THE REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KISUMU

COUNTY BUDGET IMPLEMENTATION REVIEW REPORT (CBIRR)

First Quarter (July–September 2025)

FOR THE FINANCIAL YEAR 2025/2026

Executive Summary

The County Government of Kisumu recorded a total revenue of Ksh 3.22 billion during the first quarter of the Financial Year 2025/2026, representing 20% of the annual revenue target of Ksh 16.33 billion. The performance reflects a relatively slow start to the fiscal year, mainly attributed to delayed disbursements from the national government and low absorption of conditional grants.

The equitable share contributed the highest portion of receipts at Ksh 1.43 billion (16%), followed by own source revenue at Ksh 186.6 million (5%). The conditional grants realized a minimal performance of Ksh 44.5 million (2%), largely due to ongoing project realignments and delayed partner reporting. The opening balance from the previous financial year contributed Ksh 1.56 billion, providing liquidity for early operations.

On expenditure, total spending stood at Ksh 2.77 billion, translating to 17% of the annual budget. Of this, personnel emoluments accounted for Ksh 2.31 billion (42%), operations and maintenance for Ksh 324.4 million (7%), and development expenditure for Ksh 138.5 million (2%). The expenditure pattern indicates a heavy focus on recurrent costs, particularly salaries and essential operations, while development spending remained low due to delayed procurement and fund releases.

In terms of own source revenue performance, key contributors included the Health Department (Ksh 61.9 million), Markets (Ksh 16.7 million), Bus Parks (Ksh 17.3 million), Town Parking (Ksh 13.0 million), and Billboards (Ksh 16.4 million). These sectors continue to drive the County's internal revenue growth, although several streams underperformed compared to projections.

Overall, the first quarter's fiscal performance underscores the need for enhanced revenue mobilization, timely disbursement of grants, and accelerated development expenditure to achieve the County's 2025/2026 budget objectives.

COUNTY GOVERNMENT OF KISUMU
EXECUTIVE COMMITTEE MEMBER FOR COUNTY TREASURY
DATE.........................
P.O. BOX 2738 - 40100, KISUMU

GEORGE O. OKONG'O

CECM-FINANCE,ECONOMIC PLANNING AND ICT SERVICES

Budget Overview FY 2025/2026

The approved County Budget for the FY 2025/2026 amounted to **Kshs. 16.33 billion**, comprising **Kshs. 10.37 billion (63%)** for recurrent expenditure and **Kshs. 5.96 billion (37%)** for development expenditure.

The budget was expected to be financed through the following sources:

- **Equitable Share:** Kshs. 8,902,026,938
- **Opening Balance:** Kshs. 1,559,835,059
- **Conditional Grants:** Kshs. 2,237,167,940
- **Own Source Revenue:** Kshs. 3,632,494,226

A detailed analysis of expenditure by economic classification and revenue performance by source is presented in the sections that follow.

