COUNTY GOVERNMENT OF MERU

THE DEPARTMENT OF FINANCE,ECONOMIC PLANNING & ICT

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TREASURY CIRCULAR NO. 1/FY2023/24

TO: All Chief/Accounting Officers

GUIDELINES FOR PREPARATION OF FINANCIAL YEAR 2024/25 AND MEDIUM-TERM BUDGET

I. INTRODUCTION

This guideline provides instructions on the processes and procedures for preparing the 2024/25 – 2026/27 MTEF Budget proposals for county departments, county semi-autonomous agencies (SAGAs) and agencies. The guideline is prepared in accordance with section 128 of Public Finance Management Act 2012, Section 2 which requires the County Executive Committee for Finance to issue a circular outlining the guidelines to be followed by all County entities on the budget process not later than the 30th August of each year. In this regard, the Finance, Economic Planning & ICT hereby issues guidelines for the preparation of the FY 2024/25 and the Medium -Term budget.

- *Purpose*

The purpose of this Circular is to provide guidance relating to processes, procedures and key timelines to be followed when preparing 2024/2025 and the medium-term budget by sectors, departments and all other County entities. The budget estimates are to be prepared within departmental ceilings. The circular outlines the following;

a. Policy priorities for the FY 2024/2025 and the Medium-Term Budget;
b. Background to the FY 2024/25 and the Medium- Term Budget;
c. Timelines and requirements for key activities in the budget preparation process;
d. Form and content of budget;
e. Institutional framework to guide the budget preparation process;
f. Programme performance Reviews (PPRS);
g. Prioritization process and costing of programmes and projects; and
h. Framework outlining procedures and the manner in which stakeholders and the public will participate in the budget process.

- *Background*

The FY 2024/25 and the Medium-Term Budget is being formulated against an improving economic outlook albeit a slow growth recovery among economic sectors and regions. According to the latest forecast, Global GDP growth in 2023 and 2024 is projected to decline from 3.5% to 3.0%.

The tightening monetary policy by Central Bank to fight inflation continues to impact negatively on economic activities. Assuming no further supply-based shocks, extreme

weather and escalations of Russia- Ukraine crisis, Global headline inflation is expected to ease from 8.7% in 2022 to 6.8 % in 2023 and 5.2% in 2024.

The Kenyan Economy is expected to remain resilient in 2023 and grow by 6.0% and maintain that momentum over the medium- term. This growth outlook will be supported by, a broad-based private sector growth, including continued strong performance of the services sector and recoveries in Agriculture, while the public sector consolidates.

The County's projected budget for 2024/25 – 2026/27 MTEF budget therefore assumes a growth of 3% in revenues allocated from National Government (Equitable Share & Conditional Grants) and 8% increase on Own revenue Collection. Funding priorities will be on programmes and projects as envisaged in the County Integrated Development Plan (CIDP)2023-2027 and also development priorities, programmes and projects will be linked to the National Governments priorities and objectives

- *Assumption Underpinning the FY2024/2025 and Medium- Term Fiscal Framework*

The Medium- Term Fiscal Framework supporting the budget will be anchored on the following assumptions:

a. Real GDP is projected to grow at 6.0% over the medium -term;
b. Inflation is expected to be maintained within the target of +-2.5% of 5%;
c. Total National Revenue will be expected to improve gradually to reach 18.3% of the GDP in FY 2024/25 and over the medium-term; and
d. County Own Source Revenue will be expected to improve gradually to 15% growth over the medium -term;

e. Revenues allocated from National Government (Equitable Share & Conditional grants are projected to improve gradually over the medium term supported by growth in GDP.

II. SPECIFIC GUIDELINES

The following are the specific guidelines to be followed in the preparation of FY 2024/25 and the Medium-Term Budget Proposals.

(i) Timelines and Requirements for Key Activities in the Budget Process

The budget process involves preparation of key policy documents for approval by County Executive Committee and County Assembly. In this regard, the following policy documents will require to be prepared and approved within the timeframes outlined in the Public Finance Management Act, 2012 and Regulations, 2015;

- The Budget Review and Outlook Paper (BROP);
- Sector Working Groups Budget Reports;
- County Fiscal Strategy Paper (CFSP)
- Debt Management Strategy Paper (DMSP)
- Programme Based Budgets (PBB) and Supporting details;
- Finance Bill; and
- The Appropriation Bill

To facilitate the finalization and approval of the above policy documents and Bills within the stipulated timelines, Accounting Officers are required to strictly undertake the activities outlined in the Budget Calendar within the set timeframes. The timeframes for delivery of the Policy Documents, reports, and relevant Bills are provided in Annex 1 of this Circular.

