, Isiolo, Garissa, Tana River, Narok, Kajiado, Machakos and Mandera);

Q 6. KEY ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET CONT..

6. Implemented drought response intervention Including supply of water tanks, water trucking and repair of boreholes;

7. Distributed livestock feeds (drought pellets- 242,471 bags (25kg) and Hay – 427,966 bales) in 11 counties; Kilifi, Garissa, Mandera, Tana River, Kwale, Kajiado, Isiolo, Samburu, Marsabit, Wajir and Turkana counties .

8. Leased office space and partitioned offices at KISM Towers which was at 60% complete;

9. Developed the State Department's Strategic Plan 2025-2027 to guide in the implementation of the State Department's mandate;

10.Developed the draft National Relief Assistance Policy and the draft Relief Management Guidelines .

Q 7. CHALLENGES IN THE IMPLEMENTATION OF CORE MANDATES, PROJECTS AND PROGRAMMES DURING FY 2025/26, INCLUDING POLICY, FINANCIAL AND LEGISLATIVE GAPS HINDERING EFFECTIVE EXECUTION OF THE MANDATE

Category	Gap/Challenge	Impact on Effective Implementation
Policy	Logistics and accessibility constraints	Poor road infrastructure, difficult terrain, insecurity and high transportation costs increased the cost and time required to reach vulnerable populations.
	Inadequate information management infrastructure	The absence of an integrated relief management system limited timely access to information required for planning, beneficiary targeting and coordination of relief assistance.
	community conflict and migration	Community conflicts and migration has led to increased resource pressures contributing to more demand for coordinated humanitarian assistance
Financial	Inadequate and unpredictable funding	Limited financial resources constrain resilience building, preparedness, timely emergency response and recovery efforts, affected the State Department's ability to provide timely and adequate relief assistance.
	Inadequate funding for operationalization of the State Department	constrained operationalization (inadequate office space, inadequate technical staff, equipping of offices) of the State Department has affected efficient delivery our mandate

Q 7. CHALLENGES IN THE IMPLEMENTATION OF CORE MANDATES, PROJECTS AND PROGRAMMES DURING FY 2025/26, INCLUDING POLICY, FINANCIAL AND LEGISLATIVE GAPS HINDERING EFFECTIVE EXECUTION OF THE MANDATE CONT..

Category	Gap/Challenge	Impact on Effective Implementation
Financial	Insufficient pre-positioning of relief supplies	Inadequate funding for relief supplies and storage facilities limited the capacity to pre-position essential relief items.
	Increasing frequency and intensity of disasters risk	Climate change has increased the frequency and severity of droughts, floods and other emergencies, placing additional pressure on existing policies, response mechanisms and available resources.
Legislative	Inadequate legal framework to guide relief assistance management	Poor coordination, targeting and standardization of relief assistance

Q 8. KEY FISCAL, OPERATIONAL, OR GOVERNANCE RISKS IDENTIFIED IN THE FY 2025/26 THAT REQUIRES CORRECTIVE ACTION OR POLICY REFORMS

Risk Category	Key Risk Identified in FY 2025/26	Required Corrective Action / Policy Reform
Governance	Lack of a legal framework guiding relief assistance.	The State Department has developed a draft National Relief Assistance Policy; there is therefore need to Fast-track approval by Cabinet and implementation of the Policy
	Oversight of the Fund: Pursuant to the Public Finance Management (National Drought Emergency Fund) Regulations, 2021, the oversight of the Fund is vested in the NDMA Board, established under the NDMA Act. The Secretary of the NDMA Board is the Administrator of the Fund. The secretariat of the NDMA is the secretariat of the Fund. NDMA is a SAGA under the State Department for ASALs despite the Fund being an Institution under the State Department for Special Programmes.	Review the Public Finance Management (National Drought Emergency Fund) Regulations, 2021, with a view of enabling the NDEF to operate independently from the NDMA.
Fiscal	**Inadequate and unpredictable financing of the core mandate:** Significant reliance on Article 223 of the Constitution to finance activities through supplementary appropriations undermines budget predictability and effective programme planning and implementation.	Provide adequate and predictable funding through the printed estimates.
	Non-Operational Strategic Food Reserve.	Provide and ring fence resources for a Strategic Food Reserve
Operational	**Absence of an integrated Relief Management information System:** Lack of a centralized system limits timely access to reliable information on relief needs, beneficiaries, assistance provided and outstanding requirements, potentially delaying decision-making and weakening coordination.	Develop and operationalize Relief Management information System.
	Inadequate technical personnel constrains institutional capacity and affect effective delivery of the State Department's mandate.	Recruitment of technical staff

Q 9. MITIGATION MEASURES AND SMART ACTION PLANS THAT WILL ENSURE EFFECTIVE IMPLEMENTATION OF CORE MANDATES BY THE MDAS IN FY 2026/27

Risk Category	Key Risk Identified in FY 2025/26	Mitigation Measures	SMART Action Plan for FY 2026/27
Governance	Lack of a legal framework guiding relief assistance.	Expedite approval and implementation of the National Relief Assistance Policy	Obtain Cabinet approval of the National Relief Assistance Policy by 31st January, 2027
	Unclear oversight of NDEF:	Strengthen the governance, oversight, reporting and accountability framework for NDEF.	Review of NDEF Regulations by 30th June 2027 for NDEF to be independent.
Fiscal	Inadequate and unpredictable financing of the core mandate	Ensure adequate allocation for core-mandate programmes through the Printed Estimates	Petition the National Treasury through the National Assembly to consider an enhanced allocation of **Kshs.8Billion** Supplementary Estimate No. I for FY 2026/27
Operational	Absence of an integrated Relief Management Information System	Develop and operationalize integrated Relief Management Information System	Develop integrated Relief Management Information System by June 30th 2027
	Inadequate technical personnel	Petition the National Treasury to grant approval for the recruitment of technical personnel	Develop a petition to the National Treasury and submit by 30th September, 2026

CONCLUSION

Hon. Chair, the State Department remains committed to safeguarding lives, restoring livelihoods and building resilient communities. Despite the achievements realized during FY 2025/26, the Department continues to face resource and operational challenges that require the Committee's support and intervention.

Hon. Chair, given the increasing frequency and complexity of disasters, the allocation remains inadequate to fully enable the State Department to effectively discharge its mandate. We therefore humbly appeal for additional resources to strengthen timely and effective emergency response.

In particular, the Department seeks the intervention of this Honorable committee for additional resources of **Kshs.3Billion** for a Strategic Food Reserve, **Kshs.8Billion** for emergency relief and **Kshs.1.1Billion** to bridge the NDEF funding shortfall in the Supplementary Estimate No. I of FY 2026/27.

Finally, **Hon. Chair,** I take this opportunity to thank the National Assembly and specifically the Honorable Members of this Committee for your continued support.

THANK YOU

REPUBLIC OF KENYA

MINISTRY OF EAST AFRICAN COMMUNITY (EAC), THE ASALs AND REGIONAL DEVELOPMENT

STATE DEPARTMENT FOR THE ASALs AND REGIONAL DEVELOPMENT

VOTE: **1036**

STATUS REPORT ON BUDGET IMPLEMENTATION FOR THE FINANCIAL YEAR 2025/26

PRESENTED TO:

THE DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT

BY:

DR. CAROLINE W. KARUGU, PhD

PRINCIPAL SECRETARY

VENUE:

PRIDE INN PARADISE, SHANZU (MOMBASA)

DATE: 29TH AUGUST, 2026

INTRODUCTION

Honourable Chairperson and Members,

I thank you for your invitation and according us this opportunity to apprise you on the highlighted issues pertaining the State Department for Arid and Semi-Arid Lands and Regional Development.

As highlighted in the invitation, my presentation will outline the following:

i. Overall budget absorption rate for the State Department in FY 2025/26, disaggregated by recurrent and development expenditure, and how this performance varies across individual programmes;
ii. The current status of both recurrent and development, pending bills and how these are linked to existing contractual commitments and measures being implemented to address and prevent further accumulation of pending bills in FY 2026/27;
iii. The latest project information for all ongoing Capital projects as at June 2026, including start date, initial cost, cumulative expenditure, financing sources, completion status and geographical location (county/constituency);
iv. Budget performance showing the detailed breakdown of the recurrent and development budget for FY 2025/26 against actual expenditure, consisting of exchequer issues, donor and appropriation in aid (AIA);
v. Performance of the appropriation in aid (AIA) for the full year ending 30th June 2026, relative to the approved targets, and what were the fiscal and operational implications of any deviations on service delivery and overall budget execution;
vi. Key achievements and non-financial outputs during the implementation of FY 2025/26 budget;
vii. Challenges in the implementation of core mandates, projects and programmes during FY 2025/26, including policy, financial and legislative gaps hindering effective execution of the mandate (if any);
viii. Key fiscal, operational, or Governance risks identified in the FY 2025/26 that requires corrective action or policy reforms; and
ix. Mitigation measures and SMART action plans that will ensure effective implementation of core mandates by the MDAs in FY 2026/27.