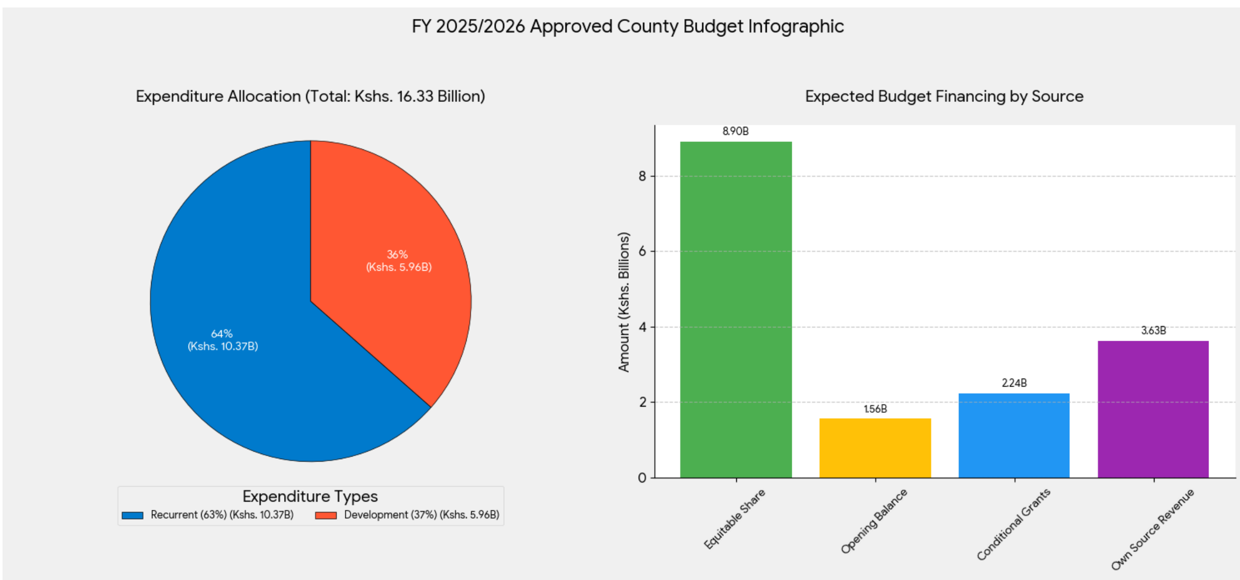


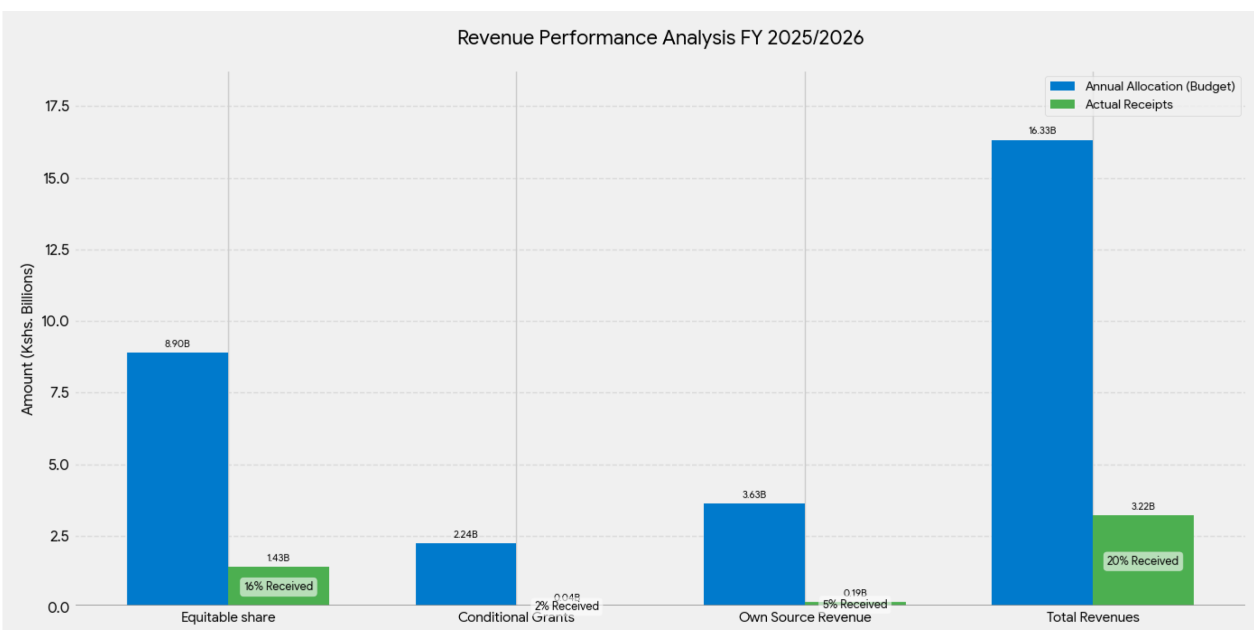
Figure 1: Kisumu County Approved Budget Estimates 2025/2026

Revenue Analysis

During the period under review, the County received a total of **Kshs. 3,217,473,519**, representing **20 percent** of the annual revenue target. The receipts comprised **Kshs. 1,559,835,059** as the opening balance carried forward from FY 2024/2025, **Kshs. 1,426,614,996** from the equitable share, **Kshs. 44,464,410** as conditional grants, and **Kshs. 186,559,054** from Own Source Revenue (OSR).

