



REPUBLIC OF KENYA

Public Administration and International Relations Sector

Presentation for the Proposed **FY 2027/28 and the Medium-Term Budget**

13th October, 2026

PRESENTED BY

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Principal Secretary
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Outline of the Presentation



01

Introduction

Background, Sub-Sectors, vision, mission, strategic objectives, and mandates



02

Programme Performance Review for the FYs 2023/24 – 2025/26

Key achievements, capital projects, and budget allocations and expenditures



03

Financial Plan for the FY 2027/28 and the Medium-Term

Sector programmes, key targets, Sector recurrent and development resource requirements and allocations, change in resource allocations



04

Cross-Sector Linkages, Challenges & Emerging Issues

Cross-Sector linkages, challenges and emerging issues



05

Conclusion



06

Recommendations & Way Forward

Background

The PAIR Sector is one of the ten (10) Sectors in the Medium-Term Budget cycle for FY 2027/28 – 2029/30. It provides the leadership, coordination, policy direction and oversight that every other sector relies on to deliver services to Kenyans.





Governance
Institutionalize Whole-of-Government and Open-Government approaches in delivering public services.



Financial Management & Accountability
Promote prudent public financial management, transparency and accountability.



Public Service Performance
Coordinate performance management in the public service.



Foreign Policy & Diaspora
Coordinate Kenya’s foreign policy and diaspora affairs.



Legislative Framework & Justice
Develop a sound legislative framework; enforce administrative justice and the right to information.



Wage Bill Management
Effective management of the public sector wage bill.

PAIR Sub-Sectors

The Sector comprises 26 Sub-Sectors:

1	Executive Office of the President	10	State Department for Foreign Affairs	19	Senate
2	Office of the Deputy President	11	State Department for Diaspora Affairs	20	Commission on Revenue Allocation
3	Office of the Prime Cabinet Secretary	12	The National Treasury	21	Public Service Commission
4	State Department for Parliamentary Affairs	13	State Department for Economic Planning	22	Salaries and Remuneration Commission
5	State Department for Cabinet Affairs	14	State Department for Public Investments and Assets Management	23	Office of the Auditor General
6	State House	15	State Department for Public Service and Human Capital Development	24	Office of the Controller of Budget
7	State Department for National Government Coordination	16	Parliamentary Service Commission	25	Commission on Administrative Justice
8	State Department for Devolution	17	National Assembly	26	Consolidated Fund Services
9	State Department for Special Programmes	18	Parliamentary Joint Services		

Sector Vision and Mission



VISION

A responsive, accountable and effective public administration advancing inclusive development and Kenya's national interests.



MISSION

To provide strategic leadership, policy coordination, sound economic and public financial management, effective public administration, international engagement and independent oversight for efficient service delivery and sustainable national development.

Sector Strategic Objectives



01

Strengthen Government Leadership, Coordination and Policy Implementation



02

Enhance Public Service Effectiveness and Human Capital Development



03

Strengthen Economic and Financial Management



04

Promote Equitable Development and Effective Devolution



05

Strengthen Accountability, Transparency and Good Governance



06

Advance Kenya's Foreign Policy and National Interests



07

Strengthen Engagement with Kenyans in the Diaspora



08

Promote Inclusive and Responsive Public Administration



09

Strengthen Institutional Capacity and Innovation



10

Strengthen National Resilience and Management of Special Programmes

Sub-Sectors and their Mandates

Sub-Sector	Mandate
Executive Office of the President	Provides strategic leadership and facilitates coordination, supervision and implementation of Government policies and programmes; supports monitoring of Presidential priorities, public service reforms, Government communication and oversight of public entities.
Office of the Deputy President	Supports the President in discharging constitutional and statutory responsibilities and in executing Government functions and national development priorities.
Office of the Prime Cabinet Secretary	Coordinates and supervises Government operations, supports implementation of Government priorities and facilitates coordination across Ministries and State Departments.
State Department for Parliamentary Affairs	Coordinates the Government Legislative Agenda across all MDAs in consultation with the leadership of Parliament.
State Department for Cabinet Affairs	Supports Cabinet decision-making, facilitates implementation and monitoring of Cabinet decisions and coordinates implementation of Public Sector Reforms.
State House	Facilitates the President in executing the functions enlisted in the Constitution.
State Department for National Government Coordination	Provides strategic leadership in coordination of Government operations and engagements with the private sector and citizens, entrenching a culture of performance and nationhood.
State Department for Devolution	Provides policy direction for devolved government, promotes harmonious intergovernmental relations and builds capacity of County Governments.

Sub-Sectors and their Mandates (cont'd)

Sub-Sector	Mandate
State Department for Special Programmes	Implements special Government interventions with emphasis on support to vulnerable populations and communities.
State Department for Foreign Affairs	Implements Kenya's foreign policy through diplomatic engagement and international cooperation, protecting Kenya's national interests, image, sovereignty and territorial integrity.
State Department for Diaspora Affairs	Promotes and protects the Kenyan diaspora and harnesses remittances, investment, skills and technology transfer for national development.
The National Treasury	National fiscal and financial management: fiscal policy, budget preparation and implementation, resource mobilisation, public debt management and financial sector policy.
State Department for Economic Planning	Leads national development planning, policy coordination, monitoring and evaluation of national development plans and Government priorities.
State Department for Public Investments and Assets Management	Oversees policies and systems for public investments, assets and liabilities, procurement, pensions, PPPs and public enterprises.
State Department for Public Service and Human Capital Development	Policy direction on public service management, human capital development, institutional reforms, payroll management, counselling and wellness.
Parliamentary Service Commission	Provides services and facilities for efficient and effective functioning of Parliament.
National Assembly	Represents the people of the constituencies and special interests, and exercises sovereignty on their behalf.

Sub-Sectors and their Mandates (cont'd)

Sub-Sector	Mandate
Parliamentary Joint Services	Facilitates and provides shared services to Parliament.
Senate	Represents the Counties and protects the interests of the Counties and their Governments.
Commission on Revenue Allocation	Recommends equitable sharing of nationally raised revenue between and among governments; advises on county financial management.
Public Service Commission	Establishes and abolishes public offices, appoints and removes public officers, and promotes the values and principles of public service.
Salaries and Remuneration Commission	Sets and reviews remuneration of State officers and advises on remuneration of other public officers, considering fiscal sustainability, productivity and equity.
Office of the Auditor General	Audits and reports on the accounts of National and County Governments and other public entities.
Office of the Controller of Budget	Oversees implementation of National and County budgets, authorises withdrawals from public funds and reports on budget implementation.
Commission on Administrative Justice	Promotes administrative justice, addresses maladministration and enforces the right of access to information.
Consolidated Fund Services	Provides fund services for all monies raised or received by or on behalf of the National Government.

Review of Sector Programmes Performance for the FYs 2023/24 – 2025/26

-  Resources allocated were optimally utilised, with mixed results across sub-sectors.
-  Despite resource constraints, most sub-sectors performed above average on planned targets (Table 2.1 of the Sector Report).
-  Programmes were aligned to the Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium-Term Plan (2023–2027) of Kenya Vision 2030.

Overall absorption rates

94.6% - 2025/26
92.7% - 2024/25
81.6% - 2023/24

23 of 158

capital projects completed;
135 at various stages of
completion

Services to wananchi



2.9 million

households given relief food

FY 2025/26, against a target of 2 million; all 415,897 disaster-affected households received non-food items.



1.14 million

students received NG-CDF bursaries

FY 2024/25, keeping needy learners in school in all constituencies.



14.0 million

citizens served through Huduma Kenya

FY 2025/26, plus 465 Huduma Mashinani outreaches taking services to villages (target 250).



8,228

young graduates placed as interns

Deployed to 314 public institutions in FY 2025/26 against 7,000 advertised vacancies.



93,917

youth trained by the NYS

3,991 servicemen/women and graduates linked to jobs locally and abroad; 14,671 engaged in enterprise.



1.5 million

informal workers saving for retirement

1,495,865 enrolled in voluntary pension schemes (target 700,000); 20,708 claims paid within 60 days.

