REPUBLIC OF KENYA

PUBLIC ADMINISTRATION AND INTERNATIONAL RELATIONS (PAIR) SECTOR

MEDIUM-TERM EXPENDITURE FRAMEWORK FOR THE PERIOD 2026/27 – 2028/29

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INTRODUCTION - BACKGROUND

The Public Administration and International Relations (PAIR) Sector is one of the ten (10) Sectors in the Medium-Term Budget Cycle, playing the following crucial roles:

Governance: Provides national leadership, policy direction and oversight in realization of the development agenda; and institutionalizes the principles of the 'Whole-of-Government' and 'Open-Government' approaches in the delivery of public services.

Public Service Performance: Coordinates performance management in the public service.

Legislative Framework & Justice: Develops a sound legislative framework and enforce administrative justice, as well as the right to information.

Financial Management & Accountability: Promotes prudent public finance management, transparency & accountability in the public sector, and coordinates national planning.

Foreign Policy & Diaspora: Coordinates Kenya's foreign policy and diaspora affairs.

Wage Bill Management: Responsible for the effective management of the public sector wage bill.

INTRODUCTION-SUB-SECTORS

The Sector comprises 26 Sub-Sectors as follows:

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

INTRODUCTION-SECTOR VISION AND MISSION

VISION

Excellence in Public Policy Administration and International Relations.

MISSION

To Provide leadership, coordination, and oversight in public finance, economic and devolution management; public service transformation; policy alignment; and international relations to drive national development and global competitiveness.

INTRODUCTION-SECTOR STRATEGIC OBJECTIVES

1. Provide policy direction, leadership, oversight and coordination of Government for national prosperity.
2. Strengthen policy, legislative, and parliamentary processes to ensure effective government operations.
3. Ensure effective supervision, coordination and management in the implementation of the cabinet decisions and presidential directives.
4. Strengthen capacity for policy formulation, coordination, and implementation, supported by robust statistics and population management, to advance government priority programmes.
5. Strengthen public service capacity and culture by enhancing human resources, promoting accountability and good governance, and improving performance management for efficient service delivery.
6. Strengthen management of devolution and enhance intergovernmental relations between the National and County Governments.
7. Promote and protect Kenya's interests and image globally.
8. Promote a stable, competitive, and resilient economy through sound financial, fiscal, and macroeconomic management.
9. Protect the rights and promote the welfare and interest of Kenyans in the Diaspora.
10. Strengthen investment oversight, safeguard government assets, and streamline pension management.
11. Impart youth with discipline, patriotism and skills through paramilitary, national service and technical and vocational education training.
12. Promote equity in revenue sharing between the national and county governments, among county governments and areas defined as marginalized.
13. Establish a competitive, transparent, and sustainable public service remuneration system that rewards performance and attracts talent.
14. Streamline authorization and reporting of withdrawals from public funds.
15. Promote administrative justice and access to information for efficient and effective service delivery.
16. Enhance disaster preparedness and resilience in vulnerable communities.

PROGRAMME PERFORMANCE REVIEW FOR THE FY 2022/23- FY 2024/25

Key Sector Achievements FY 2022/23 – FY 2024/25

Key achievements for the period under review include:

1. Empowerment of Women through Affordable Credit – 6,973 women's groups accessed affordable credit, surpassing the 4,000 target.
2. Women Mentorship and Livelihood Training – 73,300 women trained on financial inclusion and livelihood enhancement.
3. Food Distribution to Vulnerable Households – 40,542 households benefited, exceeding the 35,000 planned target.
4. Peacebuilding and Social Justice Forums – 9 peacebuilding forums held in counties including Baringo, Garissa, Wajir, Mandera, Turkana, Isiolo, West Pokot, Marsabit and Kakamega.
5. Kenya-Tanzania Boundary – 266km reaffirmed exceeding the 250km planned target.
6. Land use – 1,288,496 hectares of land use on land resources area assessed.
7. Acquired 2 modern assorted machines for print production.
8. Rehabilitation and Skills Training for Vulnerable Boys - Over 4,274 boys rehabilitated and trained under the anti-drug and substance abuse initiative.

Key Sector Achievements FY 2022/23 – FY 2024/25.....Cont'd

9. Performance Contracting and Service Evaluation - 451 MDAs; and 250 State Corporations evaluated under performance contracting, improving efficiency in public service.
10. Government Performance Reporting System – 1,970 projects updated on the Government Performance Reporting System against the target of 2,532 projects.
11. Finalized the framework for development of national legislation.
12. Developed a Policy Handbook on Government Legislative Agenda.
13. Developed Government Delivery and Monitoring Information System.
14. 44 documentaries on Bottom-up Transformation Agenda produced and aired on media.
15. National Civic Education and Public Participation – 30 counties sensitized, enhancing citizen engagement in governance, 3,500 youth mobilized and sensitized on tree growing.
16. Capacity Building for County Governments – 45 investment projects supported, strengthening county service delivery.
17. Tree Growing for Climate Action - Over 861,000 trees planted across the country, promoting environmental conservation and climate resilience.

Key Sector Achievements FY 2022/23 – FY 2024/25…..Cont'd

18. Foreign Policy Review and Expansion of Diplomatic Presence - Launch of Kenya Foreign Policy 2024 and establishment of new Embassies including Guangzhou (China), Port-au-Prince (Haiti), and Jeddah (Saudi Arabia).
19. Negotiations and conclusion of Bilateral Labour Agreements – 9 Bilateral Agreements signed.
20. Economic Partnership Agreements – 3 agreements signed.
21. Diaspora Engagement and Investment Promotion – 51 meetings during outbound visits and 27 virtual town hall meetings; 13 diaspora conferences and 1 investment expo held.
22. Diaspora Repatriation and Evacuation – 1,196 Kenyans evacuated and 408 Kenyans repatriated.
23. Equalization Fund and Devolution Impact Assessment – Impact data from 24 counties guiding equitable revenue sharing.
24. Leasing of Security Motor Vehicles – 11,119 motor vehicles leased for the National Police Service.
25. Payment of Pension Claims – Reduced the number taken to process and pay pension claims to 60 days.

