# REPUBLIC OF KENYA
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**7th August, 2023**

**TREASURY CIRCULAR NO. 8/2023**

**TO: ALL ACCOUNTING OFFICERS/PRINCIPAL SECRETARIES**

**RE: GUIDELINES FOR THE PREPARATION OF FY2024/25 AND THE MEDIUM-TERM BUDGET**

## I. INTRODUCTION

1. In accordance with the provisions of Article 220 of the Constitution and Sections 35(e) and 36 of the Public Finance Management Act, 2012, the budget-making process for a given financial year is expected to commence not later than 30th August of the preceding financial year. The Act requires the Cabinet Secretary/National Treasury and Economic Planning to issue a Circular outlining the guidelines to be followed by all National Government entities on the budget process, not later than the 30th of August each year. In this regard, the National Treasury and Economic Planning hereby issues guidelines for the preparation of the FY 2024/25 and the Medium-Term Budget.

- ***Purpose***

2. The purpose of the guidelines is to direct Ministries, Departments, and Agencies (MDAs) on processes, procedures, and timelines to be followed when

preparing the FY 2024/25 and Medium-Term Budget. The Circular outlines the following:

(i) Background to the FY 2024/25 and Medium-Term Budget;

(ii) Policy Priorities for the FY 2024/25 and Medium-Term Budget;

(iii) Timelines and requirements for key activities in the budget preparation process;

(iv) Institutional framework to guide the budget preparation process;

(v) Form and content of the budget;

(vi) Programme Performance Reviews (PPRs);

(vii) Prioritization process and costing of programmes and projects; and

(viii) Framework outlining procedures and the manner in which stakeholders and the public will participate in the budget process.

3. The Circular applies to all National Government entities including MDAs, Commissions, Independent Offices, Parliament, and the Judiciary. County Executive Members for Finance are required to customize and issue a Circular in their respective Counties to guide the processes and timelines to be followed when preparing their budgets.

- ***Background***

4. The FY2024/25 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 form 3.5% in 2022 to 3.0%.

5. 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.

6. Advanced economies are expected to see a decline in growth, reflecting a slowdown in growth in the USA, Euro Area, and United Kingdom. Growth in the USA is expected to decline from 2.1% in 2022 to 1.8% and 1.0% in 2023 and 2024 respectively. The Euro Area is expected to experience a decline from 3.5% in 2022 to 0.9% in 2023 and a rebound of 1.5% in 2024.

7. In the emerging markets and developing economies of Asia, growth is projected to rise modestly from 4.5% in 2022 to 5.3% in 2023 before declining slightly to 5.0% in 2024 mainly driven by the recovery of activities in China with the full reopening in 2023. In the Sub-Saharan Africa region, growth is projected to decline slightly from 3.9% in 2022 to 3.5% in 2023 before rebounding to 4.1% in 2024.

8. 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.

9. Given the limited resources that the economy is likely to generate under the prevailing circumstances, MDAs are required to prioritize and accommodate programmes within the available resource envelope.

- ***Assumptions Underpinning the FY2024/25 and Medium-Term Fiscal Framework***

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

(i) Real GDP is projected to grow at 6.0 % in 2022 and over the medium-term;

(ii) Inflation is expected to be maintained within the target range of ±2.5% of 5%;

(iii) Interest and exchange rates are expected to remain stable and this will be safeguarded over the medium term;

(iv) Total Revenue will be expected to improve gradually to reach 18.3% of the GDP in FY 2024/25 and over the medium-term; and

(v) Total expenditure is expected to decrease to below 22.3% of GDP in FY 2024/25 and Medium Term in line with the fiscal consolidation policy.

## II. SPECIFIC GUIDELINES

11. 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*

12. The budget process involves preparation of key policy documents for approval by Cabinet and Parliament. 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 Budget Proposals;
- The Budget Policy Statement (BPS);
- Division of Revenue Bill;
- County Allocation of Revenue Bill;
- County Governments' Additional Allocations Bill;
- Debt Management Strategy Paper;
- Programme Based Budgets and supporting details;
- The Appropriation Bill; and
- The Finance Bill.

13. 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*

14. In line with the UN-Classification of the Functions of Government (COFOG), MDAs 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) Energy, Infrastructure, and ICT (EI&ICT);

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

(iv) Health;

(v) Education;

(vi) Governance, Justice, Law and Order (GJLOS);

(vii) Public Administration and International Relations (PAIR);

(viii) National Security;

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

(x) Environmental Protection, Water and Natural Resources

15. The mapping of MDAs 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.

16. Accounting Officers are reminded that the SWGs remain central in guiding the prioritization and resource allocation for planned programmes/projects. MDAs 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)***

17. In line with Section 38 (3) (b) of the Public Finance Management Act, 2012, the budget will continue to be prepared and presented by vote and programme. SWGs are therefore required to review programmes and align them to the mandates of the respective MDAs. Where new programmes are proposed by MDAs, an approval must be obtained from the National Treasury.

18. The structure of existing and new programmes should match the main lines of service delivery in the MDAs. During the review of programmes, SWGs should ensure that:

(i) Outcomes and Outputs, are Specific, Measurable, Achievable, Realistic, and Time bound;
(ii) Performance indicators and targets are for outcomes and outputs;
(iii) Performance indicators are results oriented, Clear, Relevant, Economic, Adequate, and Monitorable (CREAM);
(iv) Performance Indicators and targets are those that MDAs can be held responsible for their achievement;
(v) Delivery units with no clear outputs, performance indicators and targets are consolidated under the main delivery unit; and

(vi) Crosscutting functions are assigned to respective programmes in MDAs.

19. Further, each programme should be confined to a single MDA and all functions mapped to respective programmes. There should be no duplication of programmes or names across MDAs. In event of existence of more than one programme, MDAs 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***

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

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

21. 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.

- ***Bottom-up Economic Transformation Agenda (BETA)***

22. The FY 2024/25 and the Medium-Term Budget will focus on the implementation of the Bottom-up Economic Transformation Agenda (BETA). This is geared towards economic turnaround and inclusive growth and aims to increase investments in at least five sectors envisaged to have the largest impact on the economy as well as household welfare. These include:

- Agricultural Transformation;
- Micro, Small and Medium Enterprise (MSME);

- Housing and Settlement;
- Healthcare; and
- Digital Superhighway and Creative Industry.

23. In preparing the FY 2024/25 and the Medium-Term Budget, MDAs will be required to prioritize allocations towards the achievement of the BETA priorities.

- ***Vision 2030 Medium Term Plan IV (2023-2027)***

24. The FY 2024/25 and the Medium-Term Budget will also be based on MTP IV 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.

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

26. MDAs 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 analysing the previous budgetary allocations, actual expenditure and achievement of actual outputs and outcomes.

27. The PPRs reports should indicate both financial and non-financial indicators of performance for each programme. The report should provide progress of both

domestically and externally financed projects within a programme (see format for presentation in Annex 4C). In addition, the review should focus on efficiency and effectiveness towards the achievement of programme outcomes. Accounting Officers should ensure that previous Programme Performance, outstanding commitments, implementation experiences and lessons learnt form the basis for guiding resource allocations in the Medium-Term.

28. MDAs will only be allowed to bid for resources in their respective sectors after finalization of the PPRs. MDAs will be required to present PPR reports in their respective SWGs prior to discussing the funding requirements. 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***

29. The Government will continue to pursue priorities which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic activities. In this regard, provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, environmental protection and climate change measures will be prioritized. Consequently, the following will serve as the criteria to guide prioritization and final allocation of resources:

(i) Programmes that enhance value chain and linkage to BETA priorities;

(ii) Cabinet Decisions;

(iii) Linkage of the programme with the priorities of Medium-Term Plan IV of the Vision 2030;

(iv) Completion of ongoing projects, stalled projects and payment of verified pending bills;

(v) Degree to which a programme addresses job creation and poverty reduction;

(vi) Degree to which a programme addresses the core mandate of the MDAs;

(vii) Programmes that support mitigation and adaptation of climate change;

(viii) Cost effectiveness, efficiency and sustainability of the programme; and

(ix) Requirements for furtherance and implementation of the Constitution.

30. 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) Cabinet Decisions***

31. MDAs are expected to ensure that all Cabinet Decisions are implemented. In this regard, SWGs are required to prioritize allocations to Cabinet Decisions within the available resource ceilings.

***(vii) Costing of Programmes***

32. To support standardized costing of programmes, a costing tool has been developed within the IFMIS budgeting module to estimate the budget baseline. The budget baseline will comprise requirements for ongoing policy, new approved policy and verified pending bills. Accounting Officers are required to ensure that costing of activities in respective programmes is in line with these guidelines. The various costing techniques and specific guidelines on how to compute the budget baseline are provided in Annex 5B of this circular. The costing of activities, projects and programmes will be guided by the following principles:

***(a) Recurrent Budget Estimates***

- ***Personnel Emolument***

33. The National Government expenditure on compensation to employees is not expected to exceed 35 percent of the National Government share of revenue in line with fiscal responsibility principles. To ensure the wage bill remains within the medium-term targets, ***SWGs should not allocate resources for new recruitment, interns, casuals, or upgrading unless there is prior approval for funding from the National Treasury***. Allocation for personnel emolument must be supported by Integrated Personnel Payroll Data (IPPD).