MANDATE OF THE STATE DEPARTMENT FOR ASALS AND REGIONAL DEVELOPMENT AND ITS SAGAS

Honorable Chairperson and Members,

The mandate of the State Department for ASALs and Regional Development is derived from the functions outlined in the Executive Order No. 1 of 2025 as follows;

i. Coordinate and implement policies, programmes, and interventions aimed at sustainable development of Arid and Semi-Arid Lands (ASALs) region;

ii. In liaison with the National Treasury, support in the oversight of the implementation of programmes funded through the Equalization Fund;
iii. Administer Legacy National Government programmes and projects transferred from the six regional development authorities earmarked for restructuring;
iv. Implementation of ASALs regions Programmes, including;

- Infrastructural development;
- Planning and encouragement of townships along the main transport corridor
- Livestock development;
- Livestock industries;
- Water supply and irrigation development;
- Natural resources management;
- Human resource development;
- Mineral resources exploration and development;
- Tapping of solar and wind energy;
- Adult education; and
- Climate-smart initiatives, including afforestation and water harvesting;

v. Promote resilience, inclusive growth, and socio-economic transformation in ASALs through other targeted investments in livelihoods, and basic services;
vi. Enhance intergovernmental collaboration between national and county governments to ensure equitable resources allocation and service delivery in ASALs;
vii. Mainstream ASALs considerations in national planning and development agendas;
viii. In collaboration with other stakeholders, mobilize domestic and international funding for ASALs infrastructure, agriculture, water, and climate adaptation programmes;
ix. Co-ordinate interventions to promote the implementation of climate-smart initiatives, including afforestation and water harvesting;
x. Co-ordination and implementation of integrated Rangelands management and Feedlot systems in the ASALs counties;
xi. Administer the delivery of basic, tertiary education, health and social protection programmes tailored for the ASALs region taking into account women, the protection of the girl child, persons with disability, and senior citizens;
xii. Co-ordinate the implementation of Integrated Land Reclamation for ASALs Development and Climate Resilience; and
xiii. In liaison with the National Government Administration, undertake sensitization of the ASALs communities on government programmes.

I. OVERALL BUDGET ABSORPTION RATE FOR THE STATE DEPARTMENTS IN FY 2025/26, DISAGGREGATED BY RECURRENT AND DEVELOPMENT EXPENDITURE, AND HOW THIS PERFORMANCE VARY ACROSS INDIVIDUAL PROGRAMMES;

Honourable Chairperson and Members,

In the FY2025/26, the State Department implemented its budget through three programmes and five sub-programmes as stipulated below;

S/No	Programme:	Sub Programmes	Objective:
1.	Accelerated ASALs Development	• ASAL Development • Drought Management • Peace Building and Conflict Management	To ensure accelerated and sustained socio-economic development in the ASALs, build community resilience and end drought emergencies in Kenya.
2.	Integrated Regional Development	• Integrated Basin-based Development	To promote equitable and sustainable basin-based development and land utilization
3.	General Administration and Support Services	• General Administration & Support services	To provide efficient support for service delivery

In the FY2025/26, the State Department had a budgetary allocation of **KShs.14.598billion** out of which **KShs.9.622billion** was under recurrent budget while **KShs.4.975billion** was under the development budget.

The total expenditure for the State Department was **KShs.14.191billion** which represents **97.86%** overall absorption rate. Under the recurrent vote, the total expenditure was **KShs.9.515billion** representing **98.88%** absorption; while under the development budget, the total expenditure was **KShs.4.676billion** representing **93.98%** rate of absorption.

Below is a summary of the approved budget allocation vs the actual expenditure.

Table 1: **FY2025/2026** *Approved Budget vs Actual Expenditure*

Budget	Approved Budget	Actual Expenditure	Absorption Rate
Recurrent	9,622,656,046	9,515,452,446.5	**98.88%**
Development	4,975,689,612	4,676,161,123	**93.98%**
Total	**14,598,345,658**	**14,191,613,569.5**	**97.21%**

The Budget performance across individual programmes is as per table 2 below;

Table 2: Budget performance across individual Programmes

Programme	Recurrent (millions)			Development (millions)		
	Approved Budget	Actual Expenditure	Absorption Rate	Approved Budget	Actual Expenditure	Absorption Rate
Programme 1: Accelerated ASALs Development	6,738.00	6,734.39	**99.94%**	1,464.19	1,199.00	**81.9%**
Programme 2: Integrated Regional Development	2,614.29	2,516.27	**96.25%**	3,511.50	3,477.16	**99%**

Programme 3: General Administration Planning and Support Services	270.36	264.79	**97.94%**	0	0	0
TOTAL	**9,622.65**	**9,515.45**	**99.88%**	**4,975.69**	**4,676.16**	**93.98%**

II. PENDING BILLS AND HOW THESE ARE LINKED TO EXISTING CONTRACTUAL COMMITMENTS AND MEASURES BEING IMPLEMENTED TO ADDRESS AND PREVENT FURTHER ACCUMULATION OF PENDING BILLS IN FY 2026/27

Honourable Chairperson and Members,

At the Headquarters, the State Department has a total pending bill of **Kshs.89,757,657. Kshs.19,148,112** incurred during FY 2025/26 was due to construction of boreholes but the contractor had not completed the works as at the closure of the Financial Year and therefore could not be paid, while **Kshs.56,285,155** under FY 2024/25 consists of amount due to National Cereals and Produce board for supply of rice and beans which remained unpaid due to insufficient exchequer as at the closure of the Financial Year. **Kshs.14,324,390** under FY 2023/24 was for supply of air tickets which was not cleared due to lack of provision under Foreign Travel.

Honourable Chair, our Regional Development Authorities (RDAs) have a total current cumulative pending bill of **Kshs.3,354,407,129.17** as summarized in the table below.

Table 3: Summary of SAGAs Pending Bills

S/No.	*Name of RDA*	*Amount*
1.	LBDA	1,110,962,958.17
2.	KVDA	101,609,753
3.	ENNDA	463,069,913
4.	TARDA	536,678,419
5.	CDA	696,263,134
6.	ENSDA	445,822,952
	Total	**3,354,407,129.17**

Further, historic pending bills amounting to **KShs.2,420,544,557.80** under Headquarters and **Kshs.11,163,871,356** under the RDAs were submitted to the Pending Bills Verification Committee.

III. PROJECT INFORMATION FOR ALL ONGOING CAPITAL PROJECTS AS AT JUNE 2026, INCLUDING START DATE, INITIAL COST, CUMULATIVE EXPENDITURE, FINANCING SOURCES, COMPLETION STATUS AND GEOGRAPHICAL LOCATION (COUNTY/CONSTITUENCY)

Honourable Chairperson and Members,

In the FY2025/26, the State Department implemented a total of 50 projects as listed in the table below:

Table 4: List of Projects and their Respective Expenditure Allocations

No.	Project Code & Project Title	Implementing Agency	Source of Funds	Allocation for 2025/26	
				GoK	Foreign
				Ksh Million	
1.	Drought Response & Resilience in Arid & Semi-Arid Areas of Kenya.	HQtrs	GoK	335.00	-
2.	Ending Drought Emergencies: Support to Resilient Livelihood II	NDMA	GoK & EU	15.00	30.00
3.	Sustainable Food Systems and Resilience Livelihood	HQtrs	GoK	12.00	-
4.	Ending Drought Emergencies, Ecosystem Based Adapt. in ASAL -TWENDE	NDMA	GoK & GCF	30.00	177.53
5.	Garissa River Bank Flood Protection	NDMA	GoK	15.00	-
6.	Dry Land Climate Action for Community Drought Resilience	NDMA	GoK & EU	35.00	520.00
7.	Gum Arabic and Resins Integrated Development Programme - Headquarter	ENNDA	GoK	116.00	-
8.	Tana Delta Rice Irrigation Project (TDIP) - Headquarters - BETA	ENSDA	GoK	21.00	-
9.	Ewaso Ngiro Leather Factory - Headquarters	KVDA	GoK	20.00	-
10.	Wei Wei Phase 3 Irrigation Project - Headquarters	CDA	GoK	20.00	272.00
11.	Wananchi Cottages in Kilifi County	CDA	GoK	20.00	-
12.	Malindi Integrated Social & Health Dev. Programme (MISHDP) -BETA.	CDA	Govt. of Italy	-	300.00
13.	Kimira-Oluch Smallholder Farm Improvement Project - LBDA	LBDA	GoK	19.50	-
14.	Coast Development Authority -	CDA	GoK	100.00	-
15.	Drought Mitigation Interventions	TARDA	GoK	45.00	
16	Drought Mitigation Interventions	KVDA	GoK	120.00	
17.	Drought Mitigation Interventions	ENSDA	GoK	240.00	
18.	Cherengany Watershed Conservation Programme	KVDA	GoK	110.00	-
19.	Construction of Wayam Lencho Snake Dam	ENNDA	GoK	120.00	
20.	Ewaso Ngiro N Integrated Water Drought & Food Security Dev Project	ENSDA	GoK	100.00	
21.	Della Water supply Project	ENNDA	GoK	30.00	-
22.	Integrated Resilience for Sustainable Food Systems	HQtrs	GoK	14.66	-
23.	Drought Mitigation Interventions	CDA	GoK	60.00	
24.	Drought Mitigation Interventions	ENNDA	GoK	83.00	
25.	Chemeron Dam Phase II - Baringo	KVDA	GoK	130.00	-
26.	BETA Priorities and flood control	KVDA	GoK	100.00	
27.	BETA Priorities and flood control	ENNDA	GoK	440.00	
28.	BETA Priorities and flood control	TARDA	GoK	40.00	
29.	BETA Priorities and flood control	LBDA	GoK	90.00	
30.	BETA Priorities and flood control	CDA	GoK	70.00	
31.	Construction of Dykes in Muhoroni and Nyando Constituencies, Kisumu	LBDA	GoK	100.00	-
32.	Etio Phase II Water Distribution Supply	KVDA	GoK	120.00	-
33.	Drought Mitigation Interventions	NDMA	Gok	260.00	
34.	Production of 5Billion Fruit Tree seedling	ENSDA	GoK	50.00	-
35.	Eldas Lakoley South Water Supply Project - ENNDA	ENNDA	GoK	10.00	-