Key Sector Achievements FY 2022/23 – FY 2024/25…..Cont'd

26. Maintained a stable macroeconomic environment through sustaining the inflation band within the policy range of 5+/-2.5%, strong foreign exchange reserves and sustained fiscal consolidation path to economic recovery.
27. Public Private Partnership Funding – KSh.67.7 billion mobilized for implementation of PPP Projects.
28. Finalized preparation of the MTP IV; and Monitoring and Evaluation Policy.
29. Constructed and renovated 28,712 institutional facilities, awarded bursary to 2,154,783 beneficiaries, and developed 3,435 security sector facilities.
30. Served over 30 million Kenyans through the Huduma Kenya Service delivery platforms.
31. Upgraded the Government Human Resource Information System to Human Resource Information System.
32. A total of 26,655 youth trained in paramilitary skills.
33. Reviewed Organization Structures and staffing levels in MDAs.
34. Evaluated and reported to the President and Parliament on Values and Principles of Public Service in MDAs.

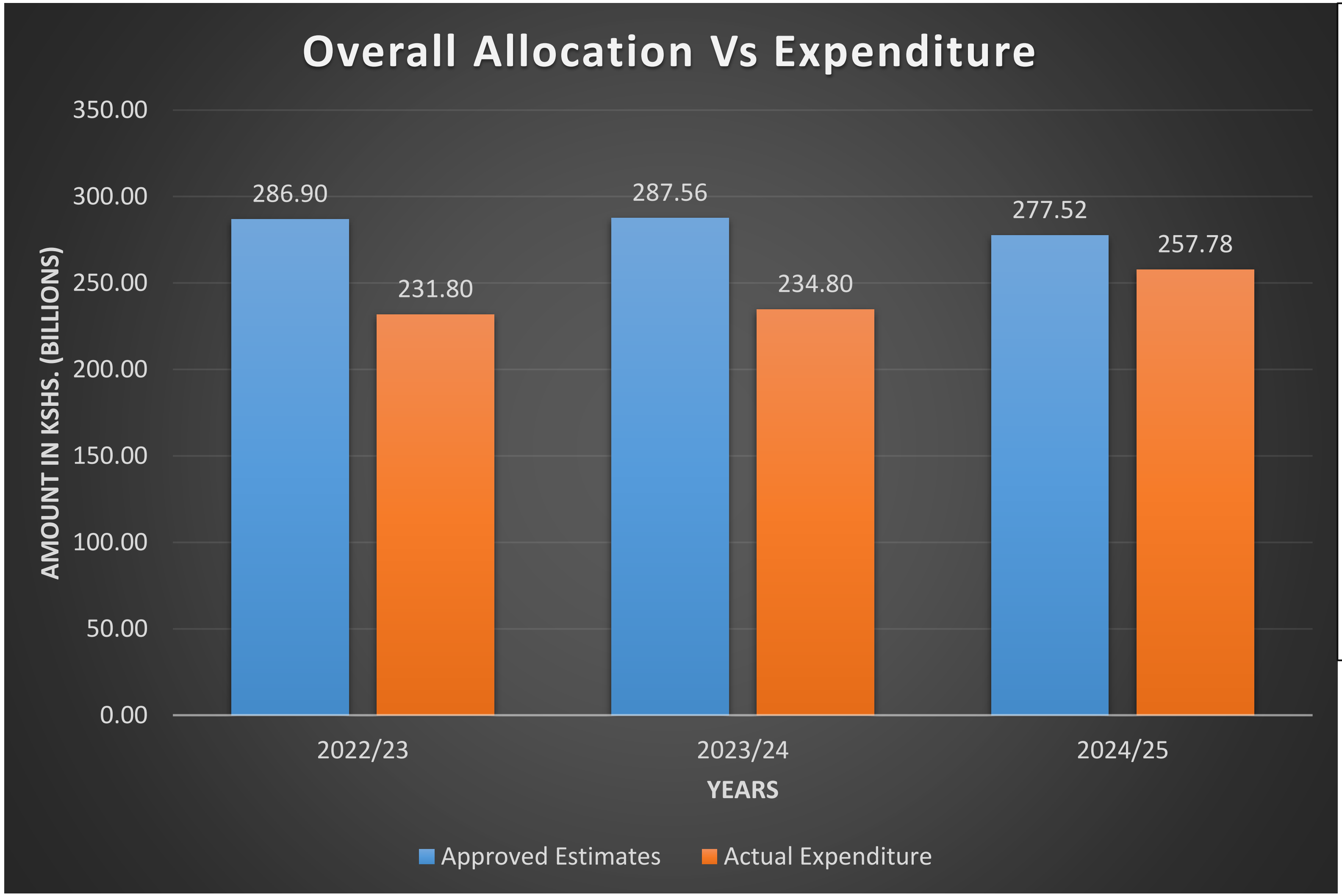
Key Sector Achievements FY 2022/23 – FY 2024/25.....Cont'd

35. Ensured equitable revenue sharing between National and County Governments and among County governments.
36. Undertook own source revenue administration assessment for County governments.
37. Issued advisories on revenue and benefits to Ministries, Departments, Agencies and Counties.
38. Conducted job evaluation on 47,533 jobs during the 3rd Remuneration Cycle.
39. Conducted audit and issued 5,874 reports.
40. Reduced the number of days taken to approve withdrawal from the public funds to one day.
41. Conducted monitoring and Evaluation in Counties.
42. Decentralization of Ombudsman Services – New offices in Meru and Makueni improving citizens' access to justice.
43. Resolution of Public Complaints – 18,015 complaints handled, 1,187 resolved, improving accountability and citizens' confidence in public institutions.
44. Sensitization on administrative justice – 6.33 million people sensitized on access to information.