(ii) Institutional Framework to Guide the Budget Process

In line with the UN-Classification of the Functions of Government (COFOG), Departments and Entities performing closely related functions have been mapped to form Sector Working Groups (SWGS) The SWGs will remain as follows:

(i) Agriculture, Rural and Urban Development (ARUD);

(ii) Transport, Infrastructure and Energy;

(iii) General Economic and Commercial Affairs (GECA);

(iv) Health;

(v) Education;

vii) Public Administration and Intergovernmental Affairs (PAIR);

(ix) Social Protection, Culture, and Recreation, and

(x) Environmental Protection, Water and Natural Resources

The mapping of Departments and Entities into Sectors is provided in Annex 2 of this Circular. Respective Sector Working Groups shall be responsible for the prioritization and formulation of sector budget proposals. The structure and composition of SWGs is provided in Annex 3(A) and the terms of reference are provided in Annex 3 (B) of this Circular.

Accounting Officers are reminded that the SWGs remain central in guiding the prioritization and resource allocation for planned programmes/projects. Departments and Entities are therefore required to fully participate in their relevant Sector Working Groups and bid for resources within the available ceilings.

(iii) Form and Content of the Budget

- ***Programme-Based Budget (PBB)***

Appropriation of the budget over the MTEF period shall continue to be at programme level In line with Section 38 (3) (b) of the Public Finance Management Act, 2012. SWGS are therefore required to review programmes and align them to the mandates of the respective sector.

The programmes for the Medium-Term Budget will largely remain as approved in FY 2023/24 and where new programmes are proposed by Departments and Entities, an approval must be obtained from Finance, Economic Planning & ICT. In designing new

programmes, the structure should match the key areas of services delivered by department.

Further, each programme should be confined to a single Department/Entity and all functions mapped to respective programmes. There should be no duplication of programmes or names. In event of existence of more than one programme, Departments and Entities should create an additional programme to cater for the costs of management, administration, planning, ICT and support services which cannot be attributed to a single programme. The format for presentation of the PBB is provided in Annex 5A of this Circular.

- *Fiscal Consolidation Policy*

The Government will continue to pursue a fiscal consolidation policy with the overall aim of reducing the fiscal deficit and debt accumulation.

This will be supported by enhanced revenue mobilization, reprioritization and rationalization of expenditures. The County Government expects better budgetary outcomes by improving efficiency of public spending through greater monitoring of programmes and linking resource allocation to performance and sound fiscal governance that spurs enhanced coordination among departments, units and agencies.

This will ultimately reduce public debt and create fiscal space over the medium term to finance priority development projects. SWGs are required to prepare Medium-Term Budgets that are consistent with the Medium-Term Fiscal Framework provided in the BROP 2023.

In addition, the County Treasury will continue work in collaboration with the relevant budget departments at the National Treasury to enhance cohesion and service delivery.

- *Developing Rolling Three-Year Medium-Term Budget Estimates*

In a "Rolling" Medium-Term Budget Plan, the first-year estimate forms the starting point for the next financial year's budget estimates. Under this approach, budget resources will continue to be appropriated on an annual basis but the budget planning process will include estimates of expenditure and revenue for the two outer years. Accounting

Officers should note that the ceilings for the outer years remain binding in accordance to the Public Finance Management Regulations, 2015.

- *County Integrated Development Plan (CIDP) 2023-2027*

The FY 2024/25 and the Medium-Term Budget will also be based on the County Integrated Development Plan (2023-2027) and will build on the progress made in the previous financial years. The Government will continue to address the policy, legal, regulatory, and governance issues as a matter of priority to ensure optimal use of resources.

To create fiscal space and guarantee appropriate phasing out of expenditure programmes, SWGs are required to undertake a thorough review of proposed Departments and Entities Budgets for the FY2024/25 and the Medium Term and ensure that Budgets are directed towards improving productivity and achievement of CIDP objectives.

The exercise should involve the following:

i) Prioritizing the Government programmes and projects in the sector budget proposals;
ii) Establishing the resources required for individual programmes and projects and the level of provision within the ceilings provided, and
iii) Justifying each proposed programme funding with supporting documentation.