34. SWGs should also note that adjustments of remuneration and benefits for staff in MDAs, including SAGAs, should only be done after receiving advice from the Salaries and Remuneration Commission (SRC). MDAs are reminded to first obtain written approval on the availability of funds for any proposed adjustment, from the National Treasury before seeking SRC's advice. This approval should be provided to the SWGs as supporting documentation.

- ***Use of Goods and Services***

35. SWGs are required to critically review MDAs 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. Each allocation should be supported by service providers' agreements, demand notes, and any documentary evidence of past trends.

- ***Subscriptions/Contributions***

36. All subscriptions to international organizations shall remain consolidated under the National Treasury. However, MDAs are expected to review and justify both current and proposed requirements for international subscriptions/payments. In addition, inclusion of all new subscriptions and contributions to international organizations must be supported by Cabinet approval.

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

37. 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 MDAs within the Sector.

38. 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.

39. SAGAs are also required to develop and implement measures that will allow diversification and increase in internally generated revenue, rationalization of payroll, reduction in operational and administrative costs, and leveraging on ICT in delivery of services among others with a view to minimizing or eliminating reliance on the Exchequer.

***(b) Development Budget Estimates***

- ***Preparation, Appraisal and Approval of New Projects***

40. The Public Investment Management Regulations should be applied in the preparation, appraisal and approval of all projects before they are factored in the

budget. In particular, 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 land acquisition, compensation, Public/stakeholder participation and management, 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

(v) Project details are captured in the relevant Public Investment Management Information System.

41. Financing Agreements with Development Partners shall only be executed for projects that have been approved and processed through the Public Investment Management Information System.

42. MDAs should submit information on new projects as provided in the format for Project Concept Note indicated in Annex 6 of this Circular for approval by the National Treasury.

- ***Ongoing and Stalled Projects***

43. As earlier noted, the FY 2024/25 and Medium Budget will put more emphasis on BETA projects, 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, MDAs should review all the stalled projects and only submit requirements for viable projects to the National Treasury. The capital projects to be factored in the budget should include both domestically and foreign financed projects.

44. In order to have uniform and comparable information on projects, SWGs are required to adopt the following operational definition of projects as per the PIM Regulations:

(i) ***On-going project*** - a project that is underway with implementation works having commenced or contractual commitments entered into;

(ii) ***Stalled project*** – a project which has stopped being implemented for whatever reason or has been receiving inadequate budget allocations which cannot facilitate meaningful progress over the medium term;

(iii) ***New project*** – a pipeline project that has been prioritised for financing, but implementation works are yet to commence and no commitments entered into; and

(iv) ***Pipeline Project;*** a project that has been appraised and granted necessary approvals and uploaded in the Public Investment Management System ready for prioritisation and budget allocation.

45. SWGs are required to provide details of the approved new projects, ongoing projects and stalled projects in the format indicated in Annex 7 of this Circular.

- ***Projects with GoK Counterpart Requirement***

46. SWGs should ensure that externally financed projects are in line with overall MDAs priorities, and have adequate provision for GOK counterpart funding in accordance with the financing agreement. The SWGs should also ensure that performance for results projects as well as programmes with Disbursement Linked Indicators (DLIs) are properly identified with supporting financing agreement. MDAs are required to provide supporting documents for allocation of counterpart funding. The requirement and the supporting documentation for counterpart funding for each planned project in the FY 2024/25 and the Medium Term Budget should be forwarded to the National Treasury by **5th September, 2023.**

- ***Conditional Allocations to Counties***

47. Conditional allocations to Counties in respect of devolved functions must be reflected and accounted for within the appropriate programme and sub-programme structure under the MDAs Budget. This applies to both locally and externally-funded programmes from which the activities to be undertaken in the Counties are targeted to be funded.

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

48. Public participation and involvement of other stakeholders in the budget making process is essential and a constitutional requirement. SWGs should identify

their critical stakeholders including development partners, private sector, community-based organization, local communities, among others and engage them in programme prioritization. Engagements with stakeholders should be documented. SWGs should confirm the extent to which MDAs Budget Proposals have inputs from stakeholders.

## III. COUNTY BUDGETING PROCESS

49. Taking into account the guidance provided in this Circular, County Executive Committee Members for Finance are expected to customize and develop Medium-

Term Budget Preparation Guidelines that meet the requirements of their respective County Budget Processes. The National Treasury will provide assistance to individual Counties, including capacity building of County Officials upon request.

## IV. PREPARATION AND SUBMISSION OF BUDGET PROPOSALS

50. Sector Chairpersons are requested to ensure that all activities of SWGs including the drafting of Sector Budget Proposals are completed on scheduled timelines. The proposals should be ready for submission to the National Treasury not later than **30th November 2023** in line with the format indicated in Annex 8.

## V. CONCLUSION

51. 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 Parastatals and other Semi-Autonomous Government Agencies (SAGAs).

**NJUGUNA NDUNG'U, CBS**
**CABINET SECRETARY**

**Copy to:** **ALL CABINET SECRETARIES**

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Chief of Staff & Head of the Public Service
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Chairperson
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**Ms. Mary Mwiti**
Chief Executive Officer
Council of Governors
**NAIROBI**

**All County Executive Committee Members for Finance**

## ANNEX 1: FY2024/25 AND MEDIUM-TERM BUDGET CALENDAR

| ANNEX I: BUDGET CALENDAR FOR THE FY 2024/25 AND MEDIUM-TERM BUDGET | | |
|---|---|---|
| Activity | Responsibility | FY2024/25 Timeline |
| **1. Develop and Issue MTEF Guidelines** | **National Treasury** | **7-Aug-23** |
| **2. Launch of Sector Working Groups** | **National Treasury** | **18-Aug-23** |
| **3. Programme Performance & Strategic Reviews** | **MDAs** | **31-Aug-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 and Medium Term | Project Committees | " |
| 3.5 Progress Report on MTP Implementation | " | " |
| 3.6 Preparation of Annual Plans | " | " |
| **4. Submission of Baseline** | **MDAs** | **5-Sep-23** |
| **5. Development of Medium-Term Budget Framework** | **Macro Working Group** | **30-Sep-23** |
| 5.1 Estimation of Resource Envelope | " | " |
| 5.2 Determination of Policy Priorities | " | " |
| 5.3 Preliminary Resource Allocation to Sectors, Parliament, Judiciary & Counties | " | " |
| 5.4 Draft Budget Review and Outlook Paper (BROP) | " | " |
| 5.5 Approval of BROP by Cabinet | " | 13-Oct-23 |
| 5.6 Submission of Approved BROP to Parliament | " | 23-Oct-23 |
| **6. Preparation of MTEF Budget Proposals for FY 2024/25 & Medium Term** | **Line Ministries** | **28-Nov-23** |
| 6.1 Preparation of Draft Sector Budget Proposals | Sector Working Group | 22nd Oct -4th Nov & 5th - 18th Nov - 23 |
| 6.2 Public Sector Hearing | National Treasury | 27th Nov 23 |
| 6.3 Review and Incorporation of Stakeholder Inputs in the Sector Budget Proposals | Sector Working Group | 4-Dec-23 |
| 6.4 Submission of Sector Budget Proposals to Treasury | Sector Chairpersons | 6-Dec-23 |
| 6.5 Consultative Meeting with CSs/PSs on Sector Budget Proposals | National Treasury | 11-Dec-23 |
| **7. Draft Budget Policy Statement (BPS)** | **Macro Working Group** | **14-Feb-24** |
| 7.1 Draft BPS | Macro Working Group | 15-Dec-23 |
| 7.2 Division of Revenue Bill (DORB) | National Treasury | " |
| 7.3 County Allocation of Revenue Bill (CARB) | National Treasury | " |
| 7.4 County Governments' Additional Allocation Bill (CGAAB) | National Treasury | " |
| 7.5 Submission of BPS, DORB, CARB and CGAAB to Cabinet for Approval | National Treasury | 12-Jan-24 |
| 7.6 Submission of BPS, DORB, CARB and CGAAB to Parliament for Approval | National Treasury | 15-Feb-24 |
| **8. Preparation and approval of Final MDAs Budgets** | | **29-Apr-24** |
| 8.1 Develop and Issue Final Guidelines on Preparation of FY2024/25 & Medium Term Budget | National Treasury | 5-Mar-24 |
| 8.2 Submission of Budget Proposals to Treasury | Line Ministries | 15-Mar-24 |
| 8.3 Consolidation of the Draft Budget Estimates | National Treasury | 1-Apr-24 |
| 8.4 Submission to Cabinet for Approval | National Treasury | 15-Apr-24 |
| 8.5 Submission of Draft Budget Estimates to Parliament | National Treasury | 29-Apr-24 |
| 8.6 Submission of the Finance Bill | National Treasury | 29-Apr-24 |
| 8.7 Review of Draft Budget Estimates by Parliament | National Assembly | 15-May-24 |
| 8.8 Report on Draft Budget Estimates from Parliament | National Assembly | 31-May-24 |
| 8.9 Consolidation of the Final Budget Estimates | National Treasury | 7-Jun-24 |
| 8.10 Submission of Appropriation Bill to Parliament | National Treasury | 10-Jun-24 |
| **9. Budget Statement** | **National Treasury** | **13-Jun-24** |
| **10. Appropriation Bill Passed** | **National Assembly** | **30-Jun-24** |
| **11. Finance Bill Passed** | **National Assembly** | **30-Jun-24** |