Stronger counties, safer communities, and effective governance



40 counties

raised own-source revenue by ≥5%

Under KDSP II (target 21); all 47 counties screened investments and 46 now publish project dashboards with citizen feedback.



62,248

assets transferred to counties

Registrable assets of defunct local authorities and devolved functions gazetted and handed over to county governments.



11,550

school and security facilities built

Through NG-CDF in FY 2024/25: 10,107 school/college facilities and 1,443 security facilities such as police posts.



47 counties

with County Climate Change Funds

Under FLLoCA; 984,785 trees planted in FY 2025/26 and 88.6 million seedlings propagated.



19,508

public complaints handled

Complaints on maladministration handled by the Ombudsman, 6,729 resolved; new branch office opened in Makeni.



8,828

audit reports issued

8,753 financial audit reports and 75 specialized audit reports including Value-for-Money audits, supporting transparency and prudent use of public funds.

Sound public finance and growing economy



KSh 192 bn

private capital mobilised for PPPs

Nearly three times the KSh 65 bn target; 11 PPP projects approved — infrastructure built without adding to public debt.



1,546

institutions on e-Procurement (e-GP)

Against a target of 166 — open, traceable tendering that reduces room for corruption.



100%

of maturing public debt serviced

Protecting Kenya's credit standing; 8,500 officers in all counties trained on PFM reforms (target 8,000).



1.33 million

Kenyans on HIV treatment (ART)

Sustained through Global Fund programmes managed by the Treasury, with 100% TB/HIV testing integration.



65%

GoK stake in Kenya Pipeline privatised

Unlocking capital for new investment and deepening public participation in the capital markets.



5

labour mobility partnerships signed

Plus 5 pre-departure trainings for migrant workers, welfare checks in Saudi Arabia and a safe house in Thailand.

Kenya's foreign policy and diaspora affairs

76

inbound State & official visits
in 3 years (target 45)

75

international conferences
hosted in Nairobi (target 15)

82 | 73

business forums | investment
missions facilitated

336

bilateral cooperation
frameworks concluded (target
120)

27

host country agreements with
international organisations

7

new diplomatic Missions
opened (target 4)



What the numbers mean: In FY 2025/26 Kenya hosted 39 Heads of State and Government confirming Nairobi as a diplomatic hub that brings agreements, investors, conferences and jobs to the country.

CHESONGOCH DISASTER RESPONSE

Elgeyo Marakwet County | Humanitarian Impact & Relief Response



Mudslide reported in Chesongoch, Elgeyo Marakwet and in response, Relief distribution undertaken to affected communities.

Relief Food interventions, 2026



AFRICA FORWARD SUMMIT

AFRICA - FRANCE PARTNERSHIPS
FOR INNOVATION AND GROWTH

MAY 11-12, 2026 NAIROBI, KENYA



Heads of State during the Africa Forward Summit held in May 11-12, 2026 in Nairobi , Kenya

CHAPTER II · PROGRAMME PERFORMANCE REVIEW – COMPLETED CAPITAL PROJECTS

Region	Project Title	Benefit to Mwananchi
Coast	Completion of ultra-modern complex KSG Mombasa	KSG training complex, completed in Mombasa, strengthening public-service training and improving quality service delivery.
Coast	Construction of Huduma Centre in Ganze Constituency	Huduma Centre built, bringing Government services to Ganze
Eastern	Construction of Huduma Centre in Maua Town	Huduma Centre built, bringing Government services to Maua
Nairobi	KSG Hostel Rehabilitation, Lower Kabete	Rehabilitated hostel for KSG trainees, improving trainee accommodation, supporting effective training of public servants
Nairobi	Rehabilitation and expansion of the National Treasury Data Centre	Treasury data centre rehabilitated and expanded, enhancing secure data management and accountable public service delivery



What the numbers mean: 23 projects complete as at 30 June, 2026.

CHAPTER II · PROGRAMME PERFORMANCE REVIEW – COMPLETED CAPITAL PROJECTS (cont'd)

Region	Project Title	Benefit to Mwananchi
London	Upgrading and renovations of ambassador's residence in London	Properties handed over to the Mission to support effective diplomatic engagement
London	Purchase of Chancery London	Chancery purchased in September 2025, reducing rental costs.
National	Instruments for Devolution Advice and Support (IDEAS)	Devolution advice and support programme delivered, strengthening county government capacity and improving the delivery of devolved services to citizens
National	Consolidating gains and deepening devolution in Kenya programme	Devolution programme delivered, supporting effective devolution and improving local governance and service delivery to wananchi
National	Capital Grants from International Organizations (Office of the Auditor General)	Grant-funded capital programme delivered to support audit capacity and accountability in the use of public resources

CHAPTER II · PROGRAMME PERFORMANCE REVIEW – COMPLETED CAPITAL PROJECTS (cont'd)

Region	Project Title	Benefit to Mwananchi
National	Credit Guarantee Scheme	Legislative frameworks approved and enacted to improve access to credit for eligible businesses.
National	Operationalization of the Kenya Mortgage Refinance Company (KMRC)	KMRC operationalized to improve access to affordable, long-term home loans, enabling more Kenyans to own homes
National	East Africa Transport, Trade & Development Facilitation Project	Transport and trade facilitation project delivered to improve regional connectivity and expand economic opportunities
National	Professional capacity development program for policy analysts	Capacity programme for policy analysts delivered to strengthen evidence-based policymaking
National	Public Debt Management Support Project	Debt management support delivered to strengthen public debt oversight and fiscal management

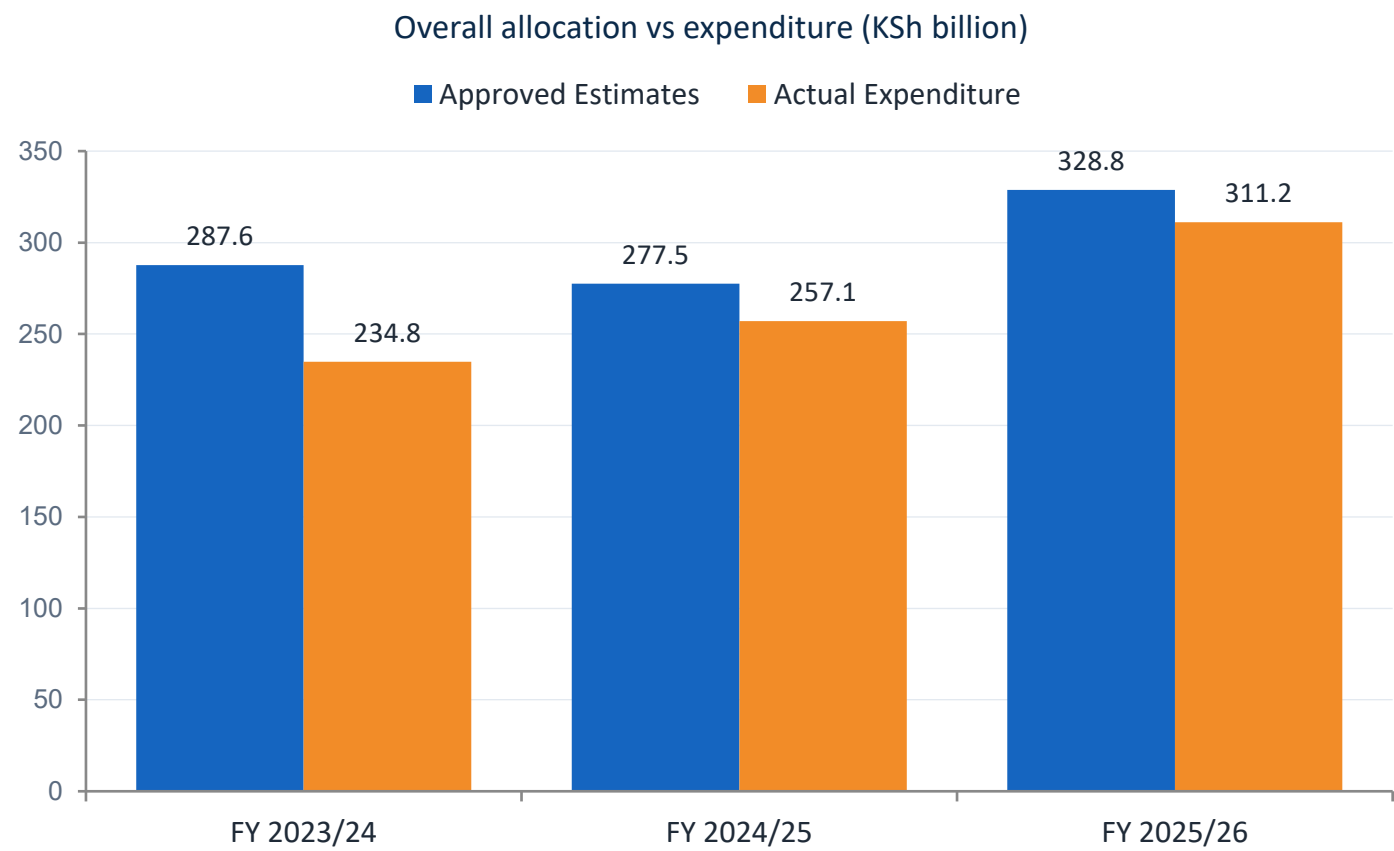
CHAPTER II · PROGRAMME PERFORMANCE REVIEW – COMPLETED CAPITAL PROJECTS (cont'd)