(iv) Programme Performance Reviews (PPRS)

Programme performance review is essential in establishing and determining the performance of the previous budgets and setting targets for the next Medium-Term Budgets. It entails undertaking a detailed appraisal of previous budget allocations, disbursement of funds and outcomes/outputs achieved.

Departments and Entities are expected to undertake a detailed assessment of the progress achieved towards the realization of the targeted outcomes and outputs after the implementation of the FY 2020/21 to FY 2022/23 Budgets. The assessment should entail

analyzing the previous budgetary allocations, actual expenditure and achievement of actual outputs and outcomes.

In preparing the Programme Performance Review, all the County departments/entities must indicate both financial and non-financial performance against the targets related to each of the programmes/Sub-programme. The report should also provide implementation details, and progress of all projects within a programme. The guidelines and formats for undertaking Programme Performance Reviews are provided in Annex 4 (A-E) of this Circular.

(v) Prioritization and Allocation of Resources

The County Government will continue to ensure there is rationalization of expenditure in order to ensure that funded programmes are core and are in line with the Meru CIDP, National governments Medium-Term Plan IV of Vision 2030 and Sustainable Development Goals (SDGs). Accounting Officers therefore, should be guided by the following will serve as the criteria to guide prioritization and final allocation of resources:

- Fiscal sustainability
- Linkage of the programme with the priorities outlined in the County Integrated Development Plan (2023-2027);
- Budget ceilings allocated by Commission of Revenue Allocation and Equitable share allocation of the national government;
- The expected output and outcome of the programme and the linkage a programme has with other programmes;
- Provision for mandatory expenditures such as salaries, rent and utilities;
- Degree to which a programme addresses the core mandate of the Departments and Entities;
- Completion of ongoing projects, stalled projects and payment of verified pending bills;
- Programmes that support mitigation and adaptation of climate change;
- Cost effectiveness, efficiency and sustainability of the programme; and

- Requirements for furtherance and implementation of the Constitution.

Based on the above broad guidelines, SWGs will be expected to develop and document sector-specific criteria for prioritization and resource allocation within the resource envelope

(vi) County Executive Committee Decisions

Departments and Entities are expected to ensure that all County Executive Committee decisions are implemented, in this regard, SWGs are required to prioritize allocations to their decrees within the available resource ceilings.

(vii) Costing of Programmes

The costing of activities, projects and programmes will be guided by the following principles:

(a) Recurrent Budget Estimates

- *Compensation to Employees*

The County Government will continue working on policies and actions to maintain the wage level to the desired level of 35 per cent. This includes engagement with commission on Revenue Allocation on consideration on increase in revenue allocated to the county due to the high number on inherited staff from defunct authorities. To ensure the wage bill remains within the medium-term targets, ***SWGs should not allocate resources for new recruitment or upgrading unless there is prior approval for funding from the Finance, Economic Planning & ICT***. Allocation for personnel emolument must be supported by Integrated Personnel Payroll Data (IPPD).

- *Use of Goods and Services*

SWGs are required to critically review Departments and Entities requirements to curtail the growth of the recurrent budget especially in respect of use of goods and services. All requirements for the use of goods and services should be costed accurately and justified.

- *Transfers to Semi-Autonomous Government Agencies (SAGAS)*

Transfers to SAGAs must be critically reviewed and justified, while taking into account its revenue base. Where no sufficient documentation or evidence is provided, the earmarked provision should be forfeited and the savings realized redirected to other priority programmes within or across Departments and Entities within the Sector.

SAGAs are required to present their audited accounts, projected revenue levels, and the planned revenue raising measures to enable the SWGs to determine the required Exchequer support.

- *Provision for Utilities, Legal Claims and Pending Bills*

Accounting Officers should ensure that adequate budgetary provision is made for the payment of utilities, Legal Claims and verified pending bills within the provided ceiling. Any Legal Compensation/Litigation should only be provided for after claims have been authenticated and approved. Accounting Officers are also reminded that requests for additional funding beyond the provided ceiling will expose their budgets to a fresh scrutiny by County Treasury with a view to reprioritize expenditure plans to accommodate new requests within the set ceiling.