## ANNEX 2: SECTOR WORKING GROUPS FOR THE FY 2024/25 AND MEDIUM-TERM BUDGET

| CLASSIFICATION OF FUNCTIONS OF THE GOVERNMENT (COFOG) | MTEF SECTOR | MINISTRIES, DEPARTMENTS AND AGENCIES |
|---|---|---|
| Economic Affairs | Agriculture, Rural and Urban Development | 1112 State Department for Lands and Physical Planning |
| | | 1162 State Department for Livestock Development |
| | | 1166 State Department for the Blue Economy and Fisheries |
| | | 1169 State Department for Crop Development |
| | | 2021 National Land Commission |
| | Energy, Infrastructure and ICT | 1091 State Department for Roads |
| | | 1092 State Department for Transport |
| | | 1093 State Department for Shipping and Maritime Affairs |
| | | 1094 State Department for Housing & Urban Development |
| | | 1095 State Department for Public Works |
| | | 1122 State Department for Information Communication Technology & Digital Economy |
| | | 1123 State Department for Broadcasting & Telecommunications |
| | | 1152 State Department for Energy |
| | | 1193 State Department for Petroleum |
| | General Economic and Commercial Affairs | 1173 State Department for Cooperatives |
| | | 1174 State Department for Trade |
| | | 1175 State Department for Industry |
| | | 1176 State Department for Micro, Small and Medium Enterprises Development |
| | | 1177 State Department for Investment Promotion |
| | | 1036 State Department for the ASALs and Regional Development |
| | | 1202 State Department for Tourism |
| | | 1221 State Department for East African Community |
| Health | Health | 1082 State Department for Medical Services |
| | | 1083 State Department for Public Health and Professional Standards |
| Education | Education | 1064 State Department for Vocational and Technical Training |
| | | 1065 State Department for Higher Education and Research |
| | | 1066 State Department for Basic Education |
| | | 2091 Teachers Service Commission |
| Public Sector & Safety | Governance, Justice ,Law and Order | 1023 State Department for Correctional Services |
| | | 1024 State Department for Immigration and Citizen Services |
| | | 1025 National Police Service |
| | | 1026 State Department for Internal Security & National Administration |
| | | 1252 State Law Office |
| | | 1261 The Judiciary |
| | | 1271 Ethics and Anti-Corruption Commission |
| | | 1281 National Intelligence Service |
| | | 1291 Office of the Director of Public Prosecutions |
| | | 1311 Office of the Registrar of Political Parties |
| | | 1321 Witness Protection Agency |
| | | 2011 Kenya National Commission on Human Rights |
| | | 2031 Independent Electoral and Boundaries Commission |
| | | 2051 Judicial Service Commission |
| | | 2101 National Police Service Commission |
| | | 2141 National Gender and Equality Commission |
| | | 2151 Independent Policing Oversight Authority |

| CLASSIFICATION OF FUNCTIONS OF THE GOVERNMENT (COFOG) | MTEF SECTOR | MINISTRIES, DEPARTMENTS AND AGENCIES |
|---|---|---|
| General Public Services | Public Administration and International Relations | 1011 Executive Office of the President |
| | | 1012 Office of the Deputy President |
| | | 1013 Office of the Prime Cabinet Secretary |
| | | 1014 State Department for Parliamentary Affairs |
| | | 1015 State Department for Performance and Delivery Management |
| | | 1016 State Department for Cabinet Affairs |
| | | 1017 State House |
| | | 1032 State Department for Devolution |
| | | 1053 State Department for Foreign Affairs |
| | | 1054 State Department for Diaspora Affairs |
| | | 1071 The National Treasury |
| | | 1072 State Department for Economic Planning |
| | | 1213 State Department for Public Service |
| | | 2041 Parliamentary Service Commission |
| | | 2042 National Assembly |
| | | 2043 Parliamentary Joint Services |
| | | 2044 Senate |
| | | 2061 The Commission on Revenue Allocation |
| | | 2071 Public Service Commission |
| | | 2081 Salaries and Remuneration Commission |
| | | 2111 Auditor General |
| | | 2121 Office of the Controller of Budget |
| | | 2131 The Commission on Administrative Justice |
| Defence | National Security | 1041 Ministry of Defence |
| | | 1281 National Intelligence Service |
| Recreation, Culture and Social Protection | Social Protection, Culture and Recreation | 1132 State Department for Sports |
| | | 1134 State Department for Culture and Heritage |
| | | 1135 State Department for Youth Affairs and the Arts |
| | | 1184 State Department for Labour and Skills Development |
| | | 1185 State Department for Social Protection and Senior Citizens Affairs |
| | | 1212 State Department for Gender and Affirmative Action |
| | | |
| | | |
| Community Amenities | Environment Protection, Water and Natural Resources | 1104 State Department for Irrigation |
| | | 1109 State Department for Water & Sanitation |
| | | 1192 State Department for Mining |
| | | |
| | | 1203 State Department for Wildlife |
| | | 1331 State Department for Environment & Climate Change |
| | | 1332 State Department for Forestry |
| Macro Working Group | Macro Working Group | The National Treasury( M&FA, BD, RMD & DMD) |
| | | Central Bank of Kenya |
| | | Kenya National Bureau of Statistics(KNBS) |
| | | Macro Economic Department ( State Department for Planning) |
| | | Kenya Institute for Public Policy Research and Analysis(KIPPRA) |
| | | Kenay Revenue Authority |
| | | Commission on Revenue Allocation |

## ANNEX 3(A): STRUCTURE AND COMPOSITION OF SECTOR WORKING GROUPS

**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 National Treasury;

iii. Sector Co-Convener – Appointed by the State Department for 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 3 (B): TERMS OF REFERENCE FOR SECTOR WORKING GROUPS

SWGs are expected to ensure that proposed programmes and projects are in line with the priorities of the Vision 2030, Medium Term Plan IV and the Government priorities. Specifically, the terms of reference for SWGs will be to:

(i) Review sector strategies in line with the overall goals outlined in the Vision 2030, MTP IV, the ongoing projects related to BETA and Economic recovery;

(ii) Identify the programmes and the necessary policy, legal and institutional reforms required to be undertaken;

(iii) Approve list of projects to be included in the budget and level of funding;

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

(v) Prioritize Sector Programmes and allocate resources as appropriate in accordance with agreed criteria;

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

(vii) Analyze the baseline funding and remove all the one off expenditure for the previous years;

(viii) Identify activities, projects and programmes that are of low priority in order to realize savings which should be directed to the Government priority projects;

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

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

(xi) Coordinate activities leading to the development of sector reports and indicative Sector Budget proposals; and

(xii) Identify critical stakeholders and engage them in the budget process.

# ANNEX 4: PROGRAMME PERFORMANCE REVIEW FY 2020/21 – 2022/23

## ANNEX 4(A): REVIEW OF PROGRAMME PERFORMANCE FOR FY 2020/21 – 2022/23

**Table 2.1: Analysis of Programme Targets and Actual targets**

| Programme | Delivery Unit | Key Outputs | Key Performance Indicators | Planned Target | | | Achieved Target | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 2020/21 | 2021/22 | 2022/23 | 2020/21 | 2021/22 | 2022/23 | |
| **Name of Programme Outcome** | | | | | | | | | | |
| SP.1 | | | | | | | | | | |
| SP.2 | | | | | | | | | | |
| | | | | | | | | | | |
| ….etc | | | | | | | | | | |

## ANNEX 4(B): ANALYSIS OF EXPENDITURE TRENDS FOR THE FY 2020/21 – 2022/23

**Table 2.2: Analysis of Recurrent Expenditure (Ksh. Million)**

| **Sector** …… | | | | | | |
|---|---|---|---|---|---|---|
| **Vote**…… | | | | | | |
| **Economic Classification** | **Approved Budget Allocation** | | | **Actual Expenditure** | | |
| | **2020/21** | **2021/22** | **2022/23** | **2020/21** | **2021/22** | **2022/23** |
| **Gross** | | | | | | |
| AIA | | | | | | |
| NET | | | | | | |
| Compensation to Employees | | | | | | |
| Transfers | | | | | | |
| Other Recurrent | | | | | | |
| ***Of Which*** | | | | | | |
| *Utilities* | | | | | | |
| *Rent* | | | | | | |
| *Insurance* | | | | | | |
| *Subsidies* | | | | | | |
| *Gratuity* | | | | | | |
| *Contracted Guards &Cleaners Services* | | | | | | |
| *Others specify..* | | | | | | |