The table below presents an analysis of the annual revenue targets and their performance during the **first quarter of FY 2025/2026**.

Revenue Source	Annual Revenue Allocation (in Kshs)	Actual Receipts	Budget Balance	Overall Performance (%)
Equitable share	8,902,026,938	1,426,614,996	(7,475,411,942)	**16%**
Conditional Grants	2,237,167,940	44,464,410	(2,192,703,530)	**2%**
Sub total	**11,139,194,878**	**1,471,079,406**	**(9,668,115,472)**	**13%**
Own Source Revenue	3,632,494,226	186,559,054	(3,445,935,172)	**5%**
Sub Total	**3,632,494,226**	**186,559,054**	**(3,445,935,172)**	**5%**
Opening Balance	1,559,835,059	1,559,835,059	-	**100%**
Total Revenues	**16,331,524,163**	**3,217,473,519**	**(13,114,050,644)**	**20%**



Conditional Grants Performance

In the first quarter of FY 2025/2026, Kisumu County received only Kshs. **44,464,410** in conditional grants, representing a disappointing 2% of the budgeted Kshs. **2.2 billion**. This significant underperformance in grant receipts highlights critical challenges in securing anticipated funding that is vital for implementing various development projects and programs.

Revenue Items	**Estimate 2025-2026**	**Actual Amount**	**Performance**
DANIDA Grant	23,123,790	0	0%
Finance Locally -Led Climate Action Plan (FLLOCA)	137,500,000	0	0%
KISIP	845,000,000	0	0%
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project (NAVCDP)	157,535,352	0	0%
Aquaculture Business Development Project (ABDP)	37,326,163	0	0%
PrAEctiCe	20,000,000	12,155,110	61%
Allocation for Court Fines	66,912	0	0%
KDSP II Level I	37,500,000	0	0%
KDSP II Level II	352,500,000	0	0%
Community Health Promoters	165,339,627	0	0%
Change Maker	15,000,000	0	0%
IDA (World Bank Credit: Kenya Urban Support Project KUSP-Urban Institutional Grant (UDG)	36,634,916	32,309,300	88%
IDA (World Bank Credit: Kenya Urban Support Project KUSP-Urban Development Grant (UIG)	340,394,236	0	0%
Kenya Dairy Enterprise Development	400,391	0	0%
Transforming health centre	544,976	0	0%
RMLF	68,301,577	0	0%
Total Share of National Revenue	**2,237,167,940**	**44,464,410**	2%