Analysis of Approved Budget Vs Actual Expenditure

FY 2022/23 – FY 2024/25

Expenditure Trends for the FY 2022/23 – FY 2024/25



- The approved budgets for the Sector during the MTEF Period FY 2022/23 – FY 2024/25 were **KSh.286.9 billion**, **KSh.287.6 billion**, and **KSh.277.5 billion**, respectively; and

- The actual expenditures were **KSh. 231.8 billion**, **KSh. 234.8 billion**, and **KSh.257.8 billion**, representing absorption rates of **80.8%**, **81.7%**, and **92.9%** respectively.

Analysis of Recurrent Expenditure

- The Sector's approved recurrent budget increased from **KSh.144.9 billion** in FY 2022/23 to **KSh.166.2 billion** in FY 2023/24 and then reduced to **KSh.163.8 billion** in FY 2024/25;
- Actual expenditures amounted to **KSh.124.3 billion, KSh.150.5 billion** and **KSh.151.2 billion** in the FY 2022/23, FY 2023/24 and FY 2024/25 respectively; and
- The corresponding absorption rates were **86%, 91%** and **92%** for the three financial years respectively as shown in the tables in the next two (2) slides.

Analysis of Recurrent Expenditure…..Cont'd

Financial Year	Allocation (KSh. Millions)	Actual Expenditure (KSh. Millions)	Absorption Rate
2022/23	144,968.7	124,342.8	86%
2023/24	166,203.6	150,453.5	91%
2024/25	163,785.1	151,154.2	92%

Analysis of Recurrent Expenditure…..Cont'd

Economic Classification	Approved Budget (KSh. Millions)			Actual Expenditure (KSh. Millions)		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Gross	**144,968.7**	**166,203.6**	**163,785.1**	**124,342.8**	**150,453.5**	**151,154.2**
AIA	14,477.4	17,040.5	19,464.2	7,344.7	11,473.7	14,610.4
NET	**130,491.3**	**149,163.1**	**144,320.8**	**116,998.1**	**138,979.8**	**136,543.7**
Compensation of Employees	32,703.6	37,732.6	36,766.7	29,841.7	35,746.0	35,788.4
Current Transfers	61,639.2	76,365.2	73,322.9	51,617.6	64,737.8	62,645.9
Other Recurrent	**50,493.9**	**50,912.2**	**53,296.5**	**42,667.3**	**48,961.5**	**52,403.8**
Utilities	1,051.9	913.7	960.7	645.1	864.2	844.1
Rent	3,294.0	4,493.1	4,557.6	3,002.5	4,330.4	4,334.7
Insurance	4,543.2	3,209.9	4,433.0	3,751.1	3,167.8	4,374.4
Subsidies	-	-	2.0	-	-	1.0
Gratuity	739.4	260.4	308.9	624.7	243.2	414.5
Contacted Guards & Cleaning Services	3,312.9	1,970.7	380.6	3,056.6	1,932.5	346.0
Others	37,552.5	40,064.5	42,653.7	31,588.2	38,423.4	42,089.1

Analysis of Development Expenditure

- The Sector's approved development budgets decreased from **KSh.141.9 billion** in FY 2022/23, to **KSh.121.2 billion** in FY 2023/24 and decreased further to **KSh.113.7billion** in FY 2024/25;
- The expenditure stood at **KSh.107.5 billion**, **KSh.84.3 billion**, **KSh.106.6 billion** for the FY 2022/23, FY 2023/24 and FY 2024/25 respectively; and
- The corresponding absorption rates were **76%, 70%** and **94%** for the three financial years respectively as detailed in the tables in the next slides.

Analysis of Development Expenditure…..Cont'd

Year	Allocation (KSh. Millions)	Actual Expenditure (KSh. Millions)	Absorption Rate
2022/23	141,930.13	107,491.40	76%
2023/24	121,352.04	84,344.16	70%
2024/25	113,734.24	106,630.38	94%

Analysis of Development Expenditure…..Cont'd

Description	Approved Budget (KSh. Millions)			Actual Expenditure (KSh. Millions)		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Gross	**141,930.13**	**121,352.04**	**113,734.24**	**107,491.40**	**84,344.16**	**106,630.38**
GoK	119,327.51	88,317.32	78,370.52	93,376.99	60,408.89	78,251.54
Loans	8,205.00	19,359.00	22,347.00	6,678.00	16,346.00	19,101.00
Grants	9,049.05	13,675.72	13,016.72	7,436.41	7,589.27	9,277.84
Local AIA	5,348.57	-	-	-	-	-

Pending Bills (KSh.Millions)

- The Sector's total cumulative pending bills were **KSh.11,951.1 million, KSh.24,497.3 million** and **KSh.13,032.1 million** for the FY 2022/23, 2023/24 and 2024/25 respectively;
- Most of the Sub-Sectors provided for their respective pending bills as first charge in their subsequent years. The historical bills have been submitted to the Pending Bills Verification Committee; and
- The Sub-Sectors will continue to put in place measures to contain pending bills stock.

ITEM	2022/23	2023/24	2024/25
Recurrent Pending Bills	10,399.5	13,001.5	11,074.7
Development Pending Bills	1,551.6	11,495.8	1,957.4
Total	**11,951.1**	**24,497.3**	**13,032.1**

Court Awards (KSh.Millions)

- The Sector's total Court Awards during the review period were **KSh.7,720.1 million.** A total of **KSh.1,741.8 million** has been paid leaving outstanding balance of **KSh.5,978.3 million;** and
- The respective Sub-Sectors in liaison with the National Treasury should come up with funding options to settle the awards to avoid accrual of interests and litigations.