(b) Development Budget Estimates

- *Preparation and Approval of New Projects*

SWGs should ensure that the following requirements have been met before a new project is considered for resource allocation:

(i) All conditions precedent are fulfilled, including Public/stakeholder participation and engagement, and other development partners' requirements;
(ii) Detailed designs are completed and relevant approvals obtained where applicable;
(iii) Project has received necessary regulatory approvals;
(iv) Detailed resource requirements including funding sources and personnel to operationalize the project are planned for, and

- *Ongoing and Stalled Projects*

As earlier noted, the FY 2024/25 and Medium Budget will put more emphasis on completion of ongoing and viable stalled projects. In particular, projects nearing completion should be funded adequately to ensure that citizens benefit from such investments. Further, Departments and Entities should review all the stalled projects and only submit requirements for viable projects for funding. The capital projects to be factored in the budget should include both County and Externally financed projects.

- ***Projects with County Governments (CGs) Counterpart Requirement and Externally Funded Projects***

The County Government will continue with principles and conditions tying externally funded projects. Only those projects for which the County Government has already negotiated loans/grants or signed Memoranda of Understanding (MoUs) with Development Partners will be factored in the Budget for FY 2024/25. Accounting Officers should ensure that externally funded projects are in line with overall County priorities and ensure that Government counterpart funding, if required, is adequately provided for in line with the Agreement.

County Departments and Agencies (CDAs) will be required to provide proof for requirement of counterpart funding whenever this is needed. Departments and Entities are required to provide supporting documents for allocation of counterpart funding and forward the requirement for each planned project in the FY 2024/25 and the Medium-Term Budget to the Finance, Economic Planning & ICT.

- ***Public Participation and Stakeholder Involvement***

Public participation and involvement of other stakeholders in the budget making process is essential and a constitutional requirement, SWGs should identity their critical stakeholders including development partners, private sector, community-based organization, local communities, among others and engage them in programme prioritization.

In addition, the Meru County Budget and Economic Forum (CBEF) is constituted in line with section 137 of the PFM act 2012 with the broad objective of providing a means for consultation by the County Government in preparing key statutory documents. This body will continue to perform it mandate throughout the budget cycle to ensure effective public engagement.

Further Finance, Economic Planning & ICT department shall provide the programme for public participation meetings during the course of this budget cycle to collect the views/ priorities of all the stakeholders.

III. PREPARATION AND SUBMISSION OF BUDGET PROPOSALS

Sector Chairpersons/ Accounting Officers are requested to ensure that all activities of SWGS including the drafting of Sector Budget Proposals are completed on scheduled timelines as provided in the budget calendar annexed herein.

V. CONCLUSION

Finally, Accounting Officers are required to ensure strict adherence to the FY 2024/25 and the Medium-Term Budget Guidelines and the content of this Circular is brought to the attention of all Officers working under them, including the Heads of all Semi-Autonomous Government Agencies (SAGAS).

MONICA KAITHIORI KATHONO

CECM FINANCE, ECONOMIC PLANNING & ICT

Copy to: County Secretary & Head of Public Service

All county Executive Committee Members

The Clerk County Assembly

ANNEX I: BUDGET CALENDAR FOR THE FY2024/25 AND MTEF

Activity	Responsibility	FY2023/24 Timeline
1. **Develop and issue MTEF guidelines**	**County Treasury**	**30-Aug-23**
2. Launch of Sector Working Groups	**County Treasury**	**12-Sep-23**
3. Programme Performance & Strategic Reviews	**County Entities**	**21-Sep-23**
3.1 Review and update of strategic plans	"	
3.2 Review of programme outputs and outcomes	"	
3.3 Review of Expenditure	"	
3.4 Review and approval of projects for FY2024/25	"	
3.5 Progress report on MTP implementation	"	
3.6 Preparation of annual plans	"	
4. Development of Medium-Term Budget Framework	**Macro Working Group**	**29-Sep-23**
4.1 Estimation of Resource Envelope	"	"
4.2 Determination of policy priorities	"	"
4.3 Preliminary resource allocation to Sectors & Departments	"	"
4.4 Draft Budget Review and Outlook Paper (BROP)	"	"
4.5 Submission and approval of BROP by County Executive Committee	"	23-Oct-23
4.6 Submission of approved BROP to County Assembly	"	21-Oct-23
5. Preparation of MTEF budget proposals	**County Entities**	**30-Nov-23**
5.1 Retreats to draft Sector Reports	Sector Working Group	16th-30th Oct & 31st Oct-14th Nov **-23**
5.2 Public Sector Hearing	County Treasury	23rd Nov 23
5.3 Review and incorporation of stakeholder inputs in the Sector proposals	Sector Working Group	30-Nov-23
5.4 Submission of Sector Report to County Treasury	Sector Chairpersons	1-Dec-23
5.5 Consultative meeting with CECMs & COs on Sector Budget proposals	County Treasury	6-Dec-23
6. Draft Fiscal Strategy Paper (CFSP)	**Macro Working Group**	**14-Feb-24**
6.1 Draft CFSP	Macro Working Group	1-Dec-23
6.2 Revenue Bill	County Treasury	"
6.3 Submission of CFSP to County Executive Committee for approval	County Treasury	29-Jan-24