Region	Project Title	Benefit to Mwananchi
National	National Treasury Capacity Strengthening Project	Treasury capacity strengthened to support efficient use of public resources and improve service delivery
National	Infrastructure Finance and Public Private Partnership Project (IF-PPP 1)	The project delivered to mobilize private investment for infrastructure development
National	Infrastructure Finance and Public Private Partnership Project 2	Second PPP project delivered to strengthen infrastructure financing and private-sector participation
National	Renewal of Oracle Licences and provision of IFMIS Support on Application and hardware	IFMIS licences renewed and support provided, enhancing efficient and accountable use of public funds
National	Regional Integration Implementation Programme	Regional integration programme delivered to strengthen regional cooperation and economic integration

CHAPTER II · PROGRAMME PERFORMANCE REVIEW - COMPLETED CAPITAL PROJECTS (cont'd)

Region	Project Title	Benefit to Mwananchi
National	Special Global Fund - TB NFM 3	Global Fund TB grant delivered, improving health outcomes and reducing the burden of TB on households
National	Special Global Fund - HIV NFM 3	Global Fund HIV grant delivered, improving access to care and the quality of life of affected individuals
National	Special Global Fund - Malaria NFM 3	Global Fund malaria grant delivered, strengthening malaria prevention and treatment

Overall Allocation vs Expenditure for FYs 2023/24 – 2025/26



ABSORPTION RATE

81.6%

FY 2023/24

92.7%

FY 2024/25

94.6%

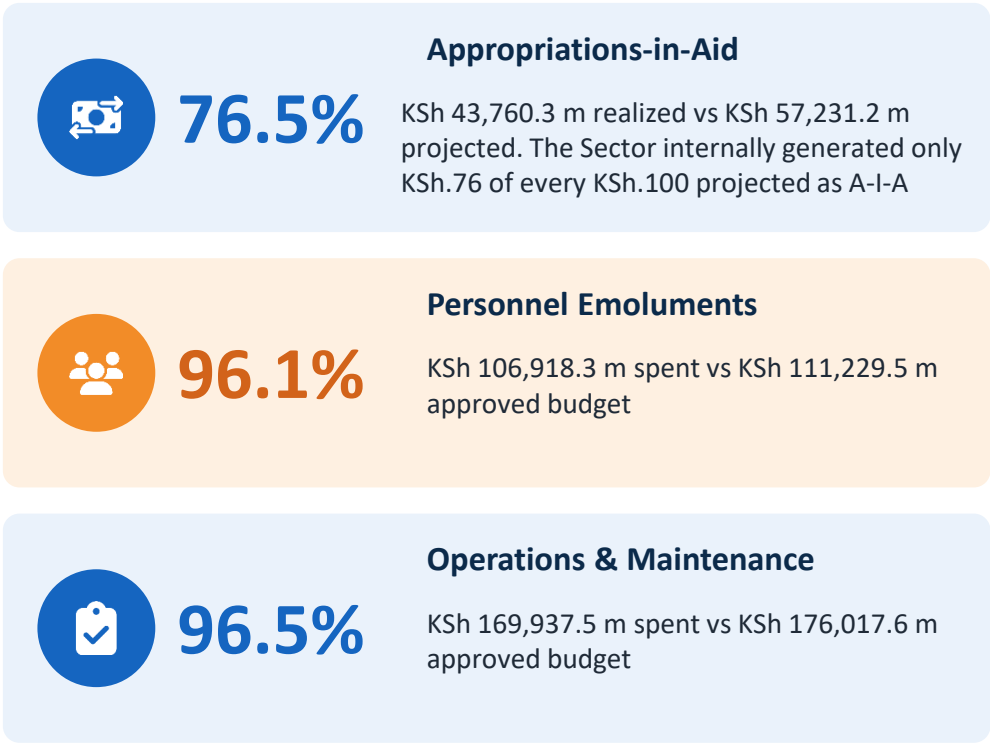
FY 2025/26

 **What the numbers mean:** The Sector spent KSh 311.2 bn of the KSh 328.8 bn approved in FY 2025/26 — 94.6 cents of every budgeted shilling, up from 92.7 cents and 81.6 cents in FY 2024/25 and FY 2023/24 respectively.

Recurrent Allocations vs Expenditures (KSh. Millions)

Year	Allocations (KSh m)	Actual Expenditures (KSh m)	Absorption
FY 2023/24	166,204.1	150,452.6	90.5%
FY 2024/25	163,795.4	150,509.8	91.9%
FY 2025/26	206,797.4	198,765.4	96.1%

CUMULATIVE OVER THE MTEF PERIOD – Next Slide



What the numbers mean: Recurrent Budget’s absorption improved from 90.5% to 91.9% then increased to 96.1%.

Recurrent Expenditure by Economic Classification (KSh.Millions)

Economic Classification	Approved Budget			Actual Expenditure		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
Gross	166,204.1	163,795.4	206,797.4	150,452.6	150,509.8	198,765.4
A-I-A	17,040.5	19,476.9	20,713.7	11,474.7	14,622.6	17,663.1
Net	149,163.6	144,318.4	186,083.7	138,977.9	135,887.1	181,102.3
Compensation of Employees	37,732.9	36,766.3	36,730.2	35,746.2	35,788.1	35,384.0
Transfers	76,365.5	73,322.9	99,861.6	64,737.4	62,571.1	95,561.8
Other Recurrent	52,105.7	53,706.2	70,205.6	49,969.0	52,150.5	67,819.5



What the numbers mean: Compensation of Employees approved allocation reduced from KSh.37.7bn to 36.7bn, Current Transfers increased from KSh.76.4bn to KSh.99.9 bn, and Other Recurrent increased from KSh.52.1bn to KSh.70.2bn.