No.	Project Code & Project Title	Implementing Agency	Source of Funds	Allocation for 2025/26	
				GoK	Foreign
				Ksh Million	
36.	Sololo Ramata Water Supply Project	ENNDA	GoK	10.00	
37.	Pulunga borehole	ENSDA	GoK	10.00	
38.	Kiserian (Ereteti Borehole)	ENSDA	GoK	10.00	
39.	Ololtoto Borehole	ENSDA	GoK	10.00	
40.	St. Celestino Nyangubo girls water project	LBDA	GoK	15.00	
41.	St. Francis Wiga Girls water project	LBDA	GoK	15.00	
42.	Sibuoche mixed water projects	LBDA	GoK	15.00	
43.	Modernizing Ndhiwa Honey processing plant	LBDA	GoK	100.00	
44.	Madhgasi Water Dam	ENNDA	GoK	50.00	
45.	Ewaso Ng'iro North Catchment Conversation Project - HQ catchment con	ENNDA	GoK	100.00	-
46.	Loyapat Surface Irigation Scheme	KVDA	GoK	50.00	-
47.	Drilling and Equipping 11 boreholes	KVDA	GoK	120.00	
48.	Construction of a water pan in Lokakwan Kibish	KVDA	GoK	20.00	
49.	Climate smart integrated pasture production in Song'ot	KVDA	GoK	30.00	
50.	Construction of Napuu Farm Guest House	KVDA	Gok	30.00	
	Total			3,676.16	1,299.53
	Grand Total				**4,975.69**

The detailed information on the capital projects is as shown in the attached ***Annex I***

IV. BUDGET PERFORMANCE SHOWING THE DETAILED BREAKDOWN OF THE RECURRENT AND DEVELOPMENT BUDGET FOR FY 2025/26 AGAINST ACTUAL EXPENDITURE, CONSISTING OF EXCHEQUER ISSUES, DONOR AND APPROPRIATION IN AID (AIA)

Honourable chair and members,

The detailed budget performance under Recurrent and Development is as per the tables below;

Table 5: Detailed Recurrent Budget Breakdown

Description	Approved Budget	Actual Expenditure	Absorption Rate
Gross	9,622,656,046	9,515,452,446.5	**98.88%**
AIA	602,500,000	506,751,550.5	**84.10%**
NET	9,020,156,046	9,008,700,896	**99.87%**

Table 6: Detailed Development Budget Breakdown

Description	Approved Budget	Actual Expenditure	Absorption Rate
Gross	**4,975,689,612**	**4,676,161,123.30**	**93.98%**
GoK	3,676,159,612	3,589,671,123.30	97.65%
Loans	572,000,000	568,710,000	99.42%
Grants	727,530,000	517,780,000	71.17%

V. PERFORMANCE OF THE APPROPRIATION IN AID (AIA) FOR THE FULL YEAR ENDING 30TH JUNE 2026, RELATIVE TO THE APPROVED TARGETS, AND WHAT WERE THE FISCAL AND OPERATIONAL IMPLICATIONS OF ANY DEVIATIONS ON SERVICE DELIVERY AND OVERALL BUDGET EXECUTION

Honourable Chair and members,

While the RDAs had targeted to collect **Kshs.602.5million** in AIA during the period under review, the actual AIA collected was **Kshs.506,751,550.50** leaving a shortfall of **Kshs.95,748,450** as illustrated below;

Table 7: Budgeted AIA VS Actual

S/No.	Name of RDA	Budgeted AIA	Actual	Deviation
1.	KVDA	195,000,000	153,413,148	41,586,852
2.	TARDA	157,000,000	138,100,000	18,900,000
3.	LBDA	120,000,000	120,000,000	0
4.	ENSDA	17,500,000	17,500,000	0
5.	CDA	98,000,000	72,980,000	25,020,000
6.	ENNDA	15,000,000	4,758,402.50	10,241,598
	TOTAL	**602,500,000**	**506,751,550.5**	**95,748,450**

The AIA was intended to bridge the funding gap in Compensation to Employees. However, the underperformance had a direct implication on staff costs and consequently service delivery. The shortfall means that the Authorities were unable to fully bridge the budgetary gap in salaries and other personnel-related obligations, leading to employee morale/productivity being negatively affected and accumulation of pending bills under personnel costs.

VI. KEY ACHIEVEMENTS AND NON-FINANCIAL OUTPUTS DURING THE IMPLEMENTATION OF FY 2025/26 BUDGET

Honourable Chair and members,

During FY 2025/26, the State Department made significant progress in value addition, water access, food security, infrastructure development, capacity building, humanitarian support and environmental conservation as listed here-under:

1. Value Chains

On Value Addition on Leather, the State Department had a target of processing 1,000,000 square feet of finished leather at the Ewaso Ng'iro Tannery and Leather Factory. By the end of the financial year, a cumulative total of 216,949 square feet had been processed. In addition, the Authority had a target of producing 4,000 pairs of shoes, of which 993 pairs were produced.

Under the **Mango value chain**, we completed the automation and expansion of the mango processing plant in Tot, Elgeyo-Marakwet County. Through the initiative, the processing plant has increased the production of ready to drink juice from112,789 litres to 132,000 litres

generating over **Kshs.20million** in income that benefits farmers. Additionally, 123 tons of mango fruit were procured from farmers.

The **Honey value chain** saw 132 tonnes of semi-processed honey collected from beekeepers in West Pokot and Baringo East and processed at Rokocho Honey processing plant thereby stabilizing honey prices and benefiting farmers who earn over **Kshs.60million** annually.

Further, we advanced the modernization of the Ndhiwa Honey processing plant with upscaling works ongoing as at the end of the financial year. Upon completion, the facility will increase its annual crude honey processing capacity from the current 2.5 tonnes to over 8 tonnes, thereby enhancing value addition and expanding market opportunities for local beekeepers in Homa Bay County.

We also partnered with **Wire Forest Management Association** (WIFOMA), a local agricultural support NGO, under which 1,000 farmers were recruited into the programme with 310 farmers receiving training on modern apiculture practices and 200 improved beehives being distributed to participating households.

Additionally, we completed and operationalized one processing line under **Gums and Resins value chain** at the Ewaso Ng'iro North Gum Resins factory and produced 1,030 kgs of essential oil.

The **Rice Value Chain** within the Kimira Oluch Irrigation Scheme in Homabay County was supported through mechanization of farm activities, rehabilitation of infrastructure, opening up of 2,700 acres within the scheme and assisting farmers with rice nursery preparation and distribution of Rice Seeds leading to higher yields. We also undertook mopping up of harvested rice for processing at the Rice Mill whereby, 150 metric tonnes of paddy rice was mopped up providing a ready market to rice farmers.

Rice Paddy mopping up at South West Kano and Bunyala irrigation schemes yielded a total of 1200 metric tonnes while a total of 2,063 tonnes of paddy was produced at the Tana Delta Irrigation Project (TDIP) through a lease partnership with Agri-All Africa (AAA–Kenya).

Under the TDIP farmer programme, Community farmers in Hewani and Wema were supported to cultivate 698 acres of green grams.

At Hola in Tana River County, we operationalized the Integrated Fruit and honey Processing Plant (IFPP) with a capacity of 1.5 MT per hour for mango processing to reduce post-harvest losses and generate revenue for the **Coast Development Authority**. Capacity building and provision of a ready market for more than 205 mango growing farmers was also undertaken in FY 2025/26, with a total of 312 farmers trained in collaboration with other stakeholders.

2. Drought Mitigation and flood control

Under drought Mitigation and flood control, we implemented key water resource interventions to enhance water access in targeted areas.

These interventions included:

Under ENSDA, three boreholes were drilled and equipped (Ereteti, Olooltoto and Entarara) and three water pans constructed (Risa, Kitilikini and Endikir Osinyai).

A total of 21 boreholes were drilled and equipped, 4 water pans and 2 small dams constructed in the Kerio Valley Basin to provide water for consumption for an estimated 300 households and 2000 livestock, as well as for vegetable gardening. The water pans and small dams provided over 300,000 cubic litres of water which reduced the distances travelled by households and livestock to access water.

Five boreholes were drilled and equipped in ENNDA providing clean water to 1,900 households, 10,000 traders, and 4,900 livestock, and established the Badhia Smallholder Irrigation Scheme, which serves 140 households and irrigates 500 acres.

During the same period, we disbursed monthly cash transfers to 133,484 households and scale up payments to 226,070 households each receiving Kshs.2,700 through the NDMA. We implemented drought response interventions across 16 of the most affected counties through strategic borehole repairs, water trucking, water facility improvements, fuel subsidies for strategic boreholes, provision of water storage facilities, supply of drought pellets, and coordinated response efforts. This also included the development and review of 31 ward contingency plans, the review of 25 County Drought Contingency Plans, and the development of new County Drought Contingency Plans

Further on drought mitigation, we drilled and equipped 11 boreholes serving schools and community areas within the Lake Region. Drought resilience and mitigation water structures such as boreholes, water pans, earth-fill dams and djabias were constructed in the coastal region, providing 1,211,700 cubic meters of water when fully filled over the period. This led to increased access to water for domestic, livestock and irrigation use.

Additionally, we provided 366,400 cubic metres of water from solar-powered boreholes for domestic and smallholders' irrigation schemes at Nakurto in Taveta, constructed seven (7) water structures, namely an earth-fill dam at Dadh Abbas, three (3) boreholes at Buguta, Zungulukani and Kale, and two (2) water pans (Nzovuni and Marungu).

At **Ewaso Ng'iro North Basin**, we constructed 64 water harvesting structures with a combined capacity of 3.5million cubic meters, developed 37 boreholes, excavated 15 kilometres of river draining and flood water diversion channels and erected 10 kms of dykes. This benefited over 12,000 households and 100,000 livestock promoting climate change mitigation and communities' adaptive capacity to floods and droughts.

3. Food Security

On food security, we completed implementation of the Weiwei phase III irrigation project, covering 325 ha, this included the construction of irrigation infrastructure, delivery of farm equipment and implements, and capacity building of farmers in modern farming practices. We also completed the Kampsiwet and Chepkum irrigation schemes and laid irrigation infrastructure

at the Napuu and Lomut irrigation schemes, bringing an additional 200acres and 275hectares of land under food production respectively.