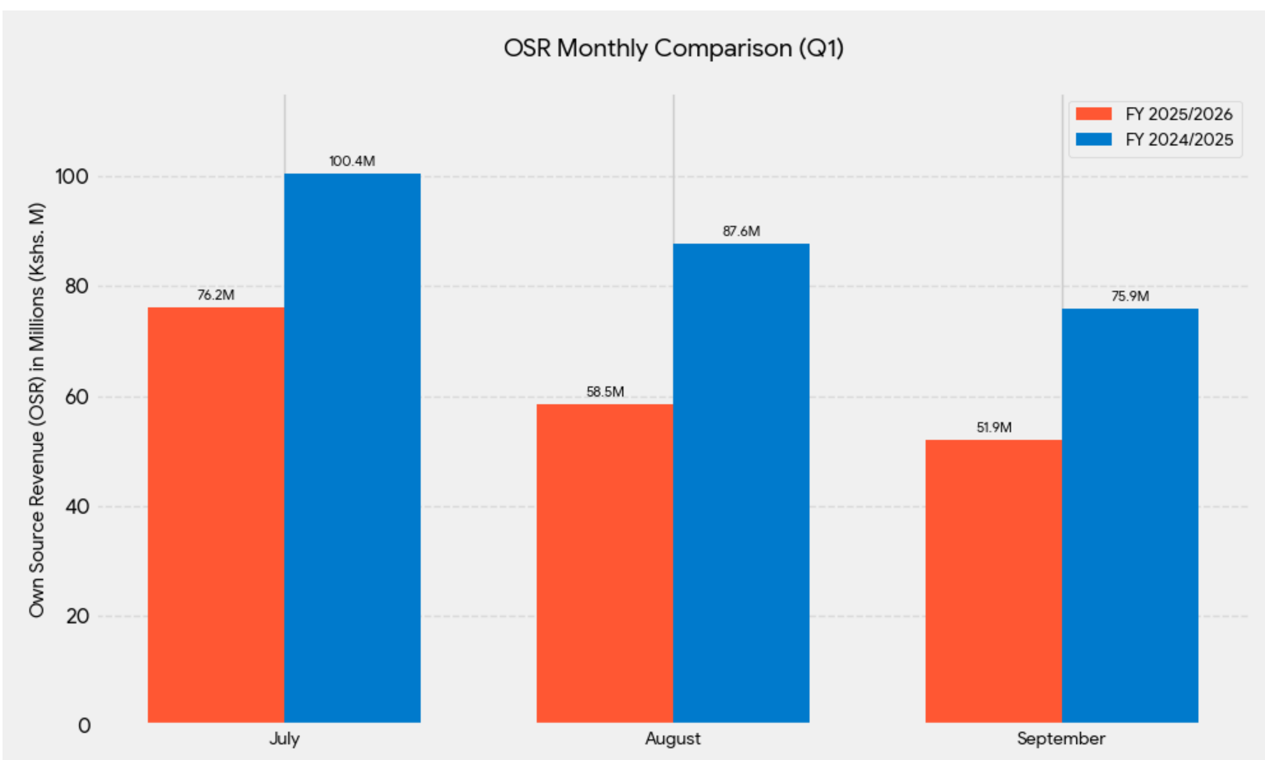
Own Source Revenue (OSR) Performance

During the **first quarter of FY 2025/2026**, total **Own Source Revenue (OSR)** collection amounted to **Kshs. 186,559,054.16**. This represents a **41 percent decline** compared to collections during the same period in **FY 2024/2025**, which stood at **Kshs. 263,897,995**.

The table below provides a detailed breakdown of **monthly Own Source Revenue collections** by stream for the period under review.

KISUMU COUNTY REVENUE BOARD OWN SOURCE REVENUE REPORT FOR THE PERIOD JULY 2025 TO SEPTEMBER 2025				
Revenue Streams	**Jul 2025**	**Aug 2025**	**Sep-25**	**TOTAL**
LANDS ,PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT				
Plan Approvals	1,127,050.00	5,308,200	3,473,120	**9,908,370.00**
Billboards	5,472,103.50	6,973,603	3,976,919	**16,422,625.50**
Rent - House	443,750.00	448,700	887,650	**1,780,100.00**
-Plot	76,628.00	39,800	45,918	**162,346.00**
Rates	8,352,462.00	3,630,755	3,930,019	**15,913,236.00**
Survey	84,600.00	26,000	65,250	**175,850.00**
TRADE, TOURISM, INDUSTRY AND MARKETING				
Trade Licence	5,570,525.00	2,802,817	2,078,125	**10,451,467.00**
Markets	5,128,902.00	5,976,820	5,576,150	**16,681,872.00**
Stock Rings	101,901.00	154,750	220,300	**476,951.00**
Cess	1,337,860.00	834,100	1,354,996	**3,526,956.00**
Betting	332,250.00	75,500	56,000	**463,750.00**
Weights and Measures	354,560.00	190,240	45,240	**590,040.00**
Liquor Licence	1,632,500.00	1,057,500	1,026,105	**3,716,105.00**
INFRASTRUCTURE, ENERGY AND PUBLIC WORKS				
Bus Park	4,975,800.00	6,371,400	5,963,220	**17,310,420.00**
Town Parking	3,963,950.00	4,577,770	4,496,860	**13,038,580.00**
Reserved Slots	100,000.00	480,000	200,000	**780,000.00**
Monthly Stickers	13,500.00	1,000	2,000	**16,500.00**
Clamping Fees	12,500.00	11,400	19,350	**43,250.00**
WATER,ENVIROMENT,NATURAL RESOURCES AND CLIMATE CHANGE				
Conservancy fees	-	1,000,000	2,000,000	**3,000,000.00**
Fire	389,900.00	332,800	184,700	**907,400.00**
AGRICULTURE, FISHERIES, LIVESTOCK, DEVELOPMENT AND IRRIGATION				
Agriculture FIF	887,305.00	273,820	232,980	**1,394,105.00**