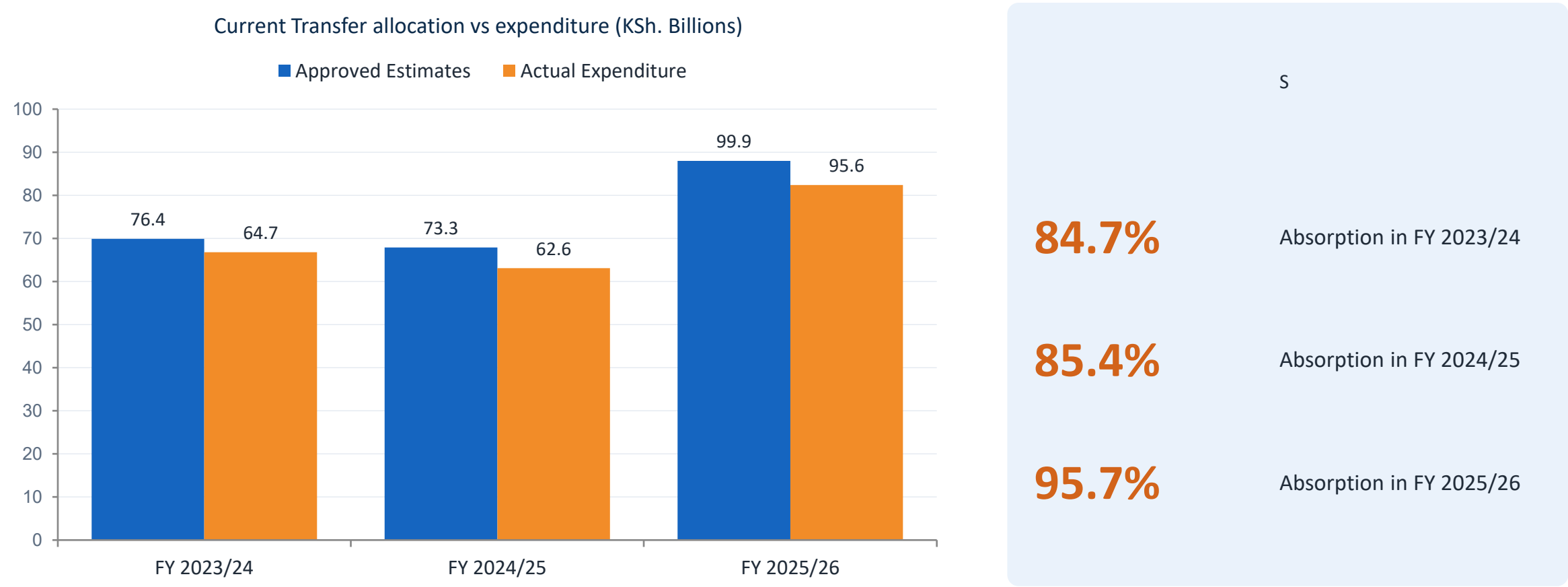
Other Recurrent Expenditure Breakdown (KSh.Millions)

Economic Classification	Approved Budget			Actual Expenditure		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
Utilities	914.0	960.3	1,011.3	864.6	844.1	795.9
Rent	4,493.5	4,557.5	5,278.5	4,330.5	4,328.6	4,419.9
Insurance	3,209.9	4,435.0	8,535.8	3,167.8	4,375.4	8,489.3
Subsidies	-	-	-	-	-	-
Gratuity	260.4	308.9	772.5	242.8	294.5	771.4
Contracted Guards & Cleaning	1,970.7	381.0	950.4	1,932.3	346.0	940.6
Others	41,257.2	43,063.6	53,657.2	39,431.0	41,961.8	52,402.4
Other Recurrent (Total)	52,105.7	53,706.2	70,205.6	49,969.0	52,150.5	67,819.5



What the numbers mean: Approved allocation for insurance costs increased from KSh 3.2 bn to KSh 8.5 bn in three years, allocation for rent increased from 4.5bn to KSh.5.3bn, and allocation for Contracted Guards and Cleaning Services reduced from KSh.1.97bn to KSh.950m.

Current Transfers Expenditure Trends



 **What the numbers mean:** The absorption rate of the Current Transfers was 84.7% of KSh.76.4bn Recurrent Budget in FY 2023/24, 85.4% of KSh.73.3bn Recurrent Budget in FY 2024/25, and 95.7% of KSh.99.9bn Recurrent Budget in FY 2025/26.

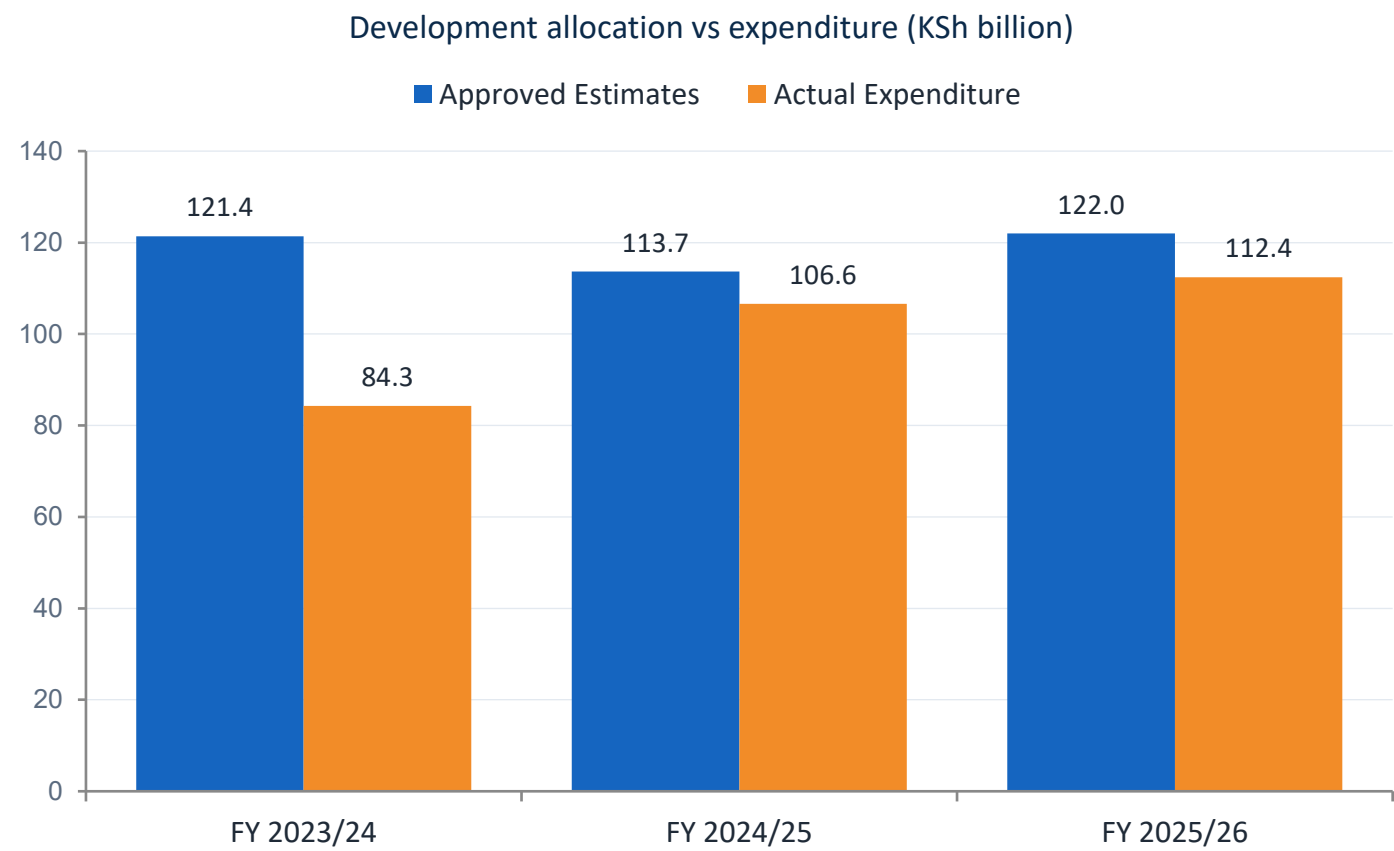
Sector Development Allocations vs Expenditures (KSh.Millions)

Source of Funds	Approved Budget			Actual Expenditure		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
Gross	121,441.7	113,734.3	122,012.5	84,344.2	106,631.4	112,407.5
GoK	88,407.0	78,370.6	85,959.4	60,409.0	78,251.6	85,327.5
Loans	19,359.0	22,347.0	26,777.7	16,346.0	19,102.0	20,957.0
Grants	13,675.7	13,016.7	9,275.4	7,589.2	9,277.8	6,123.0
Local A-I-A	-	-	-	-	-	-



What the numbers mean: Overall absorption rate for the Development Expenditure increased from 69.5% in FY 2023/24 to 93.8% in FY 2024/25 and then reduced to 92.1% in FY 2025/26; absorption rates of GoK funds were 68.3%, 99.8% and 99.2%; and donor funds were 72.5%, 80.3% and 75.1% respectively.