In total, 1,141.50 tons of food was produced from the Wei Wei, Napuu, Lomut, Kamsiwet and Chepkum irrigation schemes.

Under food security information, we exceeded the annual target of 288 bulletins produced by the **NDMA** due to the preparation of an additional 12 consolidated national early warning bulletins during the reporting period. In addition, a total of 48 biannual food security assessment reports (Long Rains Assessment (LRA) and Short Rains Assessment (SRA)) were produced.

We opened up 1,189 acres of land for irrigation, of which 1,112 smallholder farmers in Kilifi County (Chakama farmers), Tana River County (Boji farms), and T/Taveta County (Taveta-Challa Tuhire & Kasokoni) undertook smallholders' irrigation initiatives.

We provided technical support to 312 farmers in the Chakama and Challa smallholders' irrigation projects, who undertook irrigation on more than 200ha, collectively growing high-value crops that have increased household incomes.

4. Infrastructure development

Under infrastructure development, we revamped the Turkwel Multipurpose dam through construction and refurbishment of the administration block, conference facilities, and guest and staff houses.

We renovated the Tana Delta Resort Guesthouse to promote local tourism and rehabilitated 2.5 km of flood protection dykes and 13.3 km of service roads within the TDIP. We established three smallholder irrigation schemes in Murang'a and Nyeri, benefiting 1,120 households and irrigating 369 acres.

Construction of the Kiangochi Muchungucha Irrigation Water Project in Murang'a is ongoing and will irrigate 250 acres serving 2,000 households. We also completed the Katothya Water Pan in Machakos County irrigating 61.5 acres and benefiting 250 households.

Further, we constructed 5 kilometres of protective dykes in the Nyando River basin in Kisumu to safeguard livelihoods, agricultural land and ecological assets in vulnerable zones affected by recurrent flooding. To support long-term environmental sustainability, the sub-sector produced 250,000 tree seedlings for distribution to communities, schools and institutions for catchment conservation and agroforestry initiatives.

We further completed construction of the Wananchi Cottages conference facility in Kilifi. The facility includes a 400-pax conference facility, 120-pax outdoor and indoor restaurants, and a 41-room accommodation capacity.

We also constructed and rehabilitated education facilities, including 24 classrooms, at Buragi, Ngomeni primary and secondary, and Midodoni schools in Magarini.

Furthermore, we constructed and equipped an ICU and HDU facility at Malindi Hospital, renovated the Mambrui dispensary; and commenced construction of the 12 km Mjanaheri–Ngomeni road in Kilifi County under the Malindi Integrated Social Health Development Programme II (MISHDP II).

5. Capacity building and technology transfer

Through the Ewaso Ng'iro Tannery and Leather Factory, we trained 10 MSMEs on the leather value chain. On technology transfer and capacity building, we undertook training of 1500 farmers at Weiwei Phase III, 105 farmers at Napuu and 95 farmers at Lomut irrigation projects. A further 55 mango farmers were trained on modern agricultural practices under KVDA.

Through TARDA, we trained and equipped 32 Community-Based Organizations (CBOs) and built the capacity of 711 farmers on improved crop production technologies, innovation, and apiculture to enhance agricultural productivity and livelihoods.

6. Catchment conservation

We increased efforts towards catchment conservation in the River Basins by undertaking various activities such as;

Raising a total of 811,999 seedlings at KVDA in partnership with community groups and tree nursery operators and planting 1,574,975 tree seedlings within Cherangany watershed.

We produced and planted 3.29 million tree seedlings, including 197,258 fruit tree seedlings, in collaboration with local communities to enhance catchment restoration and environmental conservation at TARDA.

More than 1,200ha of Mwache watershed at CDA were put under catchment management initiatives namely tree growing, marking & pegging of riparian areas, terracing of farmland and development of sub-catchment management plans for 24 Water Resource Users Associations (WRUAs).

We rehabilitated 95 hectares of mangrove, coral reef, and seagrass ecosystems in Kwale, resulting in improved biodiversity and enhanced adaptation to climate change through the Kenya Climate Change and Adaptation Programme (KCCAP). CDA also conserved 446.55hectares of land under the Mwache catchment management programme to support sustainable land use through terracing technologies. We also propagated 1,645,701 seedlings in collaboration with local community groups and planted 466,357 tree seedlings in the Coastal Basin.

Further, within the Ewaso Ng'iro North River Basin, 1,612 hectares of catchment and riparian areas were rehabilitated through tree planting. 3 camel peace caravans were held to promote environmental awareness and peace.

VII. CHALLENGES IN THE IMPLEMENTATION OF CORE MANDATES, PROJECTS AND PROGRAMMES DURING FY 2025/26, INCLUDING POLICY, FINANCIAL AND LEGISLATIVE GAPS HINDERING EFFECTIVE EXECUTION OF THE MANDATE (IF ANY)

Honorable Chairperson and Members,

During the implementation of the FY 2025/26 budget, the State Department encountered some challenges which included;

- Inadequate financial resources.
- Delays in project procurement and implementation.
- Erratic climatic changes and other shock and stressors.
- Monitoring and evaluation constraints: Limited resources for monitoring, supervision and evaluation affected the frequency and coverage of field monitoring activities, thereby creating challenges in tracking implementation and outcomes of some programmes.

VIII. KEY FISCAL, OPERATIONAL, OR GOVERNANCE RISKS IDENTIFIED IN THE FY 2025/26 THAT REQUIRE CORRECTIVE ACTION OR POLICY REFORMS;

Honorable Chairperson and members,

- **Inadequate and unpredictable funding**: Limited and delayed release of funds posed a risk to timely implementation of planned programmes, projects and core activities. There is need for more predictable and timely exchequer releases and better alignment between actual resource requirements and approved budgets.
- **Accumulation of pending bills**: the continued non-payment of pending bills continues to be a risk affecting service delivery and creating additional financial pressure in subsequent financial years. Strengthening commitment controls and ensuring timely settlement of verified obligations is therefore necessary.
- **Weak monitoring and reporting capacity:** Inadequate resources for monitoring and evaluation affect timely identification of project implementation challenges and measurement of programme results. Strengthening monitoring frameworks and periodic performance reviews would improve accountability and decision making.

IX. MITIGATION MEASURES AND SMART ACTION PLANS THAT WILL ENSURE EFFECTIVE IMPLEMENTATION OF CORE MANDATES BY THE MDAS IN FY 2026/27

Honorable Chairperson and Members,

To address the challenges and risks identified during FY 2025/26, the State Department will implement the following mitigation measures and SMART action plans to enhance efficiency, accountability and effective delivery of its core mandate during FY 2026/27:

1. **Strengthen budget execution and expenditure controls**
   Ensure that available resources are aligned to priority programmes and activities and closely monitor expenditure against approved work plans and budgets. Monthly and quarterly budget performance reviews will be undertaken to identify variances and take prompt corrective action.
2. **Enhance timely utilisation of allocated funds**
   We will develop and implement realistic annual procurement and activity plans aligned to the approved budget. All priority procurements and activities will be initiated within the prescribed timelines to minimise delays and improve absorption of funds.
3. **Improve management of pending bills and commitments**
   Maintaining an up-to-date commitments and pending bills register and prioritise settlement of verified obligations in line with Government guidelines. Quarterly reviews will also be undertaken to prevent accumulation of new pending bills.
4. **Strengthen procurement planning and implementation**
   Ensuring that procurement plans are prepared and approved within the required timelines and closely monitored throughout the financial year. Procurement performance will be reviewed quarterly to identify and address delays affecting programme implementation.
5. **Prioritise programmes within available fiscal space**
   Undertaking regular review of programmes and activities to ensure that resources are directed towards high priority and high impact interventions. Emerging activities will only be accommodated subject to availability of resources and appropriate approval.
6. **Strengthen monitoring, evaluation and reporting**
   Establish a structured quarterly monitoring framework for all major programmes and projects. Implementation progress will be assessed against approved targets, and corrective measures taken where performance falls below expectations.

CONCLUSION

Honorable Chair and Members,

In conclusion, we wish to appreciate this Honorable Committee for the continued support and urge you to continue supporting us to ensure adequate resources are allocated to the State Department to enable us meet our mandate of improving the lives and livelihoods of people living in the ASALs areas.

THANK YOU

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PROJECT INFORMATION ON ALI

Project Code & Project Title	Financing			
	Ksh. millions			
	Estimated Project Cost	GoK	Foreign	Start Da
1036101600 Ending Drought Emergencies Support to Resilient Livelihoods and Drought Risk Management II	1,980.00	660.00	1,320.00	Jan-1
1036102800 Ending Drought Emergencies Eco System based Adaptation in Kenya's Arid and Semi- Arid Rangelands (TWENDE)	1,028.86	312.00	716.86	Feb-2
1036103200 Dryland Climate Action for Community Drought Resilience (DCADR)	2,880.00	800.00	2,080.00	Jan-2
Garissa River Bank	15.00	15.00	-	Jul-2
Drought Mitigation Interventions NDMA	260.00	260.00	-	Jul-2
1036101300 Drought Response & Resilience in Arid & Semi-Arid Areas of Kenya.	7,000.00	7,000.00	-	Jan-2
1036105700 Wananchi Cottages in Kilifi County	431.00	431.00	-	Jul-1
Malindi Integrated Social $ Health Dev. Programme (MISHDIP)	700	0	700	Jul-2
1036104300 Integrated Fruit and Honey Processing	433.10	433.10	-	Jan-1
1036105600 Boji, Chakama, Challa, Vanga, Bura Smallholders Farmers Irrigation Project	4,380.00	1,366.00	3,014.00	Jul-1
Coast Development Authority	500	500	0	Jul-2
CDA- Drought mitigation	2,055.00	2,055.00	0	Jul-2
BETA Priorities and Flood Control - CDA	70.00	70.00	0	Jul-2
1036103300 Gum Arabic and Resins Integrated Development Programme-BETA.	1,000.00	1,000.00	-	Jul-1
1036112700 Northern Kenya Integrated Camel Development Programme	2,450.00	2,450.00	-	Jul-1
1036107800 Ewaso Ng'iro N Integrated Water Drought & Food Security Project -BETA.	5,000.00	5,000.00	-	Jul-1
1036103400 Ewaso Ng'iro North Catchment & Riparian Conservation Project-BETA.	1,500.00	1,500.00	-	Jul-1
1036113300 Della Water Supply Project - ENNDA.	350.00	350.00	-	Jul-2
1036120100 Eldas Lakoley South Water Supply Project - ENNDA	200.00	200.00	-	Jul-2
1036120200 Sololo Ramata Water Supply Project	250.00	250.00	-	Jul-2
Madhgasi Water Dam ENNDA	50.00	50.00		Jul-2
1036112401 Drought mitigation programme - ENNDA	8,500.00	8,500.00	-	Jul-
BETA Priorities and Flood Control - ENNDA	10,000.00	10,000.00	-	Jul-
1036108100 - Kimira Oluch Smallholder Farm Irrigation Project	8,425.00	5,574.00	2,851.00	Feb-
1036117000 Construction of Dykes (Integrated Climate Change Resilience Project)	1,150.00	1,150.00	-	Jul-