***NB: Briefly explain reasons for the deviations between approved and actual expenditure***

**Table 2.3: Analysis of Development Expenditure (Ksh. Million)**

| Sector Name | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Vote and Vote Details** | **Description** | **Approved Budget** | | | **Actual Expenditure** | | |
| | | **2020/21** | **2021/22** | **2022/23** | **2020/21** | **2021/22** | **2022/23** |
| **MDA** | **Gross** | | | | | | |
| | GOK | | | | | | |
| | Loans | | | | | | |
| | Grants | | | | | | |
| | Local AIA | | | | | | |

***NB: Briefly explain reasons for the deviations between approved and actual expenditure***

**Table 2.4: Analysis of Programme Expenditure (Ksh. Million)**

| **Programme** | **Approved Budget** | | | **Actual Expenditure** | | |
|---|---|---|---|---|---|---|
| | **2020/21** | **2021/22** | **2022/23** | **2020/21** | **2021/22** | **2022/23** |
| **Programme 1:** | | | | | | |
| **Sub- Programme: 1** | | | | | | |
| **Sub- Programme: 2** | | | | | | |
| | | | | | | |
| | | | | | | |
| **Total Programme……** | | | | | | |
| | | | | | | |
| **Repeat as above for Programme 2, 3 e.t.c:** | | | | | | |
| | | | | | | |
| **TOTAL VOTE……** | | | | | | |

**Table 2.5: Analysis by Category of Expenditure: Economic Classification (Ksh. Million)**

| Economic Classification | Approved Budget | | | Actual Expenditure | | |
|---|---|---|---|---|---|---|
| | 2020/21 | 2021/22 | 2022/23 | 2020/21 | 2021/22 | 2022/23 |
| **Programme 1:** | | | | | | |
| **Current Expenditure** | | | | | | |
| Compensation Of Employees | | | | | | |
| Use Of Goods And Services | | | | | | |
| Grants And Other Transfers | | | | | | |
| Other Recurrent | | | | | | |
| **Capital Expenditure** | | | | | | |
| Acquisition Of Non-Financial Assets | | | | | | |
| Capital Grants to Government Agencies | | | | | | |
| Other Development | | | | | | |
| | | | | | | |
| **Total Programme……** | | | | | | |
| | | | | | | |
| **Repeat as above for Programme 2, 3 etc.:** | | | | | | |
| | | | | | | |
| | | | | | | |
| **Total Vote……..** | | | | | | |

**Table 2.6: Analysis of SAGAS Recurrent Budget Vs. Actual Expenditure (Ksh. Million)**

| **Sector .....** | | | | | | |
|---|---|---|---|---|---|---|
| **Vote(SAGA).....** | | | | | | |
| **Economic Classification** | **Approved Budget** | | | **Actual Expenditure** | | |
| | **2020/21** | **2021/22** | **2022/23** | **2020/21** | **2021/22** | **2022/23** |
| **Gross** | | | | | | |
| AIA | | | | | | |
| NET | | | | | | |
| Compensation to Employees | | | | | | |
| Transfers | | | | | | |
| Other Recurrent | | | | | | |
| ***Of Which*** | | | | | | |
| *Utilities* | | | | | | |
| *Rent* | | | | | | |
| *Insurance* | | | | | | |
| *Subsidies* | | | | | | |
| *Gratuity* | | | | | | |
| *Contracted Guards &Cleaners Services* | | | | | | |
| *Others specify.* | | | | | | |

***NB: Briefly explain reasons for the deviations between approved and actual expenditure***

## ANNEX 4(C): ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS FY 2020/21 - 2022/23(KSH MILLION)

### Table 2.7: Analysis of Performance of Capital Projects FY 2020/21 - 2022/23

Ministry/ Department/Agency..... ..... .....

Vote..... ..... ..... ..... .....

| Project Code & Title | Financing | | | Timeline | | Actual Cumulative Expenditure as at 30th June 2023 | | Outstanding Project Cost as at 30th June 2023 | | % Project Completion (physical) as at 30th June 2023 | Approved Budget 2023/24 | | Requirements for FY 2024/25 | | Allocation for FY 2024/25 | | Allocation for FY 2025/26 | | Allocation for FY 2026/27 | | REMARKS* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Estimated Cost of Project | GOK | Foreign | Start Date | Expected Completion Date | GOK | Foreign | GOK | Foreign | | GOK | Foreign | GOK | Foreign | GOK | Foreign | GOK | Foreign | GOK | Foreign | |
| | Ksh Million | | | | | | | | | | | | | | | | | | | | |
| Project 1 | | | | | | | | | | | | | | | | | | | | | |
| Project 2 | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | | |

*NB: Rank projects in terms of percentage completion and order of priority*

## ANNEX 4(D): REVIEW OF PENDING BILLS

**Table 2.8: Summary of Pending Bills**

| | Due to lack of Exchequer | | | Due to lack of provision | | |
|---|---|---|---|---|---|---|
| **Type/nature** | **2020/21** | **2021/22** | **2022/23** | **2020/21** | **2021/22** | **2022/23** |
| **1. Recurrent** | | | | | | |
| Compensation of employees | | | | | | |
| Use of Goods and Services e.g. utilities, domestic or foreign travel etc. | | | | | | |
| Social benefits e.g. NHIF, NSSF | | | | | | |
| Other expense | | | | | | |
| **2. Development** | | | | | | |
| Acquisition of non-financial assets | | | | | | |
| Use of goods and services | | | | | | |
| Others-Specify | | | | | | |
| **Total Pending Bills** | | | | | | |

## ANNEX 4(E): SUMMARY OF COURT AWARDS

**Table 2.9: Summary of Court Awards**

| **Details of the Award** | **Date of Award** | **Amount** | **Payment to date** |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| **Total** | | | |

## ANNEX 5A: FORMAT FOR PRESENTATION OF PROGRAMME-PERFORMANCE BASED BUDGET (PBB)

**Vote No: Title**

**Part A: Vision**

**Part B: Mission**

**Part C: Performance Overview and Rationale Funding**

This section is supposed to discuss the following

- Brief description of mandate;
- Expenditure trends – approved budget against the actual expenditure for the Financial Years 2020/21 – 2022/23 Budget;
- Major achievements based on the planned outputs/services for the Financial Years 2020/21 – 2022/23 Budget;
- Constraints and challenges in budget implementation and how they will be addressed; and
- Major services/outputs to be provided in the Financial Year 2024/25 and the Medium-Term.

**Part D: Strategic Objectives**

In this part, 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 Strategic Plan and Vision 2030.

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

| Programme | Delivery Unit | Key Outputs | Key Performance Indicators | Target 2022/23 | Actual Achievement 2022/23 | Target (Baseline) 2023/24 | Target 2024/25 | Target 2025/26 | Target 2026/27 |
|---|---|---|---|---|---|---|---|---|---|
| Name of Programme Outcome | | | | | | | | | |
| SP1.1 | | | | | | | | | |
| SP1.2 | | | | | | | | | |
| … etc. | | | | | | | | | |

**Part F: Summary of Expenditure by Programmes and Sub-Programmes the FY 2024/25 – 2026/27 (KSh. Millions)**

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

[1]*NB. Repeat as shown in the Table under section "E" above for all Programmes. Provide total expenditure for each programme and their summation must equal the total expenditure of the vote.*

| Programme 2: (*State the name of the programme here*) | | | | | | |
|---|---|---|---|---|---|---|
| | **Approved Budget 2022/23** | **Actual Expenditure 2022/23** | **Baseline Estimates 2023/24** | **Estimates 2024/25** | **Projected Estimates** | |
| | | | | | **2025/26** | **2026/27** |
| SP 2. 1 | | | | | | |
| SP 2. 2. | | | | | | |
| … N | | | | | | |
| **Total Expenditure of Programme 2** | | | | | | |
| **Total Expenditure of Vote -- -----** | | | | | | |

**Part G. Summary of Expenditure by Vote and Economic Classification[2] (KSh. Million)**

| **Code** | **Expenditure Classification** | **Approved Budget 2022/23** | **Actual Expenditure 2022/23** | **Baseline Estimates 2023/24** | **Estimates 2024/25** | **Projected Estimates** | |
|---|---|---|---|---|---|---|---|
| | | | | | | **2025/26** | **2026/27** |
| | **Current Expenditure** | | | | | | |
| 21 | Compensation to Employees | | | | | | |
| 22 | Use of Goods and Services | | | | | | |
| 24 | Interest | | | | | | |
| 25 | Subsidies | | | | | | |
| 26 | Current Transfers Govt. Agencies | | | | | | |
| 27 | Social Benefits | | | | | | |
| 28 | Other Expenses | | | | | | |
| 31 | Non- Financial Assets | | | | | | |
| 32 | Financial Assets | | | | | | |
| | **Capital Expenditure** | | | | | | |