Fisheries	2,250.00	1,350	7,200	**10,800.00**
Veterinary	147,115.00	149,025	145,470	**441,610.00**
Livestock Movement Permit	-	1,150	1,000	**2,150.00**
SPORTS , CULTURE, GENDER AND YOUTH AFFAIRS				
Hire of Stadium	-	512,500	3,000	**515,500.00**
Park Fee	3,548,400.00	701,100	772,650	**5,022,150.00**
EDUCATION, TECHNICAL, TRAINING INOVATION AND SOCIAL SERVICES				
Library Charges	2,150.00	-	2,280	**4,430.00**
PUBLIC SERVICE,COUNTY ADMINISTRATION AND PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR				
Other Fines Penalties and Impoundings	29,502.00	22,500	27,000	**79,002.00**
Unclassified	619,951.00	(38,147)	1,167,064	**1,748,868.00**
MEDICAL SERVICE, PUBLIC HEALTH AND SANITATION				
Public Health	405,870	415,300	1,025,130	**1,846,300.00**
Medical Service	31,040,932	16,188,930	12,898,459	**60,128,320.66**
QUARTERLY REVENUE	**76,154,216.70**	**58,520,682.96**	**51,884,154.50**	**186,559,054.16**

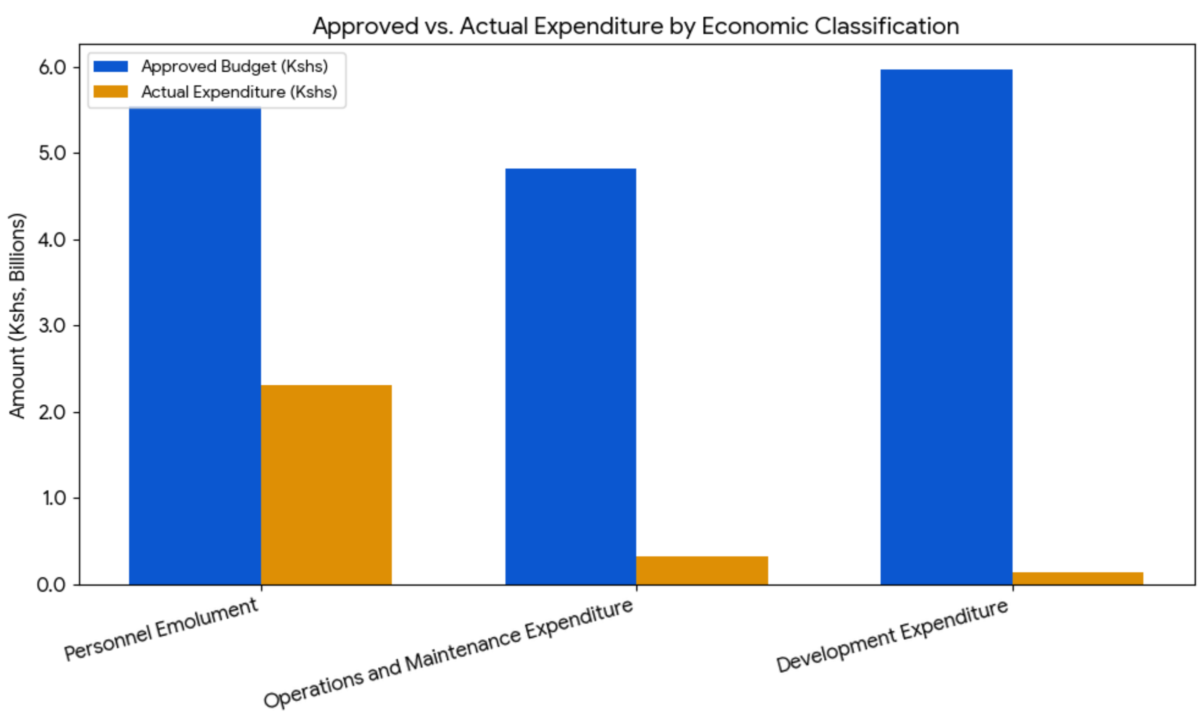


EXPENDITURE ANALYSIS

The total expenditure was Kshs. **2,769,449,715**, representing an absorption rate of 17 percent of the total annual Budgets. Recurrent expenditure was Kshs. **2,630,972,920** representing 25 percent of the annual recurrent budget. Development expenditure amounted to Kshs. 138,476,795, representing an absorption rate of 2 percent,

The analysis of expenditure by economic classification in the first quarter of FY 2025/2026 is provided in Tables below.

Economic Classification	Approved Budget	Actual Expenditure	Performance