1036121600 Modernization of Ndhiwa honey proc
1036105501 - Lichota, Muhoroni and Alupe Solar Ir
1036111801 - Construction of Nyakoe Market
1036113201 - Construction of Amariba Market in Kis
1036112401 Drought mitigation programme - LBDA
BETA Priorities and Flood Control - LBDA
1036106101 Oloitoktok Agro processing Factory Pro
1036103901 Integrated Bamboo Commercialization Addition
1036112401 Drought mitigation programme - ENSDA
1036103801 Ewaso Ng'iro Leather Factory
1036105201 Oloyiangalani Dam Development Proje
Production of 5billion Fruit Tree Seedlings
1036104200 Mango Value Chain Programme
1036107600 Cherangany Watershed Conservation P
1036114900 Turkwel multipurpose dam infrustructu
1036105300 Napuu/Lomut/ Lower Turkwel Irrigatio
1036104100 Wei Wei Phase 3 Irrigation
1036119000-Etio Phase II Water Distribution Supply
Chemeron Dam Phase III
1036112401 Drought mitigation programme - KVDA
BETA Priorities and Flood Control - KVDA
1036103601 Tana Delta Rice Irrigation Project (TDIP)
1036115101 Tana and Athi Catchment Conservation F
1036103501 Kieni Integrated Irrigation Project
1036103701 Murang'a Integrated Programme
1036112401 Drought mitigation programme - TARDA
BETA Priorities and Flood Control - TARDA
1036113500 Intergrated Resilience for sustainable Foo
1036102500 Sustainable Food Systems & Resilient Liv Activities
Total

sing plant	300.00	300.00	-	Jun-25	Jul-28	100.00		200.00	0	100.00	0.00	33.33%
gation Project	1,231.00	1,231.00	-	Jul-15	Jul-29	707.27	-	523.73	0	0.00	0.00	57.45%
	350.50	350.50	-	Jul-18	Jul-29	201.00	-	149.50	0	0.00	0.00	57.35%
County	150.00	150.00	-	Jul-22	Jul-28	13.50	-	136.50	0	0.00	0.00	9.00%
	45.00	45.00	-	Jul-25	Jun-26	45.00		-		45.00	0.00	100.00%
	90.00	90.00	-	Jul-25	Jun-26	90.00		-		90.00	0.00	100.00%
ct	1,200.00	1,200.00	-	Jul-18	Jun-30	313.91	-	886.09	0	0.00	0.00	45.00%
nd Value	1,250.00	775.00	-	Jul-14	Jun-30	293.98	-	956.02	0	0.00	0.00	20.00%
	1,975.00	1,975.00	-	Jul-22	Jun-30	557.50	-	1,417.50	0	270.00	0.00	28.23%
	2,090.00	1,690.00	-	Jul-13	Jun-28	1,410.00	-	680.00	0	20.00	0.00	98.00%
	550.00	550.00	-	Jul-19	Jun-28	477.00	-	73.00	0	0.00	0.00	80.00%
	50.00	50.00		Jul-25	Jun-26	50.00		-		50.00	0.00	100.00%
	274.79	274.79	-	Jul-24	Jun-28	144.76	-	130.03	0	0.00	0.00	52.68%
ogramme	2,480.00	2,480.00	-	Jul-10	Jun-32	232.73	-	2,247.27	0	110.00	0.00	20.00%
	324.19	324.19	-	Sep-24	Jun-27	144.00	-	180.19	0	0.00	0.00	44.42%
Project	1,076.69	1,076.69	-	Jul-16	Jul-28	380.00	-	696.69	0	0.00	0.00	35.29%
	1,420.48	420.48	1,000.00	Sep-18	Jun-28	300.00	1,000.00	120.48	0	20.00	272.00	98.00%
	201.10	120.10	-	Aug-24	Jun-28	120.10	-	91.0	0	120.00	0.00	0.00%
	500.00	150.00	-	Sep-25	Jul-27	200.00		350.00	0	130.00	0.00	40.00%
	370.00	370.00	-	Jul-25	Jun-26	370.00		-	0	370.00	0.00	100.00%
	100.00	100.00	-	Jul-25	Jun-26	100.00		-	0	100.00	0.00	100.00%
	3,901.00	3,901.00	-	Jul-09	Jun-29	1,908.48	-	1,992.52	0	21.00	0.00	48.92%
ogramme	1,000.00	1,000.00	-	Jul-23	Jun-33	7.50	-	992.50	0	0.00	0.00	1.00%
	1,489.00	1,489.00	-	Jul-15	Jun-31	638.00	-	851.00	0	0.00	0.00	42.85%
	600.00	600.00	-	Jul-14	Jun-31	380.00	-	220.00	0	0.00	0.00	63.33%
	45.00	45.00	-	Jul-25	Jun-26	45.00		-	0	45.00	0.00	100.00%
	40.00	40.00	-	Jul-25	Jun-26	40.00		-	0	40.00	0.00	100.00%
l Systems	294.00	103.00	191.00	Jul-24	Jun-28	8.30	-	94.70	191	14.66	0.00	2.82%
lihood	145.00	77.00	78.00	Jul-24	Jun-28	4.75	-	72.25	78	12.00	0.00	3.28%
										3,676.16	**1,299.53**	

REPUBLIC OF KENYA

MINISTRY OF EAST AFRICAN COMMUNITY, ARID AND SEMI-ARID LANDS AND REGIONAL DEVELOPMENT

STATE DEPARTMENT FOR ASALS AND REGIONAL DEVELOPMENT

BRIEF ON THE NATIONAL DROUGHT MANAGEMENT AUTHORITY SUBMITTED TO THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON REGIONAL DEVELOPMENT

Presented By
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Chief Executive Officer

August 2026

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1. Introduction and Background

The National Drought Management Authority (NDMA) is established under the NDMA Act, CAP 388. The Act mandates NDMA to coordinate all matters relating to drought risk management and to establish mechanisms, either on its own or with stakeholders, to end drought emergencies in Kenya.

The NDMA mandate revolves around the following core functions:

i. Provide quality drought and climate information to facilitate concerted action by relevant stakeholders.
ii. Reduce drought vulnerability, increase drought resilience and enhance adaptation to climate change.
iii. Protect vulnerable households, livelihoods and community systems to cope and recover from drought shocks.
iv. Facilitate coordinated action by the Government and other stakeholders towards ending drought emergencies in Kenya.
v. Knowledge management on drought risk management.

Vision: **A nation resilient to drought and related climate shocks**

Mission: **To lead and coordinate drought risk management and climate change adaptation towards achieving resilient communities in Kenya.**

1.2 Scope of Operation

The Authority has a national mandate with operational offices in 23 Arid and Semi-arid Lands (ASAL) counties (Table 1). The Authority plans to expand to 9[1] additional counties (Strategic Plan 2023-2027), bringing coverage to 32 drought-prone counties. The Authority currently supports Machakos from the Makueni station, Elgeyo Marakwet and Nakuru from Baringo, Homa Bay, Siaya and Migori from the West Pokot station. It plans to expand to other drought-prone counties subject to availability of resources. The current coverage is presented below.

Table 1: NDMA coverage

1.3 Strategic Policy Foundations

Since 2011, several policy and strategic blueprints have been developed and adopted to guide drought risk management and the sustainable development of Kenya's arid and semi-arid lands (ASALs). Key among the policy frameworks and strategies that guide the Authority in the execution of its mandate are:

a) Vision 2030 Strategy for the Development of Northern Kenya and Other Arid Lands

Published in 2012, this strategy outlines targeted investments and development priorities to bridge the gap between ASALs and the rest of the country, informed by the Vision 2030 pillars. It interprets the foundations and three pillars of Kenya Vision 2030 through the lens of Northern Kenya's prevailing realities, identifying priority investments required across all pillars to unlock the region's potential.

The strategy informed the development of the ASAL Policy (Sessional Paper No. 8 of 2012) and the Common Programme Framework for Ending Drought Emergencies.

b) Sessional Paper No. 8 of 2012 on the National Policy for Sustainable Development of Northern Kenya and Other Arid Lands (ASAL Policy)

Approved by Parliament in December 2012, the ASAL Policy provides a comprehensive framework for addressing inequality and unlocking the region's development potential. Specifically, the policy:

a. Reinforces constitutional provisions on inequality and marginalisation.
b. Recognises the value of pastoralism and aligns with the African Union Policy Framework for Pastoralism in Africa.
c. Emphasises the contribution ASALs to national development through accelerated investment in foundational infrastructure and services such as roads, security, and human capital.
d. Encourages innovative approaches to service delivery and governance in the ASALs.
e. Establishes a robust institutional framework for multi-sectoral and multi-stakeholder coordination. Key institutions and mechanisms include:
    - National Drought Management Authority (NDMA)
    - National Drought Contingency (Emergency) Fund
    - ASAL Stakeholders Forum
    - National Council for Nomadic Education (NACONEK)
    - Northern Kenya Education Trust (NOKET)
    - ASAL Secretariat

c) Ending Drought Emergencies (EDE) Strategy

The Ending Drought Emergencies (EDE) strategy is a long-term, Government-led initiative designed to address the root causes of drought vulnerability in Kenya's arid and semi-arid lands (ASALs). Initially targeting the year 2022, the EDE goal has since been revised to 2032.