Development Allocations vs Expenditures for FYs 2023/24 – 2025/26



ABSORPTION RATE

69.4% FY 2023/24

93.8% FY 2024/25

92.1% FY 2025/26



What the numbers mean: Development absorption improved from 69.4% in FY 2023/24 to 93.8% in FY 2024/25 and then reduced to 92.1% in FY 2025/26, indicating that more NG-CDF funded projects, Huduma Centres and other projects were implemented.

Sector Programmes

The Sector will implement 46 programmes and 102 sub-programmes over the MTEF Period:

Vote	Sub-Sector	No.	Programme
1011	Executive Office of the President	1.	General Administration, Planning and Support Services
		2.	Government Advisory Services
		3.	Government Printing Services
		4.	Leadership and Coordination of Government Services
1012	Office of the Deputy President	5.	Deputy President's Services
1013	Office of the Prime Cabinet Secretary	6.	Government Coordination and Supervision
1014	State Department for Parliamentary Affairs	7.	Parliamentary Liaison and Legislative Affairs
		8.	Policy Coordination and Strategy
		9.	General Administration, Planning and Support Services
1016	State Department for Cabinet Affairs	10.	Cabinet Affairs Services
1017	State House	11.	State House Affairs
1018	State Department for National Government Coordination	12.	Government Coordination and Supervision
1032	State Department for Devolution	13.	Devolution Services
1033	State Department for Special Programmes	14.	Disaster Risk Management

Sector Programmes (cont'd)

Vote	Sub-Sector	No.	Programme
1053	State Department for Foreign Affairs	15.	General Administration, Planning and Support Services
		16.	Foreign Relations and Diplomacy
		17.	Economic Cooperation and Commercial Diplomacy
		18.	Foreign Policy Research, Capacity Development & Technical Cooperation
1054	State Department for Diaspora Affairs	19.	Management of Diaspora Affairs
1071	The National Treasury	20.	General Administration, Planning and Support Services
		21.	Public Financial Management
		22.	Economic and Financial Policy Formulation and Management
		23.	Market Competition
1072	State Department for Economic Planning	24.	Monitoring and Evaluation Services
		25.	National Statistical Information Services
		26.	General Administration, Planning and Support Services
		27.	Macro-economic Policy, National Planning and Research
		28.	Sectoral and Intergovernmental Development Planning Coordination
1073	State Department for Public Investments and Assets Management	29.	Public Investment & Portfolio Management
		30.	Public Pensions & Retirement Benefit Management
		31.	Government Assets Management
		32.	General Administration, Planning & Support Services

Sector Programmes (cont'd)

Vote	Sub-Sector	No.	Programme
1213	State Department for Public Service and Human Capital Development	33.	Human Resource Management and Development
		34.	Public Service Transformation
		35.	General Administration, Planning & Support Services
		36.	National Youth Service
2061	Commission on Revenue Allocation	37.	Inter-governmental Revenue and Financial Matters
2071	Public Service Commission	38.	General Administration, Planning & Support Services
		39.	Human Resource Management and Development
		40.	Governance and National Values
		41.	Performance and Productivity Management
		42.	Administration of Quasi-judicial Functions
2081	Salaries and Remuneration Commission	43.	Salaries and Remuneration Management
2111	Office of the Auditor General	44.	Audit Services
2121	Office of the Controller of Budget	45.	Control and Management of Public Finances
2131	Commission on Administrative Justice	46.	Promotion of Administrative Justice

Key Sector Targets



75 new Huduma Centres and 936 Huduma Mashinani outreaches

For wananchi: IDs, certificates, SHA, KRA and other services near home for 14.3 million customers a year

SDPS&HCD



100,000 graduate interns placed in the public service

For wananchi: First work experience and a pathway into employment for young graduates

PSC



240,000 youth trained by NYS; 135,000 in TVET skills

For wananchi: 120,000 youth engaged in commercial enterprises that earn an income

SDPS&HCD



5,125 classrooms, 172 police posts and 656 administration offices

For wananchi: Built through NG-CDF in every constituency; safer, better-served communities

ECONOMIC PLANNING



34,164 elderly persons connected to SHIF

For wananchi: Older Kenyans covered for hospital care under the Social Health Insurance Fund

ECONOMIC PLANNING



Financial aid for 15,000 trainees in higher learning

For wananchi: Up from 6,120 in FY 2025/26 — more students from poor homes complete their studies

NATIONAL TREASURY

Key Sector Targets (cont'd)



Relief food to about 3 million needy people every year

For wananchi: Non-food items to all disaster-affected persons; no family left without help in a crisis

SPECIAL PROGRAMMES



25,000 MT strategic relief food reserve

For wananchi: Emergency humanitarian assistance ready for 240,000 households when disaster strikes

SPECIAL PROGRAMMES



88 drought initiatives and 22 community resilience programmes

For wananchi: 49 resilience, 27 response and 12 recovery initiatives protect herds, harvests and water

SPECIAL PROGRAMMES



1.37 million people on HIV treatment each year

For wananchi: Malaria treatment rising from 4.5 to 4.9 million patients; 100% TB/HIV integration

NATIONAL TREASURY



Informal-sector pension savers: 700,000 → 3.5 million

For wananchi: Self-employed workers such as traders, farmers and artisans saving for old age

NATIONAL TREASURY



Medical cover for 25,000 retirees a year

For wananchi: Counselling and wellness for 33,000 public officers and their families

SDPS&HCD

Key Sector Targets (cont'd)



30 inbound and outbound State visits

For wananchi: Bilateral deals that open markets, attract investment and create jobs at home

FOREIGN AFFAIRS



20 trade and investment promotion forums

For wananchi: Market linkages that help Kenyan farmers, exporters and manufacturers sell abroad

FOREIGN AFFAIRS



Diaspora Placement Agency operationalised

For wananchi: Labour mobility agreements that open safe, decent jobs abroad with skills transfer

DIASPORA AFFAIRS



6 Migrant Resource Centres in Missions abroad

For wananchi: Safe spaces and support for Kenyan workers in distress; evacuation and repatriation

DIASPORA AFFAIRS



3 new Missions; 7 properties acquired/built, 16 refurbished

For wananchi: Wider consular reach for Kenyans abroad and lower long-term rent costs for taxpayers

FOREIGN AFFAIRS



USD 5.8 bn in foreign direct investment by 2030

For wananchi: Diaspora savings and investment products that channel remittances into homes and businesses

TREASURY / DIASPORA

Key Sector Targets (cont'd)



Inflation kept within 5 ± 2.5%

For wananchi: Stable prices for food and fuel; reserves ≥ 4 months of imports; deficit cut to 4.1% of GDP

NATIONAL TREASURY



11,652 audit reports and 120 special audits

For wananchi: Including Citizen Accountability Audits on how county and national funds are used

AUDITOR GENERAL



100% e-Procurement rollout

For wananchi: 45,000 persons involved in public procurement and 6,000 youth, women and PWD firms supported to win tenders (AGPO)

SDPIAM



2,070 Government projects monitored; 51 BETA projects verified

For wananchi: Delivery tracked on the ground so projects are completed as promised

EOP / SDNGC



Budget Implementation Review Reports published

For wananchi: Budget monitoring in all 47 counties so citizens can see how their money is spent

CONTROLLER OF BUDGET



Access to information and Ombudsman outreach

For wananchi: Faster resolution of public complaints; monitoring of electoral malpractice ahead of 2027

CAJ

Sector Recurrent and Development Resource Requirements & Allocations

KSh 307.8 bn

FY 2026/27 baseline

KSh 332.6 bn

FY 2027/28 allocation (+8.0%)