[2] The total current expenditure and capital expenditure must be equal the total expenditure vote given in tables E, F, & G.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 21 | Compensation to Employees | | | | | | |
| 22 | Use of goods and services | | | | | | |
| 24 | Interest | | | | | | |
| 25 | Subsidies | | | | | | |
| 26 | Capital Transfers to Govt. Agencies | | | | | | |
| 31 | Non- Financial Assets | | | | | | |
| 32 | Financial Assets | | | | | | |
| | **Total Expenditure of Vote .....** | | | | | | |

**Part H. Summary of Expenditure by Programme, Sub-Programme and Economic Classification (KSh. Million)**

| | **Expenditure Classification** | **Approved Budget 2022/23** | **Actual Expenditure 2022/23** | **Baseline Estimates 2023/24** | **Estimates 2024/25** | **Projected Estimates** | |
|---|---|---|---|---|---|---|---|
| | | | | | | **2025/26** | **2026/27** |
| **Programme 1: (State the name of the programme here)** | | | | | | | |
| **Code** | **Current Expenditure** | | | | | | |
| 21 | Compensation to Employees | | | | | | |
| 22 | Use of Goods and Services | | | | | | |
| 24 | Interest | | | | | | |
| 25 | Subsidies | | | | | | |
| 26 | Current Transfers Govt. Agencies | | | | | | |
| 27 | Social Benefits | | | | | | |
| 28 | Other Expenses | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 31 | Non- Financial Assets | | | | | | |
| 32 | Financial Assets | | | | | | |
| | **Capital Expenditure** | | | | | | |
| 21 | Compensation to Employees | | | | | | |
| 22 | Use of Goods and Services | | | | | | |
| 24 | Interest | | | | | | |
| 25 | Subsidies | | | | | | |
| 26 | Capital Transfers Govt. Agencies | | | | | | |
| 27 | Social Benefits | | | | | | |
| 28 | Other Expenses | | | | | | |
| 31 | Non- Financial Assets | | | | | | |
| 32 | Financial Assets | | | | | | |
| **Sub-Programme 1: (State the name of the Sub-Programme here)** | | | | | | | |
| | **Current Expenditure** | | | | | | |
| 21 | Compensation to Employees | | | | | | |
| 22 | Use of Goods and Services | | | | | | |
| 24 | Interest | | | | | | |
| 25 | Subsidies | | | | | | |
| 26 | Current Transfers Govt. Agencies | | | | | | |
| 27 | Social Benefits | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 28 | Other Expenses | | | | | | |
| 31 | Non- Financial Assets | | | | | | |
| 32 | Financial Assets | | | | | | |
| | **Capital Expenditure** | | | | | | |
| 21 | Compensation to Employees | | | | | | |
| 22 | Use of goods and services | | | | | | |
| 24 | Interest | | | | | | |
| 25 | Subsidies | | | | | | |
| 26 | Capital Transfers Govt. Agencies | | | | | | |
| 27 | Social Benefits | | | | | | |
| 28 | Other Expenses | | | | | | |
| 31 | Non- Financial Assets | | | | | | |
| 32 | Financial Assets | | | | | | |

- Repeat as above in cases where a Ministry/Department has more than one programme and/or sub-programmes

**Part I: Summary of Human Resource Requirements**

| Programme Code | Programme Title | Designation/ Position Title | Authorized Establishment | In Post as at 30th June, 2023 | 2023/24 | 2024/25 | 2025/26 Projection | 2026/27 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Funded Positions | Positions to be Funded | Positions to be Funded | Positions to be Funded |
| XX1 | General Admin. Planning & support services. | | | | | | | |
| XX2 | | | | | | | | |
| XX3 | | | | | | | | |
| | | | | | | | | |
| Total Funded Positions | | | | | | | | |

## ANNEX 5B: COSTING TECHNIQUES AND GUIDELINES FOR COMPUTING THE BUDGET BASELINE

### I. Costing Techniques

1. All resource requirements should be accurately costed; MDAs are required to select the technique providing the most plausible calculation results from the following:
   (i) Quantity multiplied by Price;
   (ii) Trend;
   (iii) Lump sum; and
   (iv) Ad hoc.

#### (i) Quantity Multiplied by Price

2. This method requires identifying the Quantities involved as well as the different Prices that are associated with the items. MDAs are required to use this calculation method and justification should be provided if this method is not used.

#### (ii) Trend

3. This should be used if only quantity multiplied by price cannot be applied. It extrapolates past trends based on an item's expenditure pattern of most recent years. The average past annual rate of increase or decrease is applied to outer years if there is no indication that future developments would substantially deviate from the past.

#### (iii) Lump Sum

4. For very small items and to avoid calculation overload, the lump sum method may be used. This involves taking the cost for the item in the current year and keeping it nominally constant in the medium term. The second case where lump sum can be helpful is if there is no reliable indication that the current amount will increase or decrease.

#### (iv) Ad Hoc

5. Expenditures undertaken to address specific interventions and not usually intended to address other activities or ongoing projects. These activities/projects should be costed by use of quantity multiplied by price.

## II. SPECIFIC GUIDELINES FOR COMPUTING THE BUDGET BASELINE

### a) Prices

6. During computation of the budget baseline, MDAs are required to use current market prices. The National Treasury will factor an inflation adjuster in the costing tool to reflect the effects of inflation on prices, which can significantly impact the value of money over time. This will ensure that budgeting and financial planning take into account the potential changes in prices, allowing for more accurate cost projections and informed decision-making.

### b) Costing the Recurrent Expenditure

### (i) Compensation to Employees

7. MDAs are required to fully cost for personnel emolument using (quantity * price). MDAs should include provision for recruitment already approved by the National Treasury. They should also include provision for annual salary adjustment from one scale to the other. The increment should be as advised by SRC and set by the respective employers. These include the Public Service Commission (PSC), Teachers Service Commission (TSC), Judicial Service Commission (JSC), National Police Service Commission (NPSC), and the Parliamentary Service Commission (PSC).

8. Any request for filling of vacancies and creation of additional posts or new posts should be justified in terms of organizational requirements, improvement in service delivery and/or provision of new services as provided in the existing Executive Order. Similarly, filling of consequential vacancies at entry grade as a result of succession management should be justified. The financial implications of such requests should be included in the budget baseline.

9. MDAs are required to submit the following in regard to compensation to employees:
    i) The number of personnel, both permanent and contractual as at 1st July, 2023 as well as personnel expected to retire by 30th June 2024, 2025 and 2026.
    ii) The expected timing for filling approved funded positions; and
    iii) Annual financial implications of the above.

10. The template for capturing the above information is as shown in **Table 1A** of the Guidelines for costing the Budget Baseline. This should be captured in IFMIS budgeting module.

**(ii) Utilities and Rent**

11. MDAs are required to cost for all the utilities such as electricity, water and gas including any arrears that may be due. In formulating the requirements for utilities, MDAs are required to apply (quantity*price) as the primary costing technique while clear justification should be provided where another technique is used.
12. Accounting Officers are required to fully cost for rent as per the lease agreements. MDAs are also required to provide proof of the lease agreements and approvals from the State Department for Public Works for new office space. The template for capturing the above information is as shown in **Table 2A** and should be captured in IFMIS budgeting module.

**(iii) Other Mandatory Expenditures**

13. Accounting Officers are required to review all the mandatory expenditures that fall under their purview and cost the requirements. MDAs are also required to determine the number of personnel whose contracts are ending and provide for the gratuities due in FY 2024/25 and the Medium Term. The template for capturing the above information is provided in **Table 2A** and should be captured in the IFMIS budgeting module.

**(iv) Operations and Maintenance and Transfers not Classified as SAGAs**

14. Accounting Officers are required to apply (quantity*price) to cost all the expenditures for the operation and maintenance and prioritize these requirements. MDAS should also indicate the transfers not classified as SAGAS. The templates for capturing the above information is as shown in **Table 3A** and **5** and should be captured in IFMIS budgeting module.

**(v) Appropriations in Aid (AIA)**

15. MDAs are required to provide information on actual AIA collections for the FY 2020/21 to FY 2022/23 and the projections for the FY 2024/25 and the medium term as provided in **Table 4A**. This information should be captured in the IFMIS budgeting module.

**(vi) Semi-Autonomous Government Agencies (SAGAs)**

16. Ministries are required to scrutinize revenue and expenditure projections for the SAGAs under their purview. Specifically, all SAGAs are required to apply (quantity*price) as the primary costing technique. Clear justification should be provided where another technique is used to cost expenditures. The formats for the submissions are as provided in **Tables 1B** to **4B**.

**c) Costing the Development Expenditure**

17. Accounting Officers are required to cost requirements of the capital projects and prioritize them based on realistic implementation plans irrespective of the source of financing.
18. For ongoing projects, MDAs are required to take into account the current implementation status, actual expenditure as at 30th June, 2023, outstanding expenditure as at 30th June, 2023, the approved Budget for the FY 2023/24, revised project cost where applicable and the requirements over the medium term.