Sub-Sector	Court Awards	Amount Paid	Outstanding Payment
1032 State Department for Devolution	454.3	1.8	452.5
1071 The National Treasury	4,921.1	1,700.0	3,221.1
1213 State Department for Public Service	2,289.6	-	2,289.6
2081 Salaries and Remuneration Commission	47.2	40.0	7.2
2111 Office of the Auditor General	7.9	-	7.9
Total	**7,720.1**	**1,741.8**	**5,978.3**

FINANCIAL PLAN FOR THE FY 2026/27 AND THE MEDIUM-TERM

Sector Programmes for FY 2026/27 – FY 2028/29

In the 2026/27-2028/29 MTEF Period, the Sector will implement 46 Programmes as outlined below:

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

Sector Programmes for FY 2026/27- FY 2028/29.....Cont'd

Vote	Sub-Sector	No.	Programme
1016	State Department for Cabinet Affairs	10.	Cabinet Delivery 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
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

Sector Programmes for FY 2026/27- FY 2028/29.....Cont'd

Vote	Sub-Sector	No.	Programme
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 for FY 2026/27- FY 2028/29.....Cont'd

Vote	Sub-Sector	No.	Programme
1213	State Department for Public Service and Human Capital Development	33.	Public Service Human Resource Management and Development
		34.	Public Service Transformation
		35.	General Administration, Planning and Support Services
		36.	National youth service
2061	Commission on Revenue Allocation	37.	Inter-government Revenue and Financial Matters
2071	Public Service Commission	38.	General Administration, Planning and 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

Sector Key Targets FY 2026/27 – FY 2028/29

The Sector key targets will include:

1. Provide leadership and coordination of Government Policy.
2. To modernize and transform the Government Press.
3. Complete and roll out of the Legislative Agenda Tracking Information System (LATIS) to track the development of policies and legislative initiatives.
4. Review and map all on-going Public Sector Reforms, prioritize to catalyze BETA aspirations.
5. Facilitate policy advisory on BETA strategic interventions and priorities.
6. Verify implementation of 51 High Impact BETA Programmes and Projects.
7. Promote harmonious intergovernmental relations by holding sector forums for consultation and cooperation between the two levels of government.
8. Provide Relief assistance to 2.8 million needy population with food and non-food items annually.
9. Expand Kenya’s Diplomatic foot print and representation globally by establishing and operationalizing two (2) new missions in Asmara and Bogota.

Sector Key Targets FY 2026/27 – FY 2028/29…..Cont'd

10. Facilitate 31 outbound and inbound State visits aimed at strengthening bilateral relations and cooperation.
11. Operationalize and equip six (6) Migrant Resource Centers in selected missions abroad to safe guard the welfare and rights of Kenyans.
12. Sustain macroeconomic stability by maintaining inflation range at 5.0 ± 2.5 percent, maintain official foreign reserves at a minimum of five months of import cover, and increase ordinary revenue collection from KSh. 2,694.2 billion in FY 2025/26 to KSh. 2,998.3 billion, KSh. 3,308.9 billion, KSh. 3,605.8 for the FY 2026/27, FY 2027/28 and FY 2028/2029 respectively.
13. Reduce fiscal deficit to 4.1 percent of GDP while achieving a financing mix of 55 percent domestic and 45 percent external resources, and service all maturing public debt.
14. Development of the Economic Planning Policy and Bill to strengthen the economic planning function at both levels of Government.
15. Create a conducive environment for financial services investments through provision of tax incentives and streamline regulatory frameworks to attract sustainable Foreign Direct Investments inflows valued at USD 2 billion by 2028.
16. Sensitization of 6,300 persons on disaster risk management.

Sector Key Targets FY 2026/27 – FY 2028/29…..Cont'd

17. Coordinate implementation and monitoring of the Fourth Medium-Term Plan (MTP IV).
18. Operationalize an Integrated Public Investment Management Information System.
19. Develop/review sixty-seven (22) Career Guidelines for different cadres in the Service according to job families.
20. Serve a total of 14.5million customers through Huduma Service Delivery Platforms.
21. Make recommendation on the equitable sharing of revenue between national and county governments.
22. Recruitment for the MDAs, Constitutional Commissions, independent Offices and Other Statutory Offices and senior management of public universities.
23. Harmonization of grading structures and issuance of advice on remuneration and benefits, Collective Bargaining Agreements, and productivity and performance incentives.
24. Coordinate and monitor performance across Government in the implementation of Government policies, projects and programs.
25. Align MDAs Performance Contracts with their functions and Government priorities.

Sector Key Targets FY 2026/27 – FY 2028/29.....Cont'd

26. Carry out audit and issue 10,179 regularity audit reports to Parliament and relevant County Assemblies from National & County Governments, National Government CDF and Public Secondary Schools.
27. Conduct 120 special audits emanating from Parliament, Counties Assemblies and other relevant bodies and proactive audits identified through risk assessments.
28. Monitoring and Evaluation of Budget Implementation.
29. Decentralize ombudsman services by establishing 5 new regional offices and desks in Huduma Centres.
30. Sensitize and educate 3.5 million members of the public on administrative justice and access to information matters.
31. Digitize 1,500 additional Government Payments in the medium-term to enhance revenue accountability and transparency.
32. Implement recommendations on Anti-Money Laundering, Counter-Financing of Terrorism, and Counter-Proliferation Financing to improve Kenya's standing in the global financial system ratings.
33. Finalize the Public Service Performance Management Bill.
34. Institutionalize Government engagements with religious organizations.
35. Develop the Transitional Plan (2027/28 – 2031/32) and Post Vision 2030 Long-term Development Plan (Kenya @100 Vision).

Sector Resource Requirements and Allocations for FY 2026/27 – FY 2028/29

The Sector's resource requirements were **KSh.567.3 billion, KSh.636.7 billion** and **697.9 billion** in the FY 2026/27, FY 2027/28 and FY 2028/29 respectively. The allocations for FY 2026/27, FY 2027/28 and FY 2028/29 are **KSh.328.5 billion**, **KSh.334.3 billion** and **KSh.363.5 billion** respectively as shown below:

Vote	Baseline	Requirements			Allocations		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Recurrent	148,251.9	366,985.8	381,837.5	422,271.8	188,309.2	194,677.9	215,524.5
Development	125,260.1	200,355.8	254,839.7	275,674.1	140,152.9	139,525.2	147,985.6
Total	**273,512.0**	**567,341.6**	**636,677.2**	**697,945.9**	**328,462.1**	**334,203.1**	**363,510.1**

Sector Recurrent Resource Requirements and Allocations for FY 2026/27 – FY 2028/29

- On average, Compensation to Employees, Current Transfers, and Other Recurrent expenditures are allocated 17%, 56% and 28% of the recurrent expenditure respectively in the FY 2026/27;

- 17%, 55% and 28% respectively in FY 2027/28; and

- 16%, 57% and 27% respectively in FY 2028/29.