6.5 Submission of CFSP to County Assembly for approval	County Treasury	23-Feb-24
7. Preparation and approval of Final Departments & County Entities Budgets		**28-Apr-24**
7.1 Develop and issue final guidelines on preparation of 2023/24 MTEF Budget	County Treasury	4-Mar-24
7.2 Submission of Budget Proposals to Treasury	Departments/ Agencies	15-Mar-24
7.3 Consolidation of the Draft Budget Estimates	County Treasury	1-Apr-24
7.4 Submission to County Executive Committee for Approval	County Treasury	12-Apr-24
7.5 Submission of Draft Budget Estimates to County Assembly	County Treasury	26-Aor-24
7.6Submission of the Finance Bill	County Treasury	29-Apr-24
7.7 Review of Draft Budget Estimates by County Assembly	County Assembly	15-May-24
7.8 Report on Draft Budget Estimates from County Assembly	County Assembly	31-Mav-24
7.9 Consolidation of the Final Budget Estimates	County Treasury	6-Jun-24
7.10 Submission of Appropriation Bill to County Assembly	County Treasury	10-Jun-24
8. Budget Statement	**County Treasury**	**10-Jun-24**
9. Appropriation Bill Passed	**County Assembly**	**30-Jun-24**
10. Finance Bill Passed	**County Assembly**	**30-Jun-24**

ANNEXURE II: SECTOR COMPOSITION AND WORKING GROUPS FOR THE 2024/25 – 2026/27 MEDIUM TERM

NO	NAME OF SECTOR	SECTOR COMPOSITION
1	Agriculture, Rural and Urban Development (ARUD)	Department of Agriculture, Livestock and Fisheries
		Department of Lands, Physical Planning & Urban Development
2	Energy, Infrastructure and ICT	Department of Public Works, Roads & Infrastructure
		Directorate of ICT
3	General Economic and Commercial Affairs	Directorate of Trade
		Directorate of Tourism
		Directorate of Corporative development
		Investment Corporation
4	Health	Department of Health Services
5	Education, Science, culture and Arts	Directorate of Early Childhood Education
		Directorate of Vocational Training
		Directorate of Culture and Arts
6	Youth, Sports and Gender	Directorate of Youth and affairs
		Directorate of Sports
		Directorate of Gender affairs
7	Environmental Protection, Water and Natural Resources	Directorate of Environmental protection and Natural resources
		Directorate of Water & Irrigation
8	Public Administration & Intergovernmental Relations	Department of Public Service Administration and Legal Affairs Department
		Department of Public service Board

		Department of Finance, and Economic Planning
		Office of the Governor & Deputy Governor
		County Assembly
		Investment Corporation
		Micro Finance Corporation
		County Revenue Board
		Micro Finance Corporation
		County Revenue Board

ANNEX III(A): STRUCTURE AND COMPOSITION OF SECTOR WORKING GROUPS

1. SWGs shall comprise the following:

i. Chairperson - One Accounting Officer chosen by consensus by other Accounting Officers within the Sector;

ii. Sector Convener - Appointed by the County Treasury;

iii. Sector Co-Convener - Appointed by the Department of Ecocomic Planning;

iv. Technical Working Group - Appointed by the SWG;

v. A SWG Secretariat - Appointed by the individual Accounting Officers to assist in the coordination of Sector activities;

vi. Representatives from Development Partners; and

vii. Representatives from the Private Sector.