**(i) BETA Priority Projects**

19. MDAs are also required to cost and submit the necessary information to the National Treasury for all the ongoing projects under BETA priorities, and Presidential directives.

**(ii) Stalled Projects**

20. Further, MDAs should review all the stalled projects and only cost requirements for viable projects to the National Treasury.

**(iii) New Projects**

21. As directed by the Cabinet, the Government will be prioritizing completion of ongoing projects before embarking on new ones. However, in case of any new projects, MDAs are required to submit the proposals and projects concept note to the Public Investment Management Unit for review and approval. MDAs are also requested to explore alternative ways of financing new projects including Public Private Partnership (PPP).
22. The format for submission of the capital projects is as provided in **Table 7** and should be captured in IFMIS planning module.

## III. BUDGET BASELINE SUBMISSION

*23.* Accounting Officers are required to submit a summary of the Recurrent requirements as per **Table 6** and Development requirements as per **Table 7** to the National Treasury in hard and soft copies (IFMIS) by ***Close of Business 5th September, 2023.***

| TABLE 1A: FY 2023/24 AND MEDIUM TERM SALARIES AND ALLOWANCES BASELINE/ REQUIREMENTS | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 2023/24 | | | | | | | 2024/25 | | | | | | | |
| S/No. | Desig | J/G | | Head Co | Basic Salary | House Allowance | Transport Allowance | Hardship Allowance | Other Allowances | Total Gross Salaries per Annum | Head Cou | Basic Sala | House Allowanc e | Transpor t Allowanc e | Hardship Allowanc e | Other Allowanc es | Total Gross Salaries per Annum |
| 1 | T04BA Support Staff(3) | A | Authorised | | | | | | | | | | | | | | |
| | | | In-post P | | | | | | | | | | | | | | |
| | | | In-post NIP | | | | | | | | | | | | | | |
| | | | Appr. Recruit | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 1 | 5BAA Subordinate Staff(2) (Agriculture) | A | Authorised | | | | | | | | | | | | | | |
| | | | In-post P | | | | | | | | | | | | | | |
| | | | In-post NIP | | | | | | | | | | | | | | |
| | | | Appr. Recruit | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 1 | xxxxxxxxxx | A | Authorised | | | | | | | | | | | | | | |
| | | | In-post P | | | | | | | | | | | | | | |
| | | | In-post NIP | | | | | | | | | | | | | | |
| | | | Appr. Recruit | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| *Repeat for all designations* | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| *Total for the Vote* | | | | | | | | | | | | | | | | | |

## TABLE 1B: FY 2023/24 AND MEDIUM TERM SALARIES AND ALLOWANCES BASELINE/ REQUIREMENTS

| | | | | 2023/24 | | | | | | | 2024/25 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S/No. | Desig | J/G | | Head C | Basic Salary | House Allowance | Transport Allowance | Hardship Allowance | Other Allowances | Total Gross Salaries per Annum | Head Cou | Basic Sala | House Allowanc e | Transpor t Allowanc e | Hardship Allowanc e | Other Allowanc es | Total Gross Salaries per Annum |
| 1 | T04BA Support Staff(3) | A | Authorised | | | | | | | | | | | | | | |
| | | | In-post P | | | | | | | | | | | | | | |
| | | | In-post NIP | | | | | | | | | | | | | | |
| | | | Appr. Recruit | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 1 | 5BAA Subordinate Staff(2) (Agriculture) | A | Authorised | | | | | | | | | | | | | | |
| | | | In-post P | | | | | | | | | | | | | | |
| | | | In-post NIP | | | | | | | | | | | | | | |
| | | | Appr. Recruit | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 1 | xxxxxxxxxx | A | Authorised | | | | | | | | | | | | | | |
| | | | In-post P | | | | | | | | | | | | | | |
| | | | In-post NIP | | | | | | | | | | | | | | |
| | | | Appr. Recruit | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| *Repeat for all designations* | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| *Total for the SAGA* | | | | | | | | | | | | | | | | | |

TABLE 2A: Format for the submission of Mandatory Requirements for FY 2024/25 and the Medium Term

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| I | **Utilities** | | | | | | | |
| | Electricity | | | | | | | |
| | Water and sewerage charges | | | | | | | |
| | Gas expenses | | | | | | | |
| 2 | **Rentals of Produced Assets** | | | | | | | |
| | Rent of Vehicles | | | | | | | |
| | Payment of Rents and Rates - Residential | | | | | | | |
| | Rents and Rates - Non-Residential | | | | | | | |
| | Hire of Transport | | | | | | | |
| | Hire of Equipment, Plant and Machinery | | | | | | | |
| | Parking Expenses | | | | | | | |
| 3 | **Insurance** | | | | | | | |
| | Medical Insurance | | | | | | | |
| | Group Personal Insurance | | | | | | | |
| | Buildings Insurance | | | | | | | |
| | Plant, Equipment and Machinery Insurance | | | | | | | |
| | Motor Vehicle Insurance | | | | | | | |
| | Aircraft, Boats and Other Transport Equipment Insurance | | | | | | | |
| | Insurance for Board Members | | | | | | | |
| | Insurance of Exhibits | | | | | | | |
| 4 | **Food and Ration** | | | | | | | |
| 5 | **Leasing of Motor Vehicles** | | | | | | | |
| 6 | **Contracted Guards and Cleaning Services** | | | | | | | |
| 7 | **Security Operations** | | | | | | | |
| 8 | **Subsidies** | | | | | | | |
| | Free Day Secondary Eduction | | | | | | | |
| 9 | **Cash Transfers** | | | | | | | |
| 10 | **Assumption of the Offices Expences** | | | | | | | |
| 11 | **Election** | | | | | | | |
| 12 | **Human Wildlife Conflict** | | | | | | | |
| 11 | **Others ....provide details** | | | | | | | |
| | | | | | | | | |

TABLE 2B: Format for the submission of Mandatory Requirements for FY 2024/25 and the Medium Term for SAGAs

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| 1 | **Utilities** | | | | | | | |
| | Electricity | | | | | | | |
| | Water and sewerage charges | | | | | | | |
| | Gas expenses | | | | | | | |
| 2 | **Rentals of Produced Assets** | | | | | | | |
| | Rent of Vehicles | | | | | | | |
| | Payment of Rents and Rates - Residential | | | | | | | |
| | Rents and Rates - Non-Residential | | | | | | | |
| | Hire of Transport | | | | | | | |
| | Hire of Equipment, Plant and Machinery | | | | | | | |
| | Parking Expenses | | | | | | | |
| 3 | **Insurance** | | | | | | | |
| | Medical Insurance | | | | | | | |
| | Group Personal Insurance | | | | | | | |
| | Buildings Insurance | | | | | | | |
| | Plant, Equipment and Machinery Insurance | | | | | | | |
| | Motor Vehicle Insurance | | | | | | | |
| | Aircraft, Boats and Other Transport Equipment Insurance | | | | | | | |
| | Insurance for Board Members | | | | | | | |
| | Insurance of Exhibits | | | | | | | |
| 4 | **Leasing of Motor Vehicles** | | | | | | | |
| 5 | **Contracted Guards and Cleaning Services** | | | | | | | |
| 6 | **Human Wildlife Conflict** | | | | | | | |
| 7 | **Others ....provide details** | | | | | | | |
| | Gratuity | | | | | | | |
| | Approved Conferences by Cabinet | | | | | | | |
| | **Total** | | | | | | | |

**TABLE 3A: Format for the submission of Non-Mandatory Requirements for the FY 2024/ 25 and the Medium Term**

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| S/No | Expenditure Item | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | | | | | | | | |
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| | Total | | | | | | | |

**TABLE 3B: Format for the submission of Non-Mandatory Requirements for the FY 2024/ 25 and the Medium Term for SAGAs**

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| S/No | Expenditure Item | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | | | | | | | | |
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| | Total | | | | | | | |

**TABLE 4A: Format for the submission of Recurrent Appropriations in Aid (AiA)**

Vote .....

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| S/No | Expenditure Item | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | | | | | | | | |
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| | | | | | | | | |
| | Total | | | | | | | |

**TABLE 4B: Format for the submission of Recurrent Appropriations in Aid (AiA)**

Vote .....

SAGA .....