KSh 571.6 bn

FY 2027/28 requirement

58.2%

of FY 2027/28 need funded

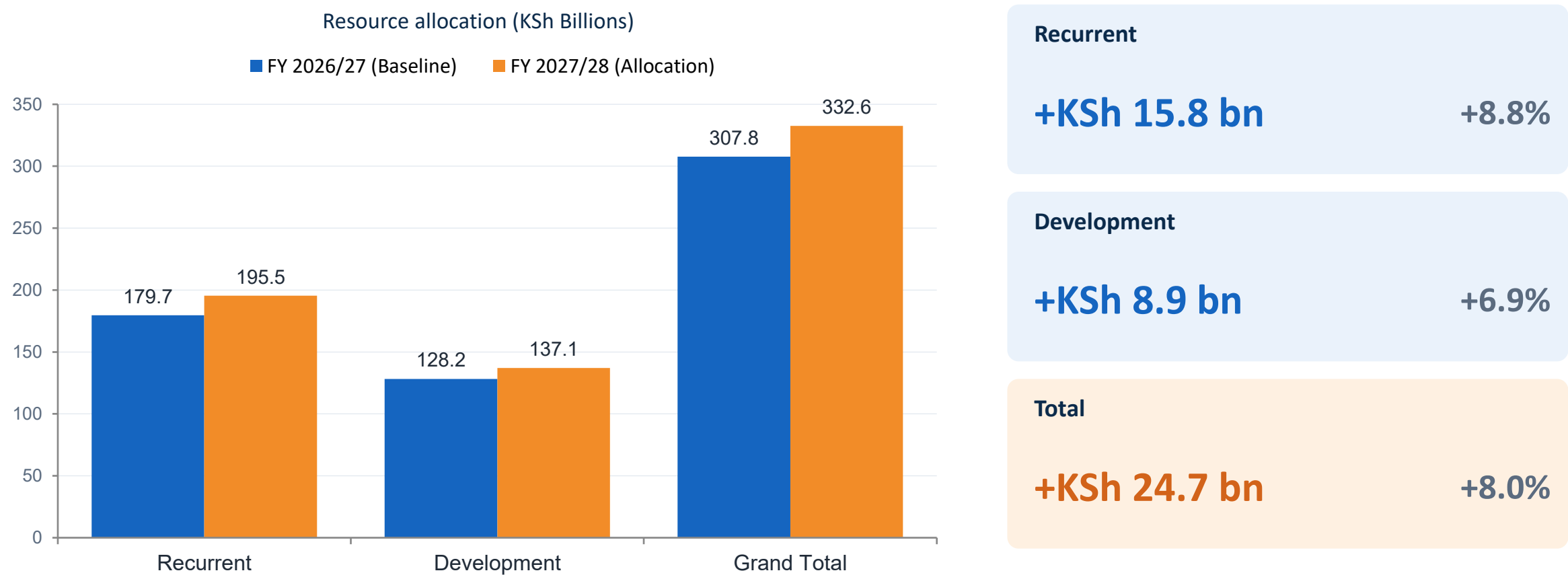
PAIR Sector	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Recurrent	179,666.5	351,264.4	371,197.4	420,451.6	195,509.9	211,455.0	246,587.3
Development	128,174.3	220,359.7	194,468.3	229,174.2	137,063.2	137,011.8	150,075.9
Grand Total	307,840.8	571,624.1	565,665.7	649,625.8	332,573.1	348,466.8	396,663.2



What the numbers mean:

KSh 332.6 bn against a requirement of KSh 571.6 bn in FY 2027/28, leaving a gap of KSh 239.1bn. The Sector will prioritize implementation of high impact projects and programmes within the available resources.

Change in Resource Allocations: Recurrent and Development



 **What the numbers mean:** The Sector total allocation has increased by KSh 24.7 bn (8.0%) in FY 2027/28; the increase in recurrent is KSh.15.8bn (8.8%) while the increase in development is KSh.8.9bn (6.9%).

Sector Recurrent Resource Requirements and Allocations (KSh.Millions)

Recurrent	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Gross	179,666.5	351,264.4	371,197.4	420,451.6	195,509.9	211,455.0	246,587.3
A-I-A	22,187.7	25,646.2	26,128.0	26,814.8	25,646.0	26,128.0	26,814.8
Net	157,478.8	325,618.2	345,069.4	393,636.8	169,863.9	185,327.0	219,772.5
Compensation to Employees	37,810.7	43,215.1	43,915.9	75,214.5	39,111.8	40,073.7	71,064.8
Transfers	84,036.1	186,003.0	200,015.1	208,791.6	95,891.3	107,374.8	109,797.7
Other Recurrent	57,819.6	122,046.3	127,266.5	136,445.5	60,506.8	64,006.5	65,724.8



What the numbers mean: In the FY 2027/28, Current Transfers to Semi-Autonomous Government Agencies is 49.0% of the Recurrent allocation, Other Recurrent is 31.0% and Salaries is 20.0%.

Recurrent Resource Requirements and Allocations by Sub-Sector (KSh.Millions)

Sub-Sector	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Executive Office of the President	6,187.5	12,258.5	13,251.8	14,432.1	6,346.0	6,701.8	6,994.5
Office of the Deputy President	3,476.3	7,330.1	7,642.6	8,285.4	3,941.8	3,844.8	3,952.3
Office of the Prime Cabinet Secretary	1,139.8	2,221.8	2,338.7	2,463.0	912.3	953.5	996.5
State Department for Parliamentary Affairs	361.2	1,946.9	2,147.2	2,337.7	395.1	410.7	426.7
State Department for Cabinet Affairs	269.4	757.3	831.1	928.4	277.8	289.3	301.2
State House	12,516.8	21,864.3	22,036.1	22,394.5	13,747.8	14,170.0	14,611.2
State Department for National Government Coordination	1,232.3	3,597.8	3,542.2	3,741.3	1,277.0	1,336.2	1,398.1

Recurrent Resource Requirements and Allocations by Sub-Sector (KSh.Millions) (cont'd)

Sub-Sector	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
State Department for Devolution	1,462.6	5,491.2	6,652.1	8,150.9	1,511.8	1,631.1	1,809.7
State Department for Special Programmes	1,294.3	25,847.0	28,028.2	30,418.0	1,359.6	1,528.0	1,683.4
State Department for Foreign Affairs	24,270.0	33,431.0	35,589.0	39,740.4	25,899.7	26,997.4	28,117.5
State Department for Diaspora Affairs	817.3	1,791.2	2,009.4	2,104.4	838.7	887.5	936.1
The National Treasury	76,551.0	124,024.4	127,966.2	162,523.0	85,853.7	96,629.8	127,518.8
State Department for Economic Planning	5,150.6	9,833.2	10,379.3	11,245.7	4,788.1	5,272.5	5,722.1
State Department for Public Investments & Assets Management	4,333.9	7,029.1	7,715.2	8,215.4	3,929.7	4,266.2	4,656.7

Recurrent Resource Requirements and Allocations by Sub-Sector (KSh.Millions) (cont'd)

Sub-Sector	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
State Department for Public Service and Human Capital Development	24,275.6	66,803.6	73,871.5	75,741.0	27,618.6	29,337.4	29,729.4
Commission on Revenue Allocation	421.1	1,206.4	1,277.1	1,366.2	502.3	520.6	539.7
Public Service Commission	3,736.1	8,055.0	8,003.9	8,180.9	3,990.7	4,054.7	4,121.0
Salaries and Remuneration Commission	1,014.4	2,266.4	1,990.5	1,826.3	954.2	995.2	1,037.7
Office of the Auditor General	9,526.3	12,314.7	12,684.2	13,064.7	9,626.3	9,827.1	10,168.8
Controller of Budget	935.4	1,549.4	1,595.9	1,643.8	1,021.3	1,058.4	1,096.8
Commission on Administrative Justice	694.6	1,645.1	1,645.2	1,648.5	717.4	742.9	768.9
Grand Total	179,666.5	351,264.4	371,197.4	420,451.6	195,509.9	211,455.0	246,587.3

Sector Development Resource Requirements and Allocations (KSh.Millions)

Development	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Gross	128,174.3	220,359.7	194,468.3	229,174.2	137,063.2	137,011.8	150,075.9
GoK	88,295.0	192,027.6	182,841.8	221,097.6	108,731.1	125,385.3	141,999.3
Loans	28,004.7	15,459.3	10,000.0	6,750.0	15,459.3	10,000.0	6,750.0
Grants	11,874.6	11,372.8	1,326.5	1,226.6	11,372.8	1,326.5	1,226.6
Local A-I-A	-	1,500.0	300.0	100.0	1,500.0	300.0	100.0



What the numbers mean: In the FY 2027/28, GoK constitute 79.3% of the Development allocation, Loans 11.3%, Grants 8.3%, and Local A-I-A 1.1%.