Personnel Emolument	5,548,779,614	2,306,568,457	42%
Operations and Maintanance Expenditure	4,817,553,287	324,404,463	7%
Development Expenditure	5,965,191,262	138,476,795	2%
Total	**16,331,524,163**	**2,769,449,715**	**17%**



Personnel Emolument

Vote	Department	Personnel Emolument		
		Budgeted	**Actual**	**Performance**
5067	**Physical Planning,Lands,Housing and Urban Development**	66,899,754	-	0%
5068	**Agriculture,Livestock,Food and Fisheries**	191,405,124	67,010,325	35%

5072	City of Kisumu	250,427,163	10,680,960	4%
5073	CountyAssembly of Kisumu	352,864,077	91,401,586	26%
5075	County Public Service Board	18,961,788	-	0%
5081	Education,Technical Training,Innovation & Social Service	516,468,100	257,255,513	50%
5082	Infrastracture,Energy and Public Works	80,877,408	10,501,108	13%
5083	Finance,Economic Planning & ICT Services	337,475,004	119,485,177	35%
5084	Trade,Tourism,Industry and Marketing	58,731,960	-	0%
5085	Medical Services,Public Health and Sanitation	2,734,391,572	1,331,337,414	49%
5086	Sports,Culture,Gender and Youth Affairs	33,705,888	-	0%
5087	Water,Environment,Natural Resouces & Climate Change	83,411,868	-	0%
5088	Public Service,County Administration& Participatory Development	817,659,908	418,896,374	51%
5089	County Attorney	-	-	0%
5090	Ahero/Awasi Municipality	1,500,000	-	0%
5091	Maseno Holo Municipality	1,000,000	-	0%
5092	Kombewa/Bodi Municipality	1,000,000	-	0%
5093	Katito/Pap Onditi Municipality	1,000,000	-	0%
5094	Muhoroni/Chemelil Municipality	1,000,000	-	0%
	TOTALS	**5,548,779,614**	**2,306,568,457**	**42%**