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| S/No | Expenditure Item | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | | | | | | | | |
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| | | | | | | | | |
| | Total | | | | | | | |

| | | Actual Expenditure | | | Approved Estimates | Baseline/ Requirements | | |
|---|---|---|---|---|---|---|---|---|
| S/No | Expenditure Item | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| 1 | Mandatory Expenditures | | | | | | | |
| | e.g | | | | | | | |
| | Free Primary Education | | | | | | | |
| | School Feeding Programme | | | | | | | |
| | ..... | | | | | | | |
| | | | | | | | | |
| 2 | Non-Mandatory Expenditures | | | | | | | |
| | ..... | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | Total | | | | | | | |

**Table 6: Format for submission of Recurrent Resource Requirements**

| Vote Name | Economic Classification | Approved Budget [1] | Baseline/requirements | | | Indicative Expenditure Ceilings | | | GAP | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2024/25 | FY 2025/26 | FY 2025/26* | FY 2024/25 | FY 2025/26 | FY 2026/27 |
| | **Economic Classification** | | | | | | | | | | |
| | Gross | | | | | | | | | | |
| | AIA | | | | | | | | | | |
| | NET | | | | | | | | | | |
| | Compensation of Employees | | | | | | | | | | |
| | Transfers & Subscriptions | | | | | | | | | | |
| | Other Recurrent | | | | | | | | | | |

## ANNEX 6: PROJECT CONCEPT NOTE

| SECTION 1: PROJECT PROFILE | | | |
|---|---|---|---|
| Project Name: | | | |
| Project Reference Number: | | | |
| Ministry: | | | |
| Implementing Agency (MDA): | | | |
| Initiating Department / Division / Section / Unit: | | | |
| Budget Vote (where applicable): | | | |
| Estimated Project Cost: | | | |
| MTEF Sector: | | | |
| Accounting Officer: | | | |
| Official Contact Details (Provide email, telephone number, postal and physical address): | | | |
| Project Threshold: | | | |
| Project Geographic Location (Provide GPS Coordinates here) : | | | |
| County: | Sub-County: | Ward: | Village: |
| Planned Start Date: | | | |
| Planned End Date: | | | |
| Date of Submission: | | | |

| SECTION 2: PROJECT BACKGROUND |
|---|
| **1. Situation Analysis** |
| Provide a background to the project idea:<br><br>a) Briefly describe the current situation that rationalizes the project<br>b) Briefly describe past and on-going interventions to address the situation; quote official statistics including past trends to support your narrative, where applicable. |
| **2. Problem Statement** |
| Provide details of the problem to be addressed in terms of challenges, constraints and gaps:<br><br>1. Nature of the problem<br>2. Scope of the problem (How widespread or the magnitude of the problem)<br>3. State the likely causes and effects of the problem both direct and indirect.<br>4. Provide any alternative options that may be available to address the problem. |
| **3. Relevance of the Project Idea** |

Justify the need for the proposed project by:

a) Linking the project to the National / County Development Plan Strategic Goals and Objectives that the proposed project is expected to contribute to;
b) Linking the proposed project to Sector Strategic Objectives and Strategies by describing the sector outcomes that the project is expected to contribute to;
c) Show the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered by project using readily available information.
d) Describe the rationale for the Government to intervene through the project, whether or not the private sector can deliver the project objectives and the consequences of not implementing the project.

## SECTION 3: SCOPE OF THE PROJECT

Describe the scope of the project by defining the boundaries of the project in terms the outputs the project or deliverables of the project or the work that needs to be accomplished to deliver the product, service or result required.

## SECTION 4: LOGICAL FRAMEWORK

This section shows the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs

### a) Goal

State the goal in the MTP/CIDP the project intends to achieve. Also define the indicator that will be used to measure success of the project against the goal and briefly explain how information on this indicator shall be obtained.

### b) Project Objectives/Outcomes

Define the project objectives and the corresponding outcomes. These include the effects that will follow from the utilization of products or services (outputs) delivered by the project. These could be the eventual benefits to society that the project interventions are intended to achieve and are reflected in terms of what people will be able to do better, faster, or more efficiently, or what they could never do before.

For each project outcome identified, define at least one indicator that will be used to measure performance of the project against the relevant outcome and briefly explain how information on this indicator (s) shall be obtained

### c) Proposed Project Outputs

Describe the direct outputs that the project is expected to deliver. Outputs are the immediate and concrete consequences of the implemented activities and resources used. For each project output identified, define at least one indicator that will used to track progress and the means of verification.

**d) Project Activities and Inputs**

For each output identified describe the major activities that should be implemented together with the inputs or resources required to deliver the planned results. To obtain the results of a project a number of activities have to be implemented using various resources or inputs.

**e) Project Logical Framework Matrix**

| Narrative | Indicators | Means of verification | Assumptions |
|---|---|---|---|
| Goal (MTP) | | | |
| Project Objective/:<br><br>Outcomes: | | | |
| Key Output | | | |
| Key Activities | | | |
| NB: Add additional rows for outcomes, outputs and activities as necessary | | | |

## SECTION 5: INSTITUTIONAL ARRANGEMENTS

**1. Institutional Mandate**

Describe how the project is linked to the mandate of the institution.

**2. Management of the Project**

Demonstrate the technical, managerial and financial capacity of the implementing agency to deliver the project. This can also be better expressed by showing previous experience in handling projects of the same magnitude.

**3. Project Implementation Plan**

Describe the sequence of activities overtime which should set clear benchmarks and timelines that can be used to track the overall project.

**4. Monitoring and Evaluation**

Describe how the project will be monitored and evaluated in order to ascertain the progress towards achieving its intended objectives. Indicate the institutional framework for tracking project progress.

**5. Risk and Mitigation Measures**

Describe the potential risks that can derail the project, the likelihood of occurrence, the impact of such risks and strategies for mitigating them.

**6. Project Sustainability**

Describe how the project will continue providing the intended services and benefits to the beneficiaries after the project is completed. Describe how ownership will be fostered among stakeholders. Include anticipated annual operations and maintenance costs and the source of financing.

**7. Project Stakeholders and Collaborators**

Describe the stakeholders that the project has to constantly engage and their level of influence and interest among others. List all the government agencies, utilities or regulatory institutions that will need to be involved in the planning and implementation of the proposed project including any legal issues that will need to be addressed.

**8. Project Readiness**

1. Describe how prepared the implementing agency to deliver the project by providing the following information:
    a) Has the project preliminary and detailed designs been prepared and approved?
    b) Has land been acquired (site readiness)?
    c) Has necessary regulatory approvals been obtained?
    d) What government agencies and stakeholders will be involved in the preparation of the Project and what roles they will play in project development and approval?
    e) Have you undertaken consultations with other Government agencies in order to improve synergy and avoid duplication of effort?
2. If the answer is no to any of the above questions, then confirm whether this is part of the project implementation plan
3. Whether the project can be phased or scaled down

**9. Financial analysis**

**A. Estimated Capital Cost to complete the project:** (Ksh)

Consultancy and fees .....

Land Aquisition Costs .....

Site Access, Preparation and Utility .....

Construction .....

Equipment .....

Other capital costs .....

**B. Recurrent Costs** (KSh.)**:** Estimate the Recurrent Costs associated of the Project

Labour cost.....

Operating Costs.....

Maintenance Costs.....

Others.....

**C.** Estimated Total Project Cost KSh Per Year:

| FY 1 | FY 2 | FY 3 | FY 4 | FY 5 |
|---|---|---|---|---|
| Total (KSh.) | Total (KSh.) | Total (KSh.) | Total (KSh.) | Total (KSh.) |

**D. Proposed financing options for the project;**

a) Government of Kenya only
b) Development partner only
c) GoK and Development Partner
d) Public-Private Partnership
e) Private Sector

**E. State other cost implication to other related projects**

Provide a breakdown of estimated cost for other projects that have to be implemented for the benefits to this project to be realised. Is land expropriation required? (Yes / No) If <YES> state the total expenses required to achieve this (compensation / legal costs etc.)

**F. Operational Cost after implementation**

Provide estimated average annual personnel cost, annual maintenance cost, operation cost and revenues where applicable. This should be attached as an annex to this PCN

# ANNEX 7: PROJECTS DETAILS FOR FY 2024/25 AND MEDIUM-TERM PROJECTIONS

FY 2024/25 AND MTEF PROJECTIONS

Ministry/ Department/Agency……. …… ……

Vote…… …… …… ……. ……..

| Project Code & Title | Financing | | | Timeline | | Actual Cumulative Expenditure as at 30th June 2023 | | Outstanding Project Cost as at 30th June 2023 | | % Project Completion (physical) as at 30th June 2023 | Approved Budget 2023/24 | | Requirements for FY 2024/25 | | Allocation for FY 2024/25 | | Allocation for FY 2025/26 | | Allocation for FY 2026/27 | | REMA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Estimated Cost of Project | GOK | Foreign | Start Date | Expected Completion Date | GOK | Foreign | GOK | Foreign | | GOK | Foreign | GOK | Foreign | GOK | Foreign | GOK | Foreign | GOK | Foreign | |
| | Ksh Million | | | | | | | | | | | | | | | | | | | | |
| Project 1 | | | | | | | | | | | | | | | | | | | | | |
| Project 2 | | | | | | | | | | | | | | | | | | | | | |
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| Total | | | | | | | | | | | | | | | | | | | | | |

*NB: Rank projects in terms of percentage completion and order of priority*

## ANNEX 8: SECTOR BUDGET PROPOSAL FORMAT

## TABLE OF CONTENTS

*(Please ensure that Headings and Subheadings are identical to those in the report)*