ANNEX III (B): TERMS OF REFERENCE FOR SECTOR WORKING GROUPS

2. SWGs are expected to ensure that proposed programmes and projects are in line with the priorities of National Governments Vision 2030, Medium Term Plan IV, CIDP 2023-2027, ADP 2024 and the Government priorities. Specifically, the terms of reference for SWGs will be to:

2.1 Review sector strategies in line with the overall goals outlined in the above National & County plans and Economic recovery;

2.2 Identify the programmes and the necessary policy, legal and institutional reforms required to be undertaken;

2.3 Approve list of projects to be included in the budget and level of funding;

2.4 Analyze cost implications of the proposed programmes, projects and policies for the Medium-Term;

2.5 Prioritize Sector Programmes and allocate resources as appropriate in accordance with agreed criteria;

2.6 Identify programmes and projects to be funded under Public Private Partnerships (PPP) framework;

2.7 Analyze the baseline funding and remove all the one off expenditure for the previous years;

2.8 Identify activities, projects and programmes that are of low

priority in order to realize savings which should be directed to the Government priority projects;

2.9 Allocate resources to projects that have been fully processed (i.e. feasibility studies done, with detailed designs, necessary approvals and land secured);

2.10 Provide a detailed explanation for the rescheduling of projects which should include savings and financial implications of rescheduling projects and activities;

2.11 Coordinate activities leading to the development of sector reports and indicative Sector Budget proposals; and

2.12 Identify critical stakeholders and engage them in the budget process

ANNEX IV: PROGRAMME PERFORMANCE REVIEW FY 2020/21 - 2022/23

Programme	Key Output	Key Pcrformance indicators	Planned Target			Achieved Target			Remarks
			2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	
Sub-Programme									
XX I									
XX2									

ANNEXURE V: SECTOR WORKING GROUP REPORT FORMAT

List of Acronyms
Executive Summary
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CHAPTER 1: INTRODUCTION

1.1 Background

1.2 Sector Vision and Mission

Sector Vision
Sector Mission

1.3 Strategic goals and objectives of the Sector

Strategic Goals
Strategic Objectives

1.4 Sub Sectors and their Mandates

1.5 Autonomous and Semi-Autonomous Government Agencies

1.6 Role of Sector Stakeholders/Stakeholders Analysis

S/NO.	STAKEHOLDER	ROLES OF THE STAKEHOLDER
1		
2		

CHAPTER TWO

2. PROGRAMME PERFORMANCE REVIEW 2020/21 – 2022/23

2.0 Overview of Sector Performance

Analysis should be done per sub-sector

2.1. Review of Sector Programme Performance

Table 2.1: Sector Programme Performance Review

2.2. Analysis of Expenditure Trends

Sub-programme	Key Outputs	Key performance indicators	Planned targets			Achievement			Remarks
			2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	
Programme 1…									
SP 1.1……..									

2.2.1 Analysis of Recurrent and Development Budget Trend

Brief narrative analyzing the trends in allocation over the financial years 2020/21-2022/23 for the sector and allocation across the sub-sectors.

Table 2.2.0. Recurrent and Development Budget Trend (Approved Budget Vs Actual Expenditure)(for the sector)

Description	Approved Allocation			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Recurrent						
Development						
Total						

Table 2.2: Analysis of Recurrent Expenditure by Sub-Sector and Vote

Vote Details	Economic Classification	Approved Allocation			Actual Expenditure		
		2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Subsector	Gross						
	Compensation to Employees						
	Use of Goods and Services						
	TOTAL						

2.3. Analysis of Development Expenditure by Sub-Sector and Vote (Approved budget vs actual

Expenditure)

Table 2.3: Analysis of Development expenditure by Sector and Vote (Ksh. Millions)

Vote Details	Economic Classification	Approved Allocation			Actual Expenditure		
		2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Subsector	Gross						
	Other Development						
	Grants						

2.4. Analysis of Programme /Sub-Programme Expenditure by Sector and Vote

Table 2.4: Programme /Sub-Programme Expenditure Analysis (Ksh. Millions

Programme Name	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Name of Sub-sector						
Programme1: ….						
Sub-Programme:						
Total Programme						
TOTAL VOTE						

2.5. Programme Expenditure Analysis by Economic Classification

Table 2.5: Programme Expenditure Analysis by Economic Classification (Ksh. Millions)

Programme Name	APPROVED ESTIMATES			ACTUAL EXPENDITURE		
	2020/2021	2021/22	2022/23	2021/22	2021/22	2022/23
Sub-sector Name						
Programme:						
Current Expenditure						
Compensation of employees						
Use of Goods and Services						
Capital expenditure						
Development						
Sub Total						
TOTAL VOTE						