Sector Recurrent Resource Requirements Vs Allocations by Economic Classification

RECURRENT	Baseline	Requirement (KSh. Millions)			Allocation (KSh. Millions)		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Gross	**148,251.9**	**366,985.8**	**381,837.5**	**422,271.8**	**188,309.2**	**194,677.9**	**215,524.5**
AIA	20,189.1	21,123.9	21,749.8	22,432.0	21,123.9	21,749.8	22,432.0
Net	**128,062.8**	**345,861.9**	**360,087.7**	**399,839.8**	**167,185.3**	**172,928.1**	**193,092.5**
Compensation to Employees	32,165.3	35,881.3	37,609.3	39,584.1	31,626.6	32,515.1	33,430.8
Transfers	74,317.2	186,359.0	195,536.7	220,765.4	104,598.2	107,286.4	123,807.8
Other Recurrent	41,769.4	144,745.5	148,691.5	161,922.3	52,084.4	54,876.5	58,285.9

Recurrent Resource Requirements Vs Allocations by Sub-Sector

Recurrent expenditure per sub-sector is as follows:

Recurrent	Baseline	Requirement (Kshs. Millions)			Allocation (Kshs. Millions)		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Executive Office of the President	4,535.2	8,332.0	8,466.7	8,641.6	5,141.5	5,343.8	5,554.8
Office of the Deputy President	2,972.1	4,272.4	4,400.4	4,532.4	3,181.0	3,324.3	3,474.1
Office of the Prime Cabinet Secretary	356.6	1,961.2	1,808.6	1,756.5	827.6	850.9	875.3
State Department for Parliamentary Affairs	363.5	2,069.6	2,279.9	2,630.1	406.7	423.0	439.9
State Department for Cabinet Affairs	228.7	455.3	456.1	477.0	298.8	311.2	324.2
State House	7,684.0	17,453.4	17,568.7	18,069.6	8,651.8	10,359.6	10,680.9
State Department for National Government Coordination	1,022.3	3,447.0	3,098.3	3,133.0	944.2	993.0	1,043.9
State Department for Devolution	1,331.2	4,702.8	4,657.9	4,499.1	1,349.6	1,485.6	1,576.1
State Department for Special Programmes	488.1	65,640.5	65,516.9	65,527.2	687.2	723.8	762.2
State Department for Foreign Affairs	23,017.7	40,458.2	42,244.7	45,177.1	24,358.1	25,396.5	26,380.6
State Department for Diaspora Affairs	717.8	2,608.8	2,628.9	2,662.1	844.6	877.6	912.0
The National Treasury	64,379.8	119,986.1	126,114.6	149,744.4	95,691.4	96,419.8	112,828.7

Recurrent Resource Requirements Vs Allocations by Sub-Sector…..Cont'd

Recurrent	Baseline	Requirement (Kshs. Millions)			Allocation (Kshs. Millions)		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
State Department for Economic Planning	3,679.5	8,752.2	9,966.0	11,360.9	3,830.9	4,610.7	4,906.0
State Department for Public Investment & Asset Management	3,172.3	7,392.8	7,690.7	7,910.7	3,307.2	3,511.0	3,717.2
State Department for Public Service & Human Capital Development	19,752.4	55,767.8	61,050.9	70,639.6	23,726.4	24,165.3	25,308.4
Commission on Revenue Allocation	370.0	1,182.3	1,064.5	1,065.3	510.6	526.8	544.2
Public Service Commission	3,561.7	6,700.3	7,086.1	7,863.6	3,640.5	3,698.4	3,758.5
Salaries and Remuneration Commission	751.7	2,018.8	1,470.7	1,508.3	790.9	823.2	857.0
Office of the Auditor General	8,359.0	10,588.4	10,897.0	11,509.0	8,476.3	9,128.8	9,812.6
Office of the Controller of Budget	834.0	1,600.4	1,648.5	1,697.8	913.7	948.1	983.7
Commission on Administrative Justice	674.2	1,595.5	1,721.4	1,866.4	730.1	756.6	784.1
Grand Total	**148,251.9**	**366,985.8**	**381,837.5**	**422,271.8**	**188,309.2**	**194,677.9**	**215,524.5**

Sector Development Resource Requirements and Allocations for FY 2026/27 – FY 2028/29

- The Sector's Development Resource Requirements were **KSh.366.9 billion, KSh.381.8 billion and 422.3 billion** in the FY 2026/27, FY 2027/28 and FY 2028/29 respectively; and

- The allocations for the FY 2026/27, FY 2027/28 and FY 2028/29 are **KSh.188.3 billion, KSh.194.7billion** and **KSh.215.5 billion** respectively as shown in the slides that follow:

Sector Development Resource Requirements Vs Allocations for FY 2026/27 – FY 2028/29…..Cont'd

The Sector's Development Resource Allocations are as follows:

Development	Baseline	Requirement (Kshs. Millions)			Allocation (Kshs. Millions)		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Gross	**125,260.1**	**200,355.8**	**254,839.7**	**275,674.1**	**140,152.9**	**139,525.2**	**147,985.6**
GOK	82,692.8	162,240.5	241,891.5	274,179.4	102,037.6	126,577.0	146,490.9
Loans	30,906.0	23,829.0	593.0	188.0	23,829.0	593.0	188.0
Grants	11,661.3	14,286.3	12,355.2	1,306.7	14,286.3	12,355.2	1,306.7
Local A.I.A	-	-	-	-	-	-	-

Development Resource Requirements Vs Allocations by Sub-Sector for FY 2026/27 – FY 2028/29.....Cont'd

Development Resource Requirement Vs Allocation by Sub-Sector is as follows:

DEVELOPMENT	Baseline	Requirement (Kshs. Millions)			Allocation (Kshs. Millions)		
	2025/26	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Executive Office of The President	1,034.0	5,035.0	4,423.4	4,247.2	1,311.2	1,385.0	1,485.0
Office of the Deputy President	100.0	300.0	300.0	350.0	100.0	300.0	350.0
State House	894.9	3,400.2	1,516.1	1,302.6	1,027.0	1,204.5	1,250.0
State Department for National Government Coordination	22.0	130.0	158.0	130.0	130.0	158.0	28.0
State Department for Devolution	15,915.1	12,962.0	2,402.5	2,386.0	11,011.5	1,552.2	1,452.2
State Department for Special Programmes	165.6	1,295.5	1,295.5	1,295.5	165.0	263.0	320.0
State Department for Foreign Affairs	2,346.4	6,861.9	8,802.2	17,562.4	2,356.3	3,050.0	4,250.0
The National Treasury	42,499.6	88,097.7	155,361.3	149,972.5	61,905.8	125,933.0	133,220.7
State Department for Economic Planning	59,360.1	74,209.7	73,476.2	91,550.5	59,522.6	2,628.7	2,432.7
State Department for Public Investments & Assets Management	736.0	3,524.7	3,559.3	3,485.5	750.2	882.8	1,010.0
State Department for Public Service & Human Capital Development	1,856.4	3,954.1	2,764.3	2,829.9	1,523.3	1,813.0	1,887.0
Public Service Commission	-	85.0	81.0	62.0	50.0	55.0	-
Office of the Auditor General	330.0	500.0	700.0	500.0	300.0	300.0	300.0
Grand Total	**125,260.1**	**200,355.8**	**254,839.7**	**275,674.1**	**140,152.9**	**139,525.2**	**147,985.6**

CROSS SECTOR LINKAGES

Cross-sector linkages create synergy for the effective and efficient delivery of services, contributing to the social and economic development of the country.

The PAIR Sector collaborates with other sectors to implement the national development agenda, guided by key frameworks:

Constitution of Kenya 2010

The foundational legal framework outlining governance and national values.

Vision 2030

Kenya's long-term development blueprint aimed at transforming the nation into a newly industrializing, middle-income country.

Medium-Term Plans

Strategic plans that operationalize Vision 2030 over successive five-year periods.

BETA Priorities

Specific government priorities focusing on economic growth and development initiatives.

Other Laws and Regulations

Ensuring adherence to all relevant legal and regulatory frameworks.

CROSS SECTOR LINKAGES.....CONT'D

Key inter-linkages include:

Agriculture, Rural and Urban Development:

i. Provide advisory and coordination services on policies and implementation of Government priorities through promotion of Whole-of-Government approach;
ii. Provide relief and disaster-related support;
iii. Support mobilization of resources for implementation of government programmes and projects; and
iv. Support export of agricultural products through negotiation of preferential trade and investment agreements.

Energy, Infrastructure and ICT:

i. Support the provision of ICT services, standards and innovations;
ii. Support development and implementation of digital transformation strategies;
iii. Provide key technical input in the acquisition, leasing evaluation, and valuation of properties;
iv. Collaborate in the implementation of special programmes initiatives such as cash transfers to the most vulnerable; and
v. Support in rescue operations, maintenance of key infrastructure, provide advisory on disasters, broadcast and disseminate disaster–related information to the public.

CROSS SECTOR LINKAGES…..CONT'D

General Economic and Commercial Affairs:

i. Provide technical support in the development of cabinet memoranda related to trade, investment and enterprise development;
ii. Support implementation of Buy Kenya Build Kenya Policy;
iii. Carry out research, provide data, advisory and reports for planning and coordination purposes;
iv. Provide technical support in the development and implementation of policies and Government decisions; and
v. Support regional and continental economic integration, and promotion of cross border trade, investment and movement of labour.

Health:

i. Support provision of health infrastructure to improve the well-being of the citizens;
ii. Provide technical support in development and implementation of policies and Government decisions;
iii. Support mobilization of resources for implementation of government programmes and projects; and
iv. Promote global health collaboration to ensure international support in addressing national health needs.

CROSS SECTOR LINKAGES…..CONT'D

Education:

i. Provide technical support in development and implementation of policies and Government decisions;
ii. Provide research findings, data and advisory for planning and coordination;
iii. Collaborate on capacity building to enhance human capital for productivity;
iv. Provision of Consular services on education matters;
v. Promote cultural and educational exchange programs; and
vi. Support mobilization of resources for implementation of government programmes and projects.

Governance Justice Law and Order:

i. Provide technical support in development and implementation of policies and Government decisions;
ii. Negotiate, draft and vet local and international instruments, MOUs, treaties and agreements involving the Sector;
iii. Provide technical support in the drafting of bills, subsidiary legislation, notices of appointment to state corporations, constitutional and public offices, and review of laws;
iv. Provide consular services to Kenyans in the diaspora; and
v. Document and report on the implementation of Kenya's regional and international commitments.

CROSS SECTOR LINKAGES.....CONT'D

National Security:

i. Liaise on engagement in maintenance, monitoring and evaluation of peace and security issues, and participation in conflict resolution initiatives;
ii. Provide leadership and policy direction through coordination of President's schedule, Cabinet business, National Security Council business, and provision of advisories and strategic support on BETA programmes;
iii. Provide technical support in the development and implementation of Cabinet Decisions related to the sector; and
iv. Support mobilization of resources for implementation of government programmes and projects.

Social Protection, Culture and Recreation:

i. Provide technical support in development and implementation of policies and Government decisions;
ii. Support implementation of National Labour and Employment policy;
iii. Provide relief support and cash transfers to vulnerable populations;
iv. Support the protection of migrant workers and facilitate drafting, negotiation and conclusion of bilateral labour agreements to harness opportunities abroad; and
v. Partnership and provision of technical support in the implementation of social protection programmes.