Development Resource Requirements and Allocations by Sub-Sector (KSh.Millions)

Sub-Sector	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Executive Office of the President	1,311.2	4,238.5	4,198.5	4,373.5	1,275.0	1,314.6	1,409.2
Office of the Deputy President	100.0	270.0	230.0	330.0	130.0	187.2	323.9
State Department for Parliamentary Affairs	-	163.9	222.4	244.9	-	-	-
State House	1,027.0	1,701.4	2,000.0	1,946.2	1,050.0	1,072.0	1,124.6
State Department for National Government Coordination	-	309.1	318.4	187.2	309.1	318.4	187.2
State Department for Devolution	10,659.3	8,303.3	2,462.4	2,576.7	6,567.9	1,096.5	1,201.6
State Department for Special Programmes	165.0	1,325.7	1,007.4	978.6	200.0	288.0	498.2
State Department for Foreign Affairs	2,356.3	6,701.1	9,978.0	17,657.0	2,500.0	3,550.0	3,550.0

Development Resource Requirements and Allocations by Sub-Sector (KSh.Millions) (cont'd)

Sub-Sector	Baseline	Requirements			Allocations		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
The National Treasury	47,323.0	86,087.6	75,574.8	69,634.9	50,754.2	44,357.8	43,125.4
State Department for Economic Planning	61,995.8	100,864.2	89,540.5	120,522.7	70,712.0	80,473.3	91,730.7
State Department for Public Investments & Assets Management	322.7	4,269.6	3,452.4	3,931.5	855.0	745.2	960.7
State Department for Public Service and Human Capital Development	2,512.9	4,623.0	4,180.8	5,628.7	2,130.5	2,924.4	4,855.7
Commission on Revenue Allocation	98.0	104.5	22.5	-	104.5	22.5	-
Public Service Commission	-	585.0	443.0	300.0	150.0	194.0	299.1
Office of the Auditor General	303.1	812.8	837.2	862.3	325.0	468.0	809.6
Grand Total	128,174.3	220,359.7	194,468.3	229,174.2	137,063.2	137,011.8	150,075.9

Cross-Sector Linkages: The frameworks that guide us

Cross-sector linkages create synergy for effective and efficient delivery of services. PAIR works with MDAs, the Judiciary, Legislature, County Governments, development partners, non-state actors, research institutions and universities to implement the national development agenda, guided by:



Constitution of Kenya 2010

The foundational legal framework for governance and national values



Kenya Vision 2030

Long-term blueprint for a newly industrialising, middle-income country



Medium-Term Plans

Five-year plans that operationalise Vision 2030 (MTP IV 2023–2027)



BETA Priorities

Bottom-Up Economic Transformation Agenda for inclusive growth



Other Laws & Regulations

Adherence to all relevant laws, policies and regulatory frameworks

The Sector is linked to all 9 MTEF sectors, and Macro Working Group — Summarized in the next two slides.

Cross-Sector Linkages (cont'd)



Agriculture, Rural & Urban Development

- Whole-of-Government coordination of priorities
- Relief and disaster support; livestock offtake in drought
- Trade deals that open export markets for farm produce



Energy, Infrastructure & ICT

- ICT standards and digital transformation strategies
- Valuation and leasing of offices and Mission properties
- Use of the e-GP platform



General Economic & Commercial Affairs

- Buy Kenya Build Kenya and formalisation of MSMEs
- Private investment and PPP capacity at both levels
- Regional integration and cross-border trade



Health

- Health infrastructure and Universal Health Coverage
- Global health collaboration (e.g. Global Fund)
- Relief food and payment of hospital bills



Education

- Research, data and advisory for planning
- Human-capital development for productivity
- Consular, cultural and educational exchange services

Cross-Sector Linkages (cont'd)



Governance, Justice, Law & Order

- Government Legislative Agenda and drafting of bills
- Negotiating and vetting treaties, MoUs and agreements
- Consular services to Kenyans in the diaspora



National Security

- Peace, security and conflict resolution in the region
- Cabinet and National Security Council business
- Protection of sovereignty and territorial integrity



Social Protection, Culture & Recreation

- Cash transfers and empowerment for vulnerable groups
- Bilateral labour agreements protecting migrant workers
- Relief food and non-food items in disasters



Environment, Water & Natural Resources

- Negotiation of multilateral environmental agreements
- Climate finance mobilisation (e.g. FLLoCA)
- Kenya's global environmental leadership



Macro Working Group

- Resource mobilisation, prioritisation and allocation
- Monitoring implementation of policies and programmes
- Research and intergovernmental coherence

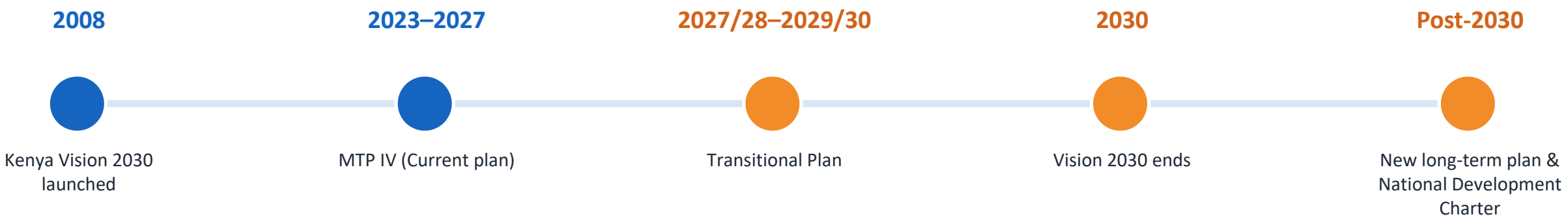
Challenges

No.	Challenge	Effect on wananchi	Recommendation
1	Rising pending bills: Up from KSh 17.5 bn (FY 2023/24) to KSh 29.1 bn (FY 2025/26); KSh 18.2 bn are development bills.	<i>Contractors and suppliers, many of them SMEs, go unpaid; projects stall.</i>	Adequate & timely funding: Treat verified pending bills as a first charge with a time-bound payment plan; enforce commitment controls in IFMIS.
2	Late exchequer releases and delayed county allocation laws: Only 81% of external resources disbursed in FY 2025/26; KSh 35 bn of county donor projects await appraisal; 151,851 fewer bursary beneficiaries than targeted.	<i>County projects delayed; fewer needy students supported.</i>	Predictable cash flows: Timely enactment of county allocation laws and a binding cash-disbursement schedule; protect NG-CDF releases.
3	Under-capitalised drought fund: National Disaster Emergency Fund (NDEF) has KSh 648.9 m of its KSh 20 bn target (3.2%) while 2.9 million households needed relief food.	<i>Late drought response; loss of livestock and livelihoods.</i>	Diversified relief & anticipatory action: Capitalise NDEF progressively; preposition supplies; use cash transfers and e-vouchers where markets work.
4	Revenue and financing shortfalls: Ordinary revenue KSh 2,588.4 bn vs KSh 2,694.2 bn target; Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development, Sustainability Linked Loan (SLL) and AfDB Development Policy Operation (DPO) financing not realised; actual A-I-A collection at only 76% of the projected amount.	<i>Less money for services; pressure to borrow more.</i>	Strengthen fiscal sustainability: Integrate taxpayer and Government data, expand digital revenue collection and diversify concessional financing. Prioritize high-impact programmes: Ring-fence ongoing projects; complete before starting new ones under the Public Investment Management framework.
5	Litigation and unpaid court awards: Court awards of KSh 3.7 bn with only KSh 45.9 m (1.2%) settled; privatisation stalled by changes in the legal framework.	<i>Interest accrues and funds are diverted from services.</i>	Legal framework & ADR: Budget for awards; adopt Alternative Dispute Resolution; strengthen legal risk management.