Operation and Maintenance

Vote	Department	Operation and Maintenance		
		Budgeted	**Actual**	**Performance**
5067	Physical Planning,Lands,Housing and Urban Development	82,818,330	124,200	0%
5068	Agriculture,Livestock,Food and Fisheries	53,428,764	-	0%
5072	City of Kisumu	144,133,347	3,563,758	2%
5073	CountyAssembly of Kisumu	509,219,575	61,806,153	12%
5075	County Public Service Board	24,159,674	798,800	3%
5081	Education,Technical Training,Innovation & Social Service	434,500,000	65,836,298	15%
5082	Infrastracture,Energy and Public Works	91,000,000	117,300	0%
5083	Finance,Economic Planning & ICT Services	1,477,233,919	14,366,623	1%
5084	Trade,Tourism,Industry and Marketing	53,380,000	289,100	1%
5085	Medical Services,Public Health and Sanitation	952,147,382	89,622,927	9%

5086	**Sports,Culture,Gender and Youth Affairs**	80,690,226	1,072,123	1%
5087	**Water,Environment,Natural Resouces & Climate Change**	46,092,070	-	0%
5088	**Public Service,County Administration& Participatory Development**	590,100,000	27,995,369	5%
5089	**County Attorney**	221,150,000	58,599,411	26%
5090	**Ahero/Awasi Municipality**	14,500,000	15,600	0%
5091	**Maseno Holo Municipality**	10,500,000	-	0%
5092	**Kombewa/Bodi Municipality**	11,000,000	-	0%
5093	**Katito/Pap Onditi Municipality**	10,500,000	196,801	2%
5094	**Muhoroni/Chemelil Municipality**	11,000,000	-	0%
	TOTALS	**4,817,553,287**	**324,404,463**	**7%**

Development Expenditure

Vote	Department	Development Expenditure		
		Budgeted	**Actual**	**Performance**
5067	**Physical Planning,Lands,Housing and Urban Development**	1,085,800,000	10,000,000	1%
5068	**Agriculture,Livestock,Food and Fisheries**	426,569,641	-	0%
5072	**City of Kisumu**	1,267,758,259	62,747,500	5%
5073	**CountyAssembly of Kisumu**	100,000,000	65,729,295	66%
5075	**County Public Service Board**	-	-	-
5081	**Education,Technical Training,Innovation & Social Service**	335,266,000	-	0%
5082	**Infrastracture,Energy and Public Works**	1,236,601,577	-	0%
5083	**Finance,Economic Planning & ICT Services**	75,076,880	-	0%
5084	**Trade,Tourism,Industry and Marketing**	69,383,598	-	0%
5085	**Medical Services,Public Health and Sanitation**	282,131,185	-	0%
5086	**Sports,Culture,Gender and Youth Affairs**	86,244,592	-	0%
5087	**Water,Environment,Natural Resouces & Climate Change**	595,672,049	-	0%
5088	**Public Service,County Administration& Participatory Development**	387,687,481	-	0%
5089	**County Attorney**	-	-	0%
5090	**Ahero/Awasi Municipality**	-	-	0%
5091	**Maseno Holo Municipality**	4,500,000	-	0%

5092	**Kombewa/Bodi Municipality**	4,000,000	-	0%
5093	**Katito/Pap Onditi Municipality**	4,500,000	-	0%
5094	**Muhoroni/Chemelil Municipality**	4,000,000	-	0%
	TOTALS	**5,965,191,262**	**138,476,795**	**2%**

Observations & Recommendations

1. Revenue in Q1 were concentrated in the Opening Balance and Equitable Share, with OSR contributing 5% of its annual estimates.

2. Conditional grants performance remains low at 2% in Q1 — close monitoring and timely donor coordination recommended.

3. Personnel emoluments constituted the largest share of actual expenditure (42% performance against budgeted allocation for the category); ensure payroll reconciliation and timely releases.

4. Strengthen OSR streams such as Markets, Bus Parks and Medical Services which are top contributors to OSR in Q1.