CROSS SECTOR LINKAGES…..CONT'D

Environment Protection, Water and Natural Resources:

i. Provide technical support in the development and implementation of policies, negotiation of multilateral environmental agreements, climate change mitigation and adaptation efforts;
ii. Support mobilization of resources for, and implementation of climate change strategies and financing; and
iii. Facilitate Kenya's environmental leadership and strengthening global cooperation with regional and international partners.

Macro Working Group:

i. Resource mobilization, prioritization and allocation of resources to Programmes according to the national development agenda;
ii. Provide technical support in monitoring the implementation of the policies and programs;
iii. Support decision making through research; and
iv. Support the strengthening of intergovernmental relations to promote coherence and harmony in governance structures.

EMERGING ISSUES/CHALLENGES, RISKS AND PROPOSED MITIGATION RESPONSES

NO.	EMERGING ISSUES/CHALLENGES	RISKS	PROPOSED MITIGATION RESPONSES
1.	Technological advancement	Misuse of emerging technologies such as Artificial Intelligence (AI), may compromise the integrity of systems leading to misinformation.	i. Create public awareness to counter unverified information; ii. Develop and implement cyber strategy and enhance software updates, cyber security tools, robust data back-up, feasible disaster recovery plan; and iii. Continuous capacity building on new technologies.
2.	Shifting Geo-political dynamics and changing donor landscape	i. Diminished donor support for relief assistance, further constraining the fiscal space; ii. Supply chain disruptions leading to high cost of goods and services; iii. Conflicted foreign policy and strained foreign relations; and iv. Inadequate support for planned national development priorities.	i. Enhance investment in the local productive sector/industries to reduce overreliance on donor support and imports; ii. Neutrality/Non-alignment Policy; and iii. Develop national and sectoral programmes/strategies that attract funding, while retaining ownership of the development agenda.

EMERGING ISSUES/CHALLENGES, RISKS AND PROPOSED MITIGATION RESPONSES…..CONT'D

NO.	EMERGING ISSUES/CHALLENGES	RISKS	PROPOSED MITIGATION RESPONSES
3.	Civil Unrest and Industrial Action	Recently experienced civil unrests by the youth (Generation Z) and the industrial action by several trade unions have negatively affected implementation of Government projects, destruction of Government infrastructure, loss of trust from the citizens and sanctions from the international community.	Enhance information sharing and inclusivity in decision-making.
4.	Financial Resource Constraints	The underperformance of projected revenues undermines achievement of budget outputs and outcomes leading to insufficient resources thus a scale-down of the targeted activities in the implementation of planned government programmes. Consequently, the sector has accumulated pending bills, some of which are historical due to budget cuts and inadequate funding. (Low project performance, accumulated pending bills, low absorption rates).	i. Promote and implement balanced budgets; ii. Expand revenue base; iii. Prioritization of high impact programmes and projects; and iv. Explore alternative sources of funding.

EMERGING ISSUES/CHALLENGES, RISKS AND PROPOSED MITIGATION RESPONSES.....CONT'D

NO.	EMERGING ISSUES/CHALLENGES	RISKS	PROPOSED MITIGATION RESPONSES
5.	Grey listing of Kenya by the Financial Action Task Force (FATF).	i. Erosion of investor confidence, ii. Hindrance of access to international finance, iii. High compliance costs for Kenyan businesses internationally; and iv. Restrictions on transactions involving Kenyan entities.	Expedite the implementation of AML/CFT recommended Action Plans focusing on key legislative reforms, strengthening institutional enforcement, and increasing transparency.
6.	Climate change.	i. Poor agricultural production thus affecting the national food reserves; and ii. Natural disasters such as flooding, drought, change in distribution of rainfall, drying-up of rivers, migration of pests (locusts), depletion of pasture and the receding of water bodies, that pose a threat to human life and livelihoods.	Promote Climate Change mitigation and adaptation measures and mainstream them in the Sector activities.

EMERGING ISSUES/CHALLENGES, RISKS AND PROPOSED MITIGATION RESPONSES…..CONT'D

NO.	EMERGING ISSUES/CHALLENGES	RISKS	PROPOSED MITIGATION RESPONSES
7.	Inadequate Office space and equipment	Inefficient and ineffective service delivery.	Provide funding for office space and modern equipment.
8.	Litigation and court cases against the budget and the projects	i. Delayed implementation of creates uncertainty in fiscal projections; and ii. Litigation and court cases and constitutional petitions against financial bills delay implementation creating uncertainty in fiscal projections. These legal hurdles have stalled key revenue-raising measures, weakening fiscal consolidation efforts.	Provide budget for extensive public participation.
9.	Inadequate legal and institutional framework to coordinate performance management	Gaps in the legal and institutional frameworks has affected efficiency in performance of the sector sometimes leading to duplication and overlaps.	Facilitate the sector to develop, implement and review necessary legal and institutional frameworks.

EMERGING ISSUES/CHALLENGES, RISKS AND PROPOSED MITIGATION RESPONSES…..CONT'D

NO.	EMERGING ISSUES/CHALLENGES	RISKS	PROPOSED MITIGATION RESPONSES
10.	Outdated ICT Infrastructure.	The ICT infrastructure across the Sector is outdated, having been in use for over years. The existing infrastructure is obsolete, with no manufacturer support or maintenance available. This obsolescence has significantly affected operational efficiency, causing frequent system downtimes.	Sufficient funding to acquire modern technological infrastructure.
11.	Inadequate human resource capacity.	Staff shortage across all cadres attributable to natural attrition, staff turnover, capacity and competence. This has compromised delivery of critical Government services. Recruitment of new staff and career progression have been affected by resource constraints to allocate to Human resource management and development expenditure.	Provide budget for recruitment, training and succession management of staff in the Sector.