2.6. Analysis of performance of capital projects FY 2022/2023

Table 2.6: Analysis of Performance of Capital Projects FY 2022/23 (Kshs. Million)

Project Title	Total Estimate Cost	Estimate cost of the project (Financing)		Timeline		FY 2021/22				FY 2022/23				FY 2024/25			
		Foreign	GOK	Start Date	Expected Completion Date	Approved Foreign	Approved GOK Budget	Cumulative Expenditure as at 30th June	Completion Stage as at 30th	Approved Foreign	Approved GOK Budget	Cumulative Expenditure as at 30th	Completion Stage as at 30th June 2018	Approved Foreign	Approved Budget	Cumulative Expenditure as at 30th	Completion Stage as at 30th June
Subsector Name 1……..																	
Project																	
Project																	
Project																	

2.7. Review of Pending Bills

1. Sub sector 1

Give amount of pending bills as submitted to County Treasury and a narrative on how you intend to handle the bills.

2. Sub sector 2

Table 2.7 below shows the trend in the stock of pending bills for both recurrent and development expenditure over the review period.

Table 2.7: Summary of Pending Bills (Kshs. Million)			
Sub sector name	**Amount in Kshs.**		
Recurrent	**2020/21**	**2021/22**	**2022/23**
Compensation of employees			
Use of goods and services			
Development			
Acquisition on non- financial assets			
Others - Specify			
Total Pending Bills			

CHAPTER 3: MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE FY 2024/25-2026/27.

3.1. Prioritization of Programmes and Sub-Programmes

3.1.1. Programmes and their objectives

NO	PROGRAMMES	OBJECTIVE
1.		
2.		
3.		

3.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs and Key performance Indicators (KIPs)

Table 3.1: Programmes/ Sub Programmes, outcomes, outputs and Key Performance Indicator (KIPs) for the sub-sector

Programme	Delivery unit	Key Outputs	Key performance indicators	Target Baseline 2022/23	Target 2024/25	Target 2025/26	Target 2026/27
Sub sector Name……							
SP 1.1:							
SP 1.2:							
SP 1.3:							

3.2. Analysis of Resources Requirement versus Allocation by Sector/Sub-sector

Table 3.2: Recurrent Requirements/Allocations (Amount Ksh Million)

ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION							
		REQUIREMENT			ALLOCATION		
Sector Name:		2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
Vote	**Economic Classification**						
	Compensation to Employees						
	Use of goods and services						
	Grants						
	Total Recurrent						

Table 3.3 Development Resource Requirement/Allocations (Amount Ksh Million)

ANALYSIS OF DEVELOPMENT RESOURCE REQUIREMENT VS ALLOCATION							
		REQUIREMENT			ALLOCATION		
Sector Name:		**2024/25**	**2025/26**	**2026/27**	**2024/25**	**2025/26**	**2026/27**
Vote	**Economic Classification**						
	Acquisition of non- financial Assets						
	other development						
	Grants						
	Total Development						

3.2.1. Analysis of Programmes and Sub-Programmes (Current and Capital) Resource Requirement and Allocations of Resource

Table 3.4: Analysis Programmes /Sub Programmes Resource Requirements

FINANCIAL YEARS	2024/25			2025/26			2026/27		
	Current	**Capital**	**Total**	**Current**	**Capital**	**Total**	**Current**	**Capital**	**Total**
Sub Sector Name									
Programme 1:									
SP 1.1:									
SP 1.2									
SP 1.3									

3.2.2. Programmes and Sub-Programmes by economic classification

Table 3.5: Programmes and Sub-Programmes Economic Classification (Ksh. Millions)

	REQUIREMENT			ALLOCATION		
Economic Classification	**2024/25**	**2025/26**	**2026/27**	**2024/25**	**2025/26**	**2026/27**
Sub Sector Name……						
Programme 1:						
Current Expenditure						
Compensation to Employees						
Use of goods and services						
Grants and Other Transfers						
Other recurrent						
Capital Expenditure						
Acquisition of non-financial assets						
Capital grants						
Other development						
Total Programme 1						

3.3. Analysis of Resource Requirement Vs Allocation for Semiautonomous Government Agencies
Table 3.6: Semi-Autonomous Government Agencies