Challenges (cont'd)

No.	Challenge and evidence	Effect on wananchi	Recommendation
6	Financial Action Task Force (FATF) grey listing: Kenya remains grey-listed (and on the EU high-risk list) over Anti-Money Laundering (AML)/Counter Terrorism Financing (CFT)/Counter Proliferation Financing (CPF) deficiencies.	<i>Costlier, slower remittances and cross-border payments for families and businesses.</i>	De-risk Kenya: Fully implement the AML/CFT/CPF Action Plan and adequately fund the financial-security value chain.
7	Human trafficking and irregular labour migration: Diaspora Bill at 0%; Diaspora Placement Agency 35% operational; 0 of 2 qualification-recognition agreements concluded.	<i>Kenyan workers exposed to exploitative recruitment abroad.</i>	Safe labour mobility: Fast-track the Diaspora Bill; operationalise the DPA; conclude BLAs and MRQAs; expand pre-departure training.
8	Outdated ICT and cyber risk: 0 of 9 Huduma servers upgraded; MFA network 45% upgraded; IFMIS not yet rolled out in Missions.	<i>System downtime at service counters; citizen data at risk.</i>	Digital transformation: Modernise ICT infrastructure with cybersecurity, data protection and systems integration.
9	Critical skills gaps: Special Government Initiative reports not produced for lack of technical staff; backlog of restrictive-trade-practice cases.	<i>Slower monitoring and weaker consumer protection.</i>	Human-resource capacity: Skills-gap audits, targeted recruitment of specialists, succession planning and retention.
10	Overlapping mandates and slow dispute resolution: Only 71% of intergovernmental disputes resolved in FY 2025/26 against a 100% target.	<i>Confusion over who delivers which service.</i>	Whole-of-Government coordination: Harmonise the legal and institutional framework; strengthen intergovernmental relations mechanisms.
11	High wage bill, debt service and currency risk: Debt service and wages crowd out development; depreciation raises the cost of external debt.	<i>Less money left for development projects.</i>	Debt & wage-bill management: Rationalise the wage bill; borrow prudently under the Medium-Term Debt Management Strategy; prioritise concessional finance.

Emerging issues





Why it matters

- Vision 2030 has anchored every budget, MTP and programme since 2008; from 2030 the MTEF needs a new anchor.
- Programmes, KPIs and M&E systems must be re-aligned to new long-term goals.
- Citizens must shape the next vision to keep it mwananchi-owned.



Where we are

- Post-Vision 2030 framework 15% complete; concept note submitted to the Cabinet Secretary.
- MTP IV mid-term evaluation to be finalised in FY 2026/27.
- Transition Plan target not yet achieved.



What the Sector will do

- End-term evaluation of Vision 2030 since inception.
- Develop the Transitional Plan 2027/28 – 2029/30.
- Hold a National Conversation on Kenya beyond 2030, leading to a National Development Charter and the new long-term plan.

Emerging issues (cont'd)



2027 General Election, and 2029 Kenya Housing and Population Census

Assumption of office of Governors in all 47 counties, diaspora voting and election-related service disruptions.

Preparatory activities for 2029 KHPC

Response: Coordinate county transitions; engage IEBC on diaspora voting; CAJ monitoring of electoral malpractice.

Kenya National Bureau of Statistics to undertake preparatory activities.



Artificial Intelligence and misinformation

Misuse of AI and deepfakes can spread false information about Government programmes and compromise systems.

Response: Regulations for ethical AI use; staff training on verification; rapid-response to misinformation.



Shrinking donor aid and global disruption

Grants fall from KSh 11.4 bn (FY 2027/28) to KSh 1.2 bn by FY 2029/30; Middle East conflict delayed Global Fund commodities.

Response: Diversify resource mobilisation and supply chains; strengthen strategic foresight.



Urbanisation and new vulnerabilities

Growing urban poor, street-connected families and children in residential care need tailored relief.

Response: Develop urban-specific relief interventions for vulnerable groups.



Demand for cash-based relief

Communities increasingly prefer cash transfers and e-vouchers over food aid.

Response: Shift to flexible, needs-based assistance where markets function.



More frequent climate shocks

Floods, drought, pests and receding water bodies threaten food reserves and livelihoods.

Response: Climate-smart resilience, climate-proofed infrastructure and locally-led climate finance.

Conclusion



The PAIR Sector remains a critical pillar of Kenya's development agenda, providing leadership, policy direction, coordination and oversight for planning, macroeconomic stability, public finance, devolution, public service and foreign policy.



Budget execution improved: overall absorption was 81.6% in FY 2023/24, 92.7% in FY 2024/25 and 94.6% in FY 2025/26, of approved budgets of KSh 287.6 bn, KSh 277.5 bn and KSh 328.8 bn.



Development was financed by GoK, loans and grants; 23 of 158 capital projects were completed and 135 are on-going.



Implementation was constrained by limited fiscal space, exchange-rate volatility, human-capital gaps, geopolitical shifts and climate shocks; the Sector adopted prudent fiscal management policies and reforms.

Conclusion: The medium-term outlook

FY 2027/28 Requirement KSh 571.6 bn Allocation KSh 332.6 bn Gap: KSh 239.1 bn	FY 2028/29 Requirement KSh 565.7 bn Allocation KSh 348.5 bn Gap: KSh 217.2 bn	FY 2029/30 Requirement KSh 649.6 bn Allocation KSh 396.7 bn Gap: KSh 253.0 bn
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Going forward, the Sector will reinforce fiscal discipline, enhance efficiency and deepen policy, legal and institutional reforms — prioritizing key programmes, strategic interventions and BETA priorities within available resources, mobilising additional funding through PPPs and partnerships, strengthening monitoring and evaluation for accountable results.

Summary of recommendations



Funding & fiscal sustainability

Adequate, timely releases; clear verified pending bills; integrate data and digitise revenue collection; budget for high-impact programmes.



De-risk Kenya

Execute outstanding AML/CFT/CPF benchmarks to exit grey-listing and restore investor confidence.



Debt management

Prudent borrowing, concessional financing and liability management under the Medium-Term Debt Management Strategy.



Legal & institutional reforms

Finalise laws, policies and structures; adopt Alternative Dispute Resolution; strengthen compliance and internal controls.



Results-based management

Link spending to outputs and value for money; robust M&E aligned to Vision 2030 and MTP priorities.



Digital transformation

Digitise services; strengthen systems integration, cybersecurity, data protection and records management.



Human-resource capacity

Skills-gap assessments, targeted recruitment, succession planning and retention of critical skills.



Whole-of-Government coordination

Coordinate MDAs, counties, partners and private sector; fast-track the Public Participation Bill.



Resilient, people-centred relief

Cash transfers and e-vouchers, anticipatory action and prepositioning for displaced and drought-affected people.



Partnerships & PPPs

Diversify resource mobilisation through PPPs, development partners and stakeholder collaboration.



Transparency & public participation

Timely information on programmes through national, county, digital and social media platforms.



Innovation & climate resilience

Technology-driven, data-based solutions; climate-smart livelihoods and climate-proofed infrastructure.

Sector commitments



We will bring services closer

75 new Huduma Centres and 936 Mashinani outreaches, so you spend less time and fare to get Government services.



We will open doors for young people

100,000 internships, 240,000 NYS recruits and 135,000 youth trained in TVET skills.



We will stand with families in hard times

Relief for about 3 million people a year, a 25,000 MT food reserve and cash support where markets work.



We will protect Kenyans working abroad

6 Migrant Resource Centres, a functional Diaspora Placement Agency and safe labour agreements.



We will account for every shilling

11,652 audit reports, published budget reviews and 100% e-Procurement so you can see how taxes are used.



We will pay what Government owes

Clear verified pending bills on schedule so that local businesses and contractors are paid on time.



We will keep the economy stable

Inflation within $5 \pm 2.5\%$ and prudent debt management to protect household incomes.



We will listen and respond to you

Timely information, faster complaint resolution, and a National Conversation on Kenya beyond 2030.



We will finish what we started

Complete ongoing projects before new ones, starting with Huduma Centres and KSG campuses in the regions.

Q&A Session

Questions, comments and feedback are welcome





THANK
YOU