Chapters 1 – 6 should form the main body of the report and should be divided into logical sections and subsections, using appropriate headings and numbering. Its purpose is to explain the conclusions and to justify the recommendations

**EXECUTIVE SUMMARY**

*(Restate conclusions for each section and summarize findings and recommendations under this section)*

**CHAPTER ONE:**

**INTRODUCTION**

1.1. Background
1.2. Sector Vision and Mission
1.3. Strategic goals/Objectives of the Sector
1.4. Sub–Sectors and their Mandates
1.5. Autonomous and Semi-Autonomous Government Agencies
1.6. Role of Sector Stakeholders

*(The introduction should briefly describe context; identify general subject; describe the problem or issue to be reported on; define the specific objective for the report; outline the scope of the report; and comment on any limitations of the report)*

## CHAPTER TWO

## PROGRAMME AND PERFORMANCE REVIEW 2020/21– 2022/23

2.1. Review of Sector Programmes Performance – delivery of outputs/ KPI/targets as per the table below (Summarize as per Table 2.1)

2.2. Analysis of expenditure trends for the FY 2020/21– 2022/23 (Summarize as indicated in Table 2.2 to 2.6)

2.3. Analysis of performance of capital projects for the FY 2020/21– 2022/23 (Summarize as indicated in Table 2.7)

2.4. Analysis of pending bills for the FY 2020/21– 2022/23 (Summarize as indicated in Table 2.8)

2.5. Analysis of court awards (Summarize as indicated in Table 2.9)

## CHAPTER THREE

## MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2024/25– 2026/27

3.1. Prioritization of Programmes and Sub-Programmes

3.1.1. Programmes and their Objectives

3.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector

**Table 3.1: Programme/Sub-Programme, Outcome, Outputs and KIPs**

| Programme | Delivery Unit | Key Outputs | Key Performance Indicators | Target 2022/23 | Actual Achievement 2022/23 | Target (Baseline) 2023/24 | Target 2024/25 | Target 2025/26 | Target 2026/27 |
|---|---|---|---|---|---|---|---|---|---|
| **Name of Programme Outcome** | | | | | | | | | |
| **SP1.1** | | | | | | | | | |
| **SP1.2** | | | | | | | | | |
| **… etc.** | | | | | | | | | |

NB: Where applicable, KPIs and target should be gender disaggregated

3.1.3. Programmes by Order of Ranking

3.1.4. Resource Allocation Criteria

3.2. Analysis of Sector and Subsector Resource Requirement versus allocation by:

**TABLE 3.1: SECTOR & SUB-SECTOR RECURRENT REQUIREMENTS/ALLOCATIONS (AMOUNT KSH MILLION)**

| Vote Details | Economic Classification | Approved Estimates | Requirement | | | Allocation | | |
|---|---|---|---|---|---|---|---|---|
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2024/25 | 2025/26 | 2026/27 |
| **MDA** | **Gross** | | | | | | | |
| | **AIA** | | | | | | | |
| | **NET** | | | | | | | |
| | **Compensation to Employees** | | | | | | | |
| | **Grants and Transfers** | | | | | | | |
| | **Other Recurrent** | | | | | | | |
| | **Of which** | | | | | | | |
| | *Utilities* | | | | | | | |
| | *Rent* | | | | | | | |
| | *Insurance* | | | | | | | |
| | *Subsidies* | | | | | | | |
| | *Gratuity* | | | | | | | |
| | *Contracted Guards &Cleaners Services* | | | | | | | |
| | *Others* | | | | | | | |

**TABLE 3.2: SECTOR & SUB-SECTOR DEVELOPMENT REQUIREMENTS/ALLOCATIONS (AMOUNT KSH MILLION)**

**Sector**.....

**Vote**.....

| Description | Approved Budget Allocation | Requirement | | | Allocation | | |
|---|---|---|---|---|---|---|---|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2024/25 | 2025/26 | 2026/27 |
| Gross | | | | | | | |
| GOK | | | | | | | |
| Loans | | | | | | | |
| Grants | | | | | | | |
| Local AIA | | | | | | | |

**TABLE 3.3: ANALYSIS OF PROGRAMMES AND SUB-PROGRAMMES (CURRENT AND CAPITAL) RESOURCE REQUIREMENTS (KSH. MILLION)**

**Sector……..**

**Vote……**

| Programmes | Approved Budget | | | Projection (Requirement) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023/24 | | | 2024/25 | | | 2025/26 | | | 2026/27 | | |
| | Current | Capital | Total | Current | Capital | Total | Current | Capital | Total | Current | Capital | Total |
| Programmes No.1: | | | | | | | | | | | | |
| Sub- Programme: 1 | | | | | | | | | | | | |
| Sub- Programme: 2 | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total Programme…… . | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Repeat as above for Programme 2, 3 etc.: | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total Vote…….. | | | | | | | | | | | | |

**TABLE 3.4 ANALYSES OF PROGRAMMES AND SUB-PROGRAMMES (CURRENT AND CAPITAL) RESOURCE ALLOCATION (KSH. MILLION)**

**Sector……**

**Vote……**

| Programmes | Approved Budget | | | Allocation | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023/24 | | | 2024/25 | | | 2025/26 | | | 2026/27 | | |
| | Current | Capital | Total | Current | Capital | Total | Current | Capital | Total | Current | Capital | Total |
| Programmes No.1: | | | | | | | | | | | | |
| Sub- Programme: 1 | | | | | | | | | | | | |
| Sub- Programme: 2 | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total Programme…… . | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Repeat as above for Programme 2, 3 etc.: | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total Vote…….. | | | | | | | | | | | | |

**TABLE 3.5: PROGRAMMES AND SUB-PROGRAMMES BY ECONOMIC CLASSIFICATION ECONOMIC CLASSIFICATION (AMOUNT KSH MILLION)**

**Sector.....**

**Vote.....**

| Economic Classification | Resource Requirement | | | Allocation | | |
|---|---|---|---|---|---|---|
| | 2020/21 | 2021/22 | 2022/23 | 2020/21 | 2021/22 | 2022/23 |
| **Programme 1:** | | | | | | |
| **Current Expenditure** | | | | | | |
| Compensation Of Employees | | | | | | |
| Use Of Goods And Services | | | | | | |
| Grants And Other Transfers | | | | | | |
| Other Recurrent | | | | | | |
| **Capital Expenditure** | | | | | | |
| Acquisition Of Non-Financial Assets | | | | | | |
| Capital Grants to Government Agencies | | | | | | |
| Other Development | | | | | | |
| | | | | | | |
| **Total Programme.....** | | | | | | |
| | | | | | | |
| **Repeat as above for Programme 2, 3 etc.:** | | | | | | |
| | | | | | | |
| | | | | | | |
| **Total Vote.....** | | | | | | |

**TABLE 3.6: ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION FOR SAGAS (AMOUNT KSH MILLION)**

| Economic Classification | 2023/24 | Requirement | | | Allocation | | | REMARKS |
|---|---|---|---|---|---|---|---|---|
| | Approved Estimates | 2024/25 | 2025/26 | 2026/27 | 2024/25 | 2025/26 | 2026/27 | |
| **NAME OF SAGA 1.....** | | | | | | | | |
| **GROSS** | | | | | | | | |
| AIA | | | | | | | | |
| **NET** | | | | | | | | |
| Compensation to Employees | | | | | | | | |
| Other Recurrent | | | | | | | | |
| **of which** | | | | | | | | |
| *Insurance* | | | | | | | | |
| *Utilities* | | | | | | | | |
| *Rent* | | | | | | | | |
| *Subscriptions to International Organization* | | | | | | | | |
| *Subscriptions to Professional Bodies* | | | | | | | | |
| *Contracted Professional (Guards & Cleaners)* | | | | | | | | |
| *Gratuity* | | | | | | | | |
| *Others* | | | | | | | | |
| | | | | | | | | |
| Repeat as above for SAGA 2, 3 etc.: | | | | | | | | |
| | | | | | | | | |
| **Total Vote** | | | | | | | | |

# CHAPTER FOUR
# CROSS-SECTOR LINKAGES AND EMERGING ISSUES /CHALLENGES

# CHAPTER FIVE
# CONCLUSION

*This section should summarize the key findings of the report, as outlined in the discussion under the chapters 1-4 of the report. The Conclusions should relate specifically to the report's objectives (as set out in the introduction); identify the major issues; be arranged in order of importance; be specific, and to the point; and be a list of numbered points*

## CHAPTER SIX

## RECOMMENDATIONS

*This section should outline future actions. The recommendations should be action orientated, and feasible; relate logically to the conclusions; be arranged in order of importance; and be to the point*

## REFERENCES

*This section should list the sources referred to in the report*

## APPENDICES

*Appendices should contain information that is too complex to include in the report. You need to direct readers to this information, as in "Appendix A provides an overview of the Budget of MDA X"*