Phase I of EDE was implemented during the period 2013 - 2022 as part of the broader IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI), a regional

framework aimed at building resilience and ensuring that drought does not escalate into emergencies.

The EDE Strategy adopts a multi-sectoral approach to drought risk management and resilience building, with implementation undertaken jointly by the national and county governments in collaboration with development partners and other stakeholders.

Notable progress was made under Phase I, particularly evident during the 2021-2023 drought, regarded as the worst in four decades. The effectiveness of these investments was evident during the 2021-2023 drought, regarded as the most severe drought experienced in Kenya in four decades.

Despite the severity and prolonged nature of the drought, its impacts on lives and livelihoods at a comparable stage were estimated to be approximately 50 per cent lower[2] than during the 2008-2011 drought. This points to strengthened national and county drought risk management capacities and the contribution of sustained investments under the EDE framework.

However, the overarching objective of ending drought emergencies within the initial EDE timeframe was not fully achieved. The 2021-2023 drought also demonstrated that significant structural vulnerabilities remain, particularly in drought-prone areas. This underscored the need to consolidate the gains made under Phase I, address remaining gaps and accelerate investments that strengthen the long-term resilience of communities, livelihoods and ecosystems.

Consequently, EDE Phase II, covering the period 2023–2032, has been developed and is currently under implementation, pending its official launch. Its formulation was undertaken through an extensive consultative process involving State and non-State actors at both national and county levels, ensuring that the second phase reflects lessons from EDE Phase I, emerging drought and climate risks, and evolving national development priorities.

The Common Programme Framework for Ending Drought Emergencies II (EDE CPF II) provides the overarching framework for implementation and organises interventions around three Priority Action Areas (PAAs):

i) PAA 1: Drought Risk Management.
ii) PAA 2: Investment in Foundations for Development and Resilience in Drought Prone Areas – with specific Key Investment Areas;
    a) Peace Building, Conflict Management and Security
    b) Climate-proofed Infrastructure
    c) Education and Skills Development
    d) Health and Nutrition
    e) Natural Resources and Environmental Management
    f) Food Security, Sustainable Livelihoods and Trade
iii) PAA 3: Coordination, Institutional Development and Knowledge Management.

[2] United Nations Office in Nairobi

The next steps for this long-term strategy are:

a) Presentation of the document to the Cabinet for approval.
b) Official public launch and accelerating implementation by stakeholders at both county and national levels.

1.4 National Drought Emergency Fund

The National Drought Emergency Fund (NDEF) is a multi-donor basket Fund established under the Public Finance Management (National Drought Emergency Fund) Regulations, 2021, as a complementary financing mechanism for Drought Risk Management.

The Fund was established to:

i) Improve the effectiveness and efficiency of the drought risk management system in the country.
ii) finance drought resilience building, preparedness and timely response in order to reduce and minimise the negative effects of droughts.
iii) receive financial resources from development partners to support Government efforts in drought risk management.
iv) provide for;
    a) a common basket emergency fund to facilitate faster, transparent, predictable and accountable release of Funds for drought risk management.
    b) funds for capacity and technical expertise development to improve on drought risk management systems.
    c) the establishment, management and coordination of programmes, projects or activities to further the foregoing objects and purposes.

NDEF is governed by the NDMA Board as the Fund Board, stipulated under NDEF Regulation 8. NDEF Regulation 33 (1) a, b, and c provide for resource allocation as follows;

i) Resilience & preparedness (≤50 %)
ii) Response (≤40%)
iii) Recovery (≤5 %)
iv) Administration (≤3%)

The NDEF Regulations provide for its financing through annual appropriations by the National Assembly, which may include contributions from the private sector, donor support and global climate change and disaster risk financing facilities.

Since its establishment in 2021, the Fund has received a cumulative total of Ksh.648.5 million (Ksh. 200 million in FY 2021/2022, Ksh.263.3 million in FY 2022/2023, Ksh. 20 million in FY 2023/2024 and Ksh.165.2 million in FY 2025/2026[3]). No resources were provided during FY 2024/2025.

[3] Currently under State Department for Special Programmes.

2.0 Financial and Non-financial Information on Budget Implementation

The financial and non-financial information related to the Authority's budget implementation for FY 2025/2026 is as outlined below:

2.1. Requirement 1: Overall Absorption Rate for the Authority

During FY 2025/26, the Authority received Ksh. 6,618,636,845 under the Recurrent Budget and recorded an absorption rate of 95%. The variance from full absorption was mainly attributable to funds earmarked for drought interventions that were received towards the end of the fourth quarter, leaving insufficient time for full utilisation within the financial year.

Under the Development Budget, the Authority had an approved allocation of Ksh.1,237,530,000 (Ending Drought Emergencies – Support to Drought Risk Management II Project, Dryland Climate Action for Community Drought Resilience (DCADR) Project, Towards Ending Drought Emergencies Project (TWENDE), the National Drought Emergency Fund (NDEF), and Government of Kenya-funded interventions). The Development Budget recorded an absorption rate of 61%.

The lower absorption rate arose from non-receipt of Ksh.378 million under the TWENDE donor funding as well as Ksh.110 million earmarked for drought resilience initiatives under Supplementary Estimates II received in July 2026, after the close of FY 2025/26, and could therefore not be utilised within the reporting period.

Under the National Drought Emergency Fund (NDEF), the cumulative absorption rate is 69% against the total funds (648.5 million) received since inception, due to delayed exchequer releases over the years and transitions.

2.2 Requirement 2: Current Status of Recurrent and Development Budgets

The status of the Authority's Recurrent and Development Budgets for FY 2024/25 and FY 2025/26 is provided in Annex 1. During FY 2025/26, the Authority did not incur any pending bills.

2.3 Requirement 3: Project Information for ongoing Capital Projects

The Authority is currently implementing four Government of Kenya and donor-funded development projects that support the delivery of its mandate. Details of the ongoing development projects are provided in Annex II.

During the year under review, the Authority also implemented investments in drought resilience infrastructure financed through the DCADR Project, NDEF, and GoK resources. Details of the individual investments are provided in Annex II(a).

2.4 Requirement 4: Budget Performance - Recurrent and Development Budget

The tables below present the Authority's Recurrent and Development Budget breakdown for the period under review.

Table 5: Recurrent Budgets

Item	Printed Estimates	Actual	Difference
	2025/26	2025/26	2025/26
Gross Revenue	**6,618.64**	**6,618.64**	**-**
Of which is:			**-**
1. Hunger safety Net Program	5,519.04	5,519.04	-
2. Kenya Drought Early Warning	13.50	13.50	-
3. Drought Recovery Initiatives	350.00	350.00	-
4. Recurrent (P/E & O&M)	736.10	736.10	-
Net Expenditures	**6,618.64**	**6,618.64**	**-**
Recurrent – Compensation to Employees	558.33	558.33	-
Others – As explained below	6,060.31	6,060.31	-
1. Hunger Safety Net Program (HSNP)	**5,519.04**	**5,519.04**	**-**
Cash transfer and related costs	5,050.80	5,050.80	-
Registration and Targeting of Households	-	-	-
Nutrition Sensitive Early / Anticipatory action for flood/scalability strategy	-	-	-
Other delivery mechanism costs	468.24	468.24	-
2. Kenya Drought Early Warning (KDEWs)	**13.50**	**13.50**	**-**
Field monitors allowances during data collection	13.50	13.50	-
Supervision and verification costs	-	-	-
Fuel & finance costs	-	-	-
3. Other Recurrent (O&M)	**177.77**	**177.77**	**-**
Utilities	5.14	5.14	-
Contractual obligations (Rent, Insurance, guarding & cleaning, Internet & communication costs)	84.67	84.67	-
Board expenses	30.00	30.00	-
Other O&M (Fuel, Repairs & Maintenance, Office stationery, ...)	57.96	57.96	-

Table 6: Development Budgets

Programme/Project		Allocation (Ksh. millions)			Expenditure (Ksh. millions)	Difference (Ksh. millions)
		Gok	Donor	Total		
1.	EU- EDE Support to Resilient Livelihoods and Drought Risk Management II	15		15	15	0
2.	EU- Dryland Climate Action for Community Drought Resilience - DCADR (GoK/EU)	35	520	555	555	0
3.	Towards Ending Drought Emergencies – Adaptation on Kenya ASAL - TWENDE (GoK/IUCN)	30	377.53	407.53	30	377.53
TOTAL		**80**	**897.53**	**977.53**	**599.645**	**377.885**

2.5 Requirement 6: Key Achievements and Non-Financial Outputs

a) **Strengthened drought early warning and preparedness:** Produced 288 monthly drought early warning bulletins, comprising 276 county-level bulletins and 12 national bulletins, providing timely and actionable information to guide drought preparedness and response interventions.

b) **Enhanced drought response Interventions:** The financial year was characterised by drought conditions that necessitated the implementation of drought response interventions. During the period, the Authority reached 117,800 households across six counties through water trucking and supported 27,415 households across nine counties with livestock feeds.