EMERGING ISSUES/CHALLENGES, RISKS AND PROPOSED MITIGATION RESPONSES…..CONT'D

NO.	EMERGING ISSUES/CHALLENGES	RISKS	PROPOSED MITIGATION RESPONSES
12.	Unsustainable Public Debt	The rise in public debt in Kenya, that is projected to reach 67.8% of GDP, poses significant economic challenges. The total public debt stood at Kshs.11.7 trillion as of June 2025. As a result of the rising debt burden, the government is compelled to allocate a larger portion of its budget to interest payments, thereby restricting the funds available for essential public services and investments. Furthermore, the increasing public debt leads to higher interest rates for financial products, potentially discouraging private investment and hindering economic growth. This, in turn, can create a vicious cycle, as the government may be forced to borrow more to service its existing debt obligations, thus exacerbating the problem.	i. Mobilizing both internal and external resources to minimize the public debt; and ii. Prudent public debt management.

CONCLUSION

1. The PAIR Sector remains pivotal to Kenya's economy providing leadership, coordination, and policy direction for national planning, macroeconomic stability, public finance management, devolution, and foreign policy.
2. An analysis of programme performance for FY 2022/23–2024/25 indicates modest growth in recurrent and development allocations, with varying absorption rates across financial years.
3. The Sector's total approved allocations amounted to **KSh. 286.90 billion**, **KSh. 287.56 billion**, and **KSh. 277.52 billion**, against actual expenditures of **KSh. 231.8 billion**, **KSh. 234.8 billion**, and **KSh. 257.78 billion**, representing absorption rates of **80.8%**, **81.65%**, and **92.89%** respectively.
4. Development expenditure was financed through the Government of Kenya, loans, grants, and Appropriations-in-Aid (AIA), with 15 projects completed and 45 ongoing.

CONCLUSION.....CONT'D

4. Implementation was further constrained by limited fiscal space, exchange rate volatility, human capital gaps, geopolitical shifts, and climate-related shocks. Despite these challenges, the Sector continues to adapt through prudent fiscal management, strategic prioritization, and institutional reforms to strengthen performance and service delivery.
5. The projected resource requirement is KSh. 567.34 billion, KSh. 636.68 billion, and KSh. 697.95 billion for FYs 2026/27, 2027/28, and 2028/29, against respective allocations of KSh. 328.46 billion, KSh. 334.20 billion, and KSh. 363.51 billion, reflecting resource gaps of KSh. 238.88 billion, KSh. 302.47 billion, and KSh. 334.44 billion respectively.
6. Going forward, the Sector will reinforce fiscal discipline, enhance efficiency, and deepen policy, legal, and institutional reforms to advance sustainable growth.

RECOMMENDATIONS

In view of the challenges and emerging issues identified and to enhance efficiency, accountability, and effectiveness in the delivery of Government services, and the realization of National Development goals, the Sector recommends the following measures:

NO.	RECOMMENDATION
1.	**Adequate and Timely Funding:** Ensure sufficient and timely budgetary allocations and exchequer releases to facilitate seamless implementation of planned Programmes and Projects, including clearance of all pending bills.
2.	**Ring-fence critical capital and operational budgets** from austerity cuts, especially those related to capital projects expenditures to safeguard priority National Programmes and avoid cost overruns.
3.	**Strengthening Legal Policy and Institutional Frameworks:** Finalize and implement relevant laws, policies and institutional frameworks to enhance coordination, governance and improve performance management across government entities.
4.	**Digitalization and Automation of Services:** Fast-track automation and digital transformation through modernization of ICT infrastructure, automation of financial and operational systems (e.g., IFMIS, E-GP, IRMS, RAMIS, DIIMS, EDRMS, and GDMIS) and standardization of secure communication and data management platforms to improve efficiency, transparency and accountability.
5.	**Human Resource Strengthening:** Conduct comprehensive human resource audits to identify skills gaps and undertake targeted recruitment, continuous capacity building, retooling and succession planning to improve performance and service delivery

RECOMMENDATIONS…..CONT'D

NO.	RECOMMENDATION
6.	**Infrastructure and Equipment Modernization:** Upgrade and modernize physical, ICT and operational infrastructure to create a conducive work environment and support effective service delivery.
7.	**Enhanced Coordination and Whole-of-Government Approach:** Institutionalize a coordinated approach across Ministries, Departments, and Agencies (MDAs) to promote synergy, avoid duplication of roles, and ensure cohesive implementation of the Government's Transformation Agenda.
8.	**Strengthening Monitoring, Evaluation and Reporting:** Establish robust monitoring and evaluation systems that help to track performance on projects, and align programmes to Vision 2030 and Medium-Term Plan (MTP) priorities, assess impact, and ensure continuous improvement in programme implementation and resource utilization.
9.	**Resource Mobilization, Partnership and Debt Management:** Diversify resource mobilization through enhanced Public-Private Partnerships (PPP), donor engagement, and development partner collaboration to supplement public financing and facilitate infrastructure and project development, while ensuring prudent debt management and sustainability.
10.	**Promotion of Transparency and Communication:** Sustain communication and dissemination of information on government policies, programmes and progress reports through modern communication platforms to enhance public awareness and accountability.
11.	**Support for Policy Reforms and Legislative Action:** Fast-track enactment of pending bills and regulations including the National Disaster Risk Management Bill 2023 and other sectoral legal instruments to reinforce institutional mandates and operational effectiveness.

RECOMMENDATIONS…..CONT'D

NO.	RECOMMENDATION
12.	**Data Management and Information Systems:** Strengthen data collection, analysis and reporting mechanisms by operationalizing integrated management information systems.
13.	**Enhancing Governance, Compliance and Dispute Resolution:** Strengthen internal controls and compliance mechanisms and frameworks to promote efficiency, minimize litigation and ensure adherence to legal and procedural standards.
14.	**Capacity Building in Governance and Leadership:** Enhance staff competencies through structured training Programmes, leadership development and continuous professional development.
15.	**Stakeholder Engagement and Partnerships:** Foster strategic collaboration with development partners, religious organizations, counties and the private sector to leverage resources, promote inclusivity and ensure sustainable development outcomes.
16.	**Research, Innovation and Technology Integration:** Promote innovation and technology-driven solutions in service delivery to support data-driven decision-making and continuous improvement.

Q&A SESSION


THANK
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