		REQUIREMENT			ALLOCATION		
Economic Classification	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2024/25**	**2025/26**	**2026/27**
	Ksh. Millions	**Ksh. Millions**			**Ksh. Millions**		
Subsector……							
Agency Name							
Current Expenditure							
Compensation of employees							
Use of Goods and Services							
Other Recurrent							
Capital Expenditure							
Acquisition of Non - Financial Assets							
Other Development							
TOTAL							

3.2.3. Highlights on the Sector linkages to the Government priorities.

CHAPTER FOUR:

4. CROSS-SECTOR LINKAGES AND EMERGING ISSUES/CHALLENGES

Cross Sector Linkages

As a major sector of the economy, the programmes and projects within the Sector are interlinked with other Sectors and affect the performance due to forward and backward linkages. The cross-sector linkages of …..…. (Sector name) and other sectors are explained in the table below:

Table 4.1: Sector Linkages

Sector Name	Linkages

4.2. Emerging Issues and Challenges

a. Emerging Issues

b. Challenges

CHAPTER FIVE

5.CONCLUSION

ANNEX VI: FORMAT FOR PRESENTATION OF PROGRAMME BASED BUDGET (PBB)

Vote No.: **Vote Title**

Part A: **Vision**

Part B: **Mission**

Part C: **Performance Overview and Background for Programme(s) Financing.**

This section is supposed briefly discuss the following

a) *Brief description of mandate;*
b) *Expenditure trends - approved budget against the actual expenditure for the 2022/23 Budget;*
c) *Major achievements based on the planned outputs/services for 2022/23 budget;*
d) *Constraints and challenges in budget implementation and how they are being addressed; and*
e) *Major services/outputs to be provided in the 2024/25- 2026/27 budget*

Part D: Strategic Objectives

(List all the programmes and their strategic objectives. Please note that each programme must have only one strategic objective/outcome which must be linked with CIDP and ADP)

Part E: Summary of the Programme Key Outputs, Performance Indicators and Targets *for FY 2024/25-2026/27*

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target (Baseline)	Target	Target	Target
				2023/24	2024/25	2025/26	2026/27
SP1 .1							
... etc.							

Part F: Summary of Expenditure by Programmes and Sub - Programmes FY 2023/24- 2025/26 (KSh. Millions)

Programme	Approved Budget	Actual Expenditure	Baseline Estimates	Estimates	Projected Est	
	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
Programme 1: (State the name *of the* programme here)[1]						
Sub Programme (SP)						
SP 1. 1						
SP1.2.						

Part G: Summary of Expenditure by Vote and Economic Classification FY 2024/25- 2026/27 (KSh. Million)

Code	Expenditure Classification	Approved Budget	Actual Expenditure	Baseline Estimates	Estimates	Projected Est.	
		2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
	Current						
2100000	Compensation to Employees						
2200000	Use of goods and services						
2800000	Other Expense						
	Capital Expenditure						
2600000	Capital Transfers to Govt. Agencies						
3100000	Other development						
	Total Expenditure of Vote						

Part H. Summary of Expenditure by Programme, Sub-Programme and Economic Classification FY 2023/24- 2025/26 (KSh. Million)

Code	Expenditure Classification	Approved Budget 2022/23	Actual Expenditure 2022/23	Baseline Estimates	Estimates	Projected Est.	
				2023/24	2024/25	2025/26	2026/27
Programme 1: (State the name of the programme here)							

	Current						
2100000	Compensation to Employees						
2200000	Use of goods and services						
	Capital						
2200000	Capital Transfers						
2600000	Other Expense						
3100000	Non- Financial Assets						

PART I: SUMMARY OF HUMAN RESOURCE

Programme Title	**Designation**	**Authorized Establishment**	**In Post**	**Funded Positions**	**Positions to be Funded**	**Positions to be Funded**	**Positions to be Funded**
			as at 30th June,	**2023/24**	**2024/25**	**2025/26**	**2026/27**
General							
Total Funded Positions							

ANNEX VII: FORMAT FOR PRESENTING INFORMATION FOR SAGAS

Vote Title: _____

Name of Sagas: _____

Summary of the Budget for the MTEF Period 2024/25– 2026/27

Description	**Actual 2022/23**	**Budget 2024/25**	**Projected**	
			2025/26	**2026/27**
REVENUE				
Internally generated				
Government Grants				
Of Which: Current Grants				
Other sources (Specify)				
Current Expenditures				
Of which: Salaries & Wages				
Other Current Expenditure.				
Capital Expenditures				
TOTAL EXPENDITURE				