In addition, the Authority supported rehabilitation of strategic boreholes and provided fuel subsidies to sustain access to water in Mandera and Wajir counties, thereby cushioning vulnerable communities and livestock against impacts of drought.

c) **Scaled up climate resilience investments:** During the period, the Authority initiated a total of 37 strategic macro projects valued at Ksh. 599.9 million, across ASAL counties.

d) **Strengthened social protection for drought-affected households:** Through the Hunger Safety Net Programme (HSNP), the Authority disbursed Ksh.4.313 billion in cash transfers to 133,484 00 households across eight arid counties, thereby enhancing household resilience to climate and livelihood shocks.

e) Strengthened resource mobilisation and climate finance readiness: The Authority operationalised its Resource Mobilisation Strategy and advanced institutional readiness towards Green Climate Fund (GCF) accreditation, strengthening its capacity to access and mobilise additional climate finance for drought risk management, resilience building and climate action in the ASALs.

- As part of efforts to diversify financing for drought resilience beyond traditional public and development partner funding, the Authority strengthened engagement with the private sector and other non-State actors. In June 2026, NDMA convened a private-sector engagement forum to mobilise partnerships and investment in drought preparedness and resilience interventions in the ASALs.
  Through the initiative, the Authority presented a portfolio of priority drought resilience investments valued at Ksh. 130.8 million, focusing on strategic water and related resilience infrastructure in participating ASAL counties. The forum presented concrete investment opportunities and generated interest from participating institutions, including Equity Bank and Consolidated Bank, in supporting drought resilience initiatives.

- The engagement also provided a platform to mobilise support for the NDMA Road Race, an initiative through which the Authority is leveraging sport to raise awareness, build partnerships and mobilise resources for community-level drought resilience investments. The inaugural Road Race was held at Archers Post, Samburu County, in August 2026, and by the time of the event, the initiative had generated commitments valued at approximately KSh 45 million towards the identified investments.

2.6 Requirement 7: Challenges in Implementation of Projects and Programmes

	Challenge	Implication
Inadequate and declining Government Funding		
1.	Budget allocation to the HSNP reduced as follows: i. FY 2024/25 – **Ksh. 1.531 billion** against **Ksh. 5.465 billion** requirements.	▪ In FY **2024/25**, NDMA was able to disburse cash transfers for only 3 months, **accumulating nine months in arrears.** ▪ These arrears undermine the Government's commitments to social protection of poor and vulnerable households. ▪ HSNP cash transfers offer **consumption support** to targeted poor and vulnerable citizens. Failure to disburse the cash transfers undermines the **food and nutrition security** of the targeted households.
2.	Continued **shortfall in GoK counterpart funding** for the EU-funded **DCADR Project**.	The counterpart funding shortfall has the following implications:

	▪ In FY 2025/26, the project received a GoK counterpart allocation of **Ksh. 60 million**, equivalent to approximately **8.3%** of the donor contribution, against an expected **KSh 201.6 million**, equivalent to **28%** of the donor contribution, in accordance with the Financing Agreement. ▪ Cumulatively, the Government has an **outstanding counterpart funding commitment of KSh 253.4 million** under the Financing Agreement.	▪ GoK counterpart funding is intended, among other purposes, to meet the Government's obligations relating to taxes, levies and duties under the Financing Agreement. The outstanding amount relating to VAT and duties refundable to the European Union currently stands at **Ksh. 101.3 million**. ▪ Counterpart resources also support essential project coordination and operational requirements. Inadequate provision therefore constrains effective implementation and oversight of project activities. ▪ Continued under-provision of counterpart funding may affect the Government's ability to fully meet its commitments under the Financing Agreement and could constrain delivery of planned project results. ▪ Persistent counterpart funding shortfalls may affect confidence in the Government's ability to honour co-financing commitments, with potential implications for existing partnerships and the mobilisation of future development and climate finance. **Required intervention:** Adequate budgetary provision is required to progressively address the outstanding **Ksh. 253.4 million GoK counterpart commitment**, including the **Ksh. 101.3 million outstanding VAT and duties obligation**, and to provide for the project's coordination and operational requirements.
3.	GoK counterpart funds allocation of **Ksh. 30 million** (8% of donor funds) for the GCF-funded Towards Ending Drought Emergencies: Ecosystem-Based Adaptation in Kenya's Arid and Semi-Arid Rangelands (TWENDE) project during FY 2025/2026 against required matching funds of **Ksh.164 million** as per the Financing Agreement.	▪ Inadequate provision of the GoK counterpart fund to the GCF-funded project contravenes the Financing Agreement, programme implementation, and donor relations. ▪ A reduction in counterpart funding significantly hindered the implementation of planned activities. Under this project, each activity is co-financed by the donor and GoK. Without adequate GoK contribution, some activities could be implemented. ▪ The minimal amount allocated as matching funds against the donor commitment and as per the financing agreement hampered release of donor funds amounting to **Ksh.378 million for FY 2025/26.** ▪ Continued reduction in GoK counterpart allocations risks undermining donor confidence and may strain existing and future partnerships.

4.	The Kenya drought early warning system requires an annual budget of **Ksh. 45 million,** but the Authority has been receiving only **Ksh. 30 million annually**. However, in the FY 2025/2026, the allocation has been reduced further to **Ksh. 13.5 million.**	▪ Provision of drought early warning information is a core function of the Authority, which informs drought preparedness, response and recovery by stakeholders at county and national level. ▪ The funds support drought early warning data collection, analysis and reporting. ▪ The budget reduction is likely to ground this important service in the face of increased frequency, severity and spatial spread of droughts.
5.	NDMA coordinates bi-annual multi-sectoral, multi-agency food security assessments at an approximate cost of **Ksh. 60 million** provided by various partners. This programme requires a specific budget line from the Government, which has not been considered over time.	▪ The funds support bi-annual, seasonal food and nutrition security assessments, including data collection, analysis and reporting. ▪ The bi-annual food security assessments are critical in informing decision-making by Government and stakeholders towards cushioning lives and livelihoods. ▪ NDMA is currently relying on the goodwill of partners, which is unsustainable due to donor funding cycles. This undermines GoK leadership in the food security sector.
6.	The Authority requires an annual allocation of **Ksh. 90 million** for drought risk management coordination, which has not been considered as a specific budget line from the Government over time.	▪ Coordination of drought risk management is NDMA's core mandate, yet the Authority does not receive a specific budget allocation and has to depend on partners, which is unreliable. ▪ In addition, due to its presence in ASAL counties, the Authority is frequently called upon to support data collection and coordination of other hazards such as floods, locust invasions, resource-based conflicts, livestock and human disease outbreaks, putting pressure on meagre resources.
Administrative Challenge		
7.	Executive Order No. 1 of 2025 placed the National Drought Emergency Fund (NDEF) under the State Department for Special Programmes, while the National Drought Management Authority (NDMA) remains under the State Department for ASALs and Regional Development.	The Public Finance Management (National Drought Emergency Fund) Regulations, 2021 designate NDMA as the Fund Manager. The placement of NDEF and its designated Fund Manager under separate State Departments creates an institutional coordination challenge and may affect the efficient governance, administration and operationalisation of the Fund. This is particularly significant given NDEF's role as a financing mechanism for drought preparedness, anticipatory action, response and long-term resilience building. Effective operationalisation of the Fund requires clear institutional responsibilities, streamlined decision-making and close alignment between the Fund and the national drought early warning and risk management systems managed by NDMA.
8.	The Ending Drought Emergencies Common	The delay has consequently affected the official launch, dissemination and wider operationalisation of EDE CPF

	Programme Framework II (EDE CPF II) has experienced delays in progressing through the relevant Government approval and concurrence processes, including securing ownership across responsible portfolios and alignment with the Medium-Term Plans and associated budget frameworks.	II, limiting its visibility and uptake among implementing institutions, county governments, development partners, the private sector and other stakeholders. Given that EDE CPF II provides the overarching framework for coordinating multi-sectoral investments towards ending drought emergencies, delayed operationalisation may constrain coordinated planning, resource mobilisation and implementation of drought resilience interventions.
Statutory Challenge		
1.	The Public Finance Management Act, 2012 requires partner contributions to NDEF to be channelled through the National Treasury, limiting the Fund's ability to directly mobilise and manage resources from development partners and the private sector. This constrains NDEF's flexibility to operate as a common basket fund for timely drought preparedness, anticipatory action, response and resilience building.	The Fund risks losing potential financing opportunities from development partners, the private sector and other non-State actors, thereby limiting its capacity to diversify and expand the financing available for drought risk management.

2.7 Requirement 8: Key Fiscal, Operational and Governance Risks

a) Diminishing and fluctuating budgetary allocations affecting predictability and implementation of projects, programmes and activities, undermining delivery of institutional mandate.
b) Shrinking resource mobilisation opportunities among the donor community, limiting resource partnerships for Drought Risk Management (DRM) and Climate Change Adaptation.

2.8 Requirement 9: Mitigation measures and SMART Action Plans

1. The Authority to continue engaging the National Assembly through the line committee and the National Treasury with a view to strengthening its resource mobilisation strategies, including ring-fencing of HSNP, NDEF and GoK Counterpart funding.
2. Advocating for policy reviews and adjustments to streamline programming in drought risk management and climate change adaptation. The Authority has initiated the process of reviewing the various legal instruments.

Annex I: Status of Recurrent and Development Budgets

Table2: Recurrent Budget Lines

No.	Budget Lines	Requirement 2025/26	Allocation 2025/26	Deficit	Implication
1	Recurrent	842,637,500	736,566,000	106,071,500	The Authority was not able to fully cater for contractual obligations amounting to Ksh. 106,071,500. These included operations, Food Security Assessment and Drought Coordination activities.
2	Hunger Safety Net Programme (HSNP GoK)	5,519,040,000	5,519,040,000	0	The Authority received a supplementary budget of Ksh. 1,600,000, which bridged the gap and fully paid all the 12 cycles of regular cash transfers, as well as the scale-ups for one month.
3	Kenya Drought Early Warning System (KDEWS)	40,000,000	13,500,000	26,500,000	▪ The budget deficit of Ksh.26.5 million severely affected the timeliness and quality of these bulletins, the Country's preparedness and responsiveness to drought risk. ▪ The significant decline in funding for this activity from Ksh.30 million to Ksh.13.5 million and now Ksh. 13.1 million in this FY, against shrinking support from resource partners.

Table 3: Development Budget

Programme/Project	Requirement (Ksh. Millions)			Allocation (Ksh. Millions)			Deficit KSh. Millions	Implication
	Gok	Donor	Total	Gok	Donor	Total		
EU- EDE Support to Resilient Livelihoods and Drought Risk Management II	45	0	45	15		15	30	The Authority was not able to settle legal obligations for levies, duties and VAT as per Government commitment as per the financing agreement.

EU- Dryland Climate Action for Community Drought Resilience - DCADR (GoK/EU)	201.6	520	721.6	35	520	555	166.6	▪ The Authority was not able to settle legal obligations for levies, duties and VAT as per Government commitment. Currently, the pending refund of VAT and duties to the EU is Ksh.101.3 million. ▪ The Authority was also unable to fully meet project coordination and operation requirements.
Towards Ending Drought Emergencies – Adaptation on Kenya ASAL - TWENDE (GoK/IUCN)	164	378	542	30	0	30	512	▪ The Authority was not able to implement earmarked activities due to non-disbursement of donor funding of Ksh.378million. The delay was occasioned by an ongoing audit activity by the donor. ▪ The minimal amount allocated as matching funds against the donor commitment and as per the financing agreement hampered release of donor funds.
TOTAL	**410.60**	**898.00**	**1,308.60**	**80.00**	**520.00**	**600.00**	**708.6**	

Annex II: Project Information for On-going Capital Projects

Table 4: Ongoing Capital Projects

		Geographical coverage	Project Description	Project cost (Ksh. million)	Source of funds (Ksh. millions) (as per FA)		Timeline		Cumulative Expenditure up to June 2026	Completion Status
					GoK	Donor	Start Date	End Date		
1.	Towards Ending Drought Emergencies: Ecosystem-Based Adaptation in Kenya's Arid and Semi-Arid Rangelands (TWENDE)	Samburu, Marsabit, Isiolo, Garissa, Tana River, Meru, Tharaka Nithi & Kitui, Taita Taveta, Makueni & Kajiado	NDMA implements Component 1 "*Climate change adapted planning for drought resilience*" of the TWENDE project.	1,028	312	716 (Green Climate Fund)	Feb 2021	Oct 2028	328.63	32%
2.	Dryland Climate Action for Community Drought Resilience (DCADR)	Drought-prone counties	Seeks to enhance resilience to drought and other effects of climate change on communities in arid and semi-arid lands through improved preparedness, response and recovery.	2,880	800	2,080 (EU)	Mar 2023	Feb 2028	1,317.57	46%
	National Drought Emergency Fund (NDEF)	Turkana, Samburu, Marsabit, Isiolo, Mandera, Wajir, Garissa, Tana-River, West Pokot, Baringo,		2,000	2,000		Oct 2021	Sept 2030		

		Narok, Kajiado, Meru, Tharaka Nithi, Laikipia, Nyeri, Embu, Kitui, Makueni, Taita Taveta, Kilifi, Kwale & Lamu							

ONGOING NDEF/G.o.K PROJECTS AS AT 30TH JUNE 2026

Tender /Quotation No. & Description	Method of Procurement	Date Awarded	LPO/LSO/Contract No.	Contract Value	Source of Funds	Implemetation Status (%)	Payment status(Please confirm)
Supply and delivery of spare parts for various boreholes in mandera county	RFQ	2/20/2026	Ndma/mdr/01/2025-2026	2,825,050.00	DCADR	100%	Paid
Proposed construction of moru akwaan water pan in nakalale ward (turkana county)	Open tender	2/16/2026	Ndma/10/2025-2026	18,602,161.66	DCADR	20	Not paid
Proposed construction of mansa dam in fino ward-Mandera County	Open tender	2/25/2026	Ndma/02/2025–2026	17,627,918.09	GoK	65%	Not paid
Construction of waa water pan in kilifi county	Open tender	2/25/2026	Ndma/06/2025–2026	21,997,549.20	GoK	Mobilization Phase:	Not paid
Proposed construction of water pipelilne project for kisima vision youth group in kisima ward, meru county	Open tender	2/16/2026	Ndma/12/2025–2026	43,112,661.42	DCADR	20%	Not paid
Rehabilitation of jaribuni mdachi irrigation scheme dyke and canal extension in jaribuni ward kilifi county	Open tender	2/16/2026	Ndma/16/2025–2026	26,472,211.43	DCADR	5%	Not paid
Desilting of bangale water pan in bangale ward tana river county	Open tender	2/25/2026	Ndma/01/2025-2026	16,623,960.00	GoK	60%	Not paid
Proposed construction of ochilo dam(Siaya)	Open tender	2/25/2026	Ndma/03/2025–2026	21,425,751.71	GoK	90%	Not paid
Proposed construction of an improved oruo dam in south east alego ward, alego usonga sub county (siaya county)	Open tender	2/25/2026	Ndma/04/2025–2026	17,350,046.00	Gok	90%	Not paid
Construction of harshilmi earth pan in mandera west sub county- (mandera county)	Open tender	2/25/2026	Ndma/05/2025–2026	18,721,867.00	Gok	78%	Not paid
Proposed riba water works in wajir county	Open tender	2/16/2026	Ndma/07/2025-2026	24,163,146.86	GoK	95%	Not paid
Procurement of Integrated Fish production and processing, plant for Focused Mums Self-Help Group in Isiolo County	Open tender	2/16/2026	Ndma/08/2025-2026	22,100,489.37	DCADR	30%	Not paid
Proposed equipping, solarization, storage and pipeline extension of kerio water project, kerio ward in turkana county	Open tender	2/16/2026	Ndma/09/2025-2026	24163146.86	DCADR	30%	Not paid
Rehabilitation and Expansion of Kadzingwi Mitsemerini Water Pan Bamba Ward, Ganze Sub-County in Kilifi County	RESTRICTED	N/A	NDMA/RT/03/2025-2026	9,599,652.03	NDEF	Award Stage	Not paid

Desilting & Expansion of Kwa Ngindu Earth dam- Ngungi Village, Mui Ward - Mwingi Central Sub County- Kitui County	RESTRICTED	N/A	NDMA/RT/04/2025-2026	9,623,939.66	NDEF	Award Stage	Not paid
Proposed Desilting & Expansion of Kithamba Ngii Water Pan in Mwereni Ward, Kwale County	RESTRICTED	N/A	NDMA/RT/05/2025-2026	9,776,512.07	NDEF	Award Stage	Not paid
Rehabilitation of Musul Water Pan, Laikipia County	RESTRICTED	N/A	NDMA/RT/06/2025-2026	9,782,512.00	NDEF	Award Stage	Not paid
Rehabilitation and Climate-Resilient Upgrading of Nairobi Area Water Pan (20,000 m³), Lamu County	RESTRICTED	N/A	NDMA/RT/07/2025-2026	9,723,716.24	NDEF	Award Stage	Not paid
Rehabilitation of Burmayo North Earth Pan, Mandera County	RESTRICTED	N/A	NDMA/RT/08/2025-2026	9,514,460.00	NDEF	Award Stage	Not paid
Desilting of Kurmoto Community Water Pan-13,000m3, Narok County	RESTRICTED	N/A	NDMA/RT/09/2025-2026	9,780,921.40	NDEF	Award Stage	Not paid
Rehabilitation/Improvement of Kamagajiu Earth Pan Tharaka Nithi County	RESTRICTED	N/A	NDMA/RT/10/2025–2026	9,998,699.60	NDEF	Award Stage	Not paid
Desilting of The Kyua Earth Dam; Kyua Village, Katangi Ward, Yatta Sub-County, Machakos County	RESTRICTED	N/A	NDMA/RT/11/2025-2026	9,647,755.26	NDEF	Award Stage	Not paid
Desilting of Kwa-Kisowe Earth Dam to Enhance Water Security; Mikooni Village, Nzaui/Kilili Ward, Makueni Sub-County, Makueni County	RESTRICTED	N/A	NDMA/RT/12/2025-2026	9,675,741.70	NDEF	Award Stage	Not paid
Proposed Taleh firm solar powered electric fence in Garissa County	RESTRICTED	N/A	NDMA/RT/13/2025–2026	4,861,188.80	NDEF	Award Stage	Not paid
Proposed rehabilitation of Oletukati Water Pan in Ildamat Ward, Narok East Sub-County, Narok County	RESTRICTED	N/A	NDMA /RT/02/2025-2026	5,698,163.68	NDEF	Mobilization Phase:	Not paid
Proposed rehabilitation and solarization of Kiloh Community Borehole in Imaroro Ward in Kajiado East	RFQ	N/A	NDMA/HQ/01/2025-2026	4,789,286.20	NDEF	Mobilization Phase:	Not paid
Proposed rehabilitation of Kutayu water pan in Mandera County	RFQ	N/A	NDMA/HQ/02/2025-2026	4,801,035.00	NDEF	Mobilization Phase:	Not paid
Proposed Garsen Water Supply and Sanitation Project Improvement Works, Tana River County	Open tender	N/A	NDMA/21/2025-2026	21,959,721.77	NDEF	Mobilization Phase:	Not paid

Proposed Mukithi Water Project: Pipeline Extension and Its Accessories and Construction of one 225m^3 Masonry Tank in Marimanti Ward, Tharaka Nithi County.	Open tender	N/A	NDMA/22/2025-2026	47,111,638.99	DCADR	Mobilization Phase:	Not paid
Establishment of 100 acre Yabicho B irrigation project in Rhamu dimtu ward ,Mandera North sub county, Mandera county	Open tender	15/12/2025	NDMA/16/2024-2025	33,000,000.00	NDEF	58%	Partially paid