



THE NATIONAL TREASURY AND ECONOMIC PLANNING

**HIGHLIGHTS OF THE FY 2024/25 AND
THE MEDIUM TERM BUDGET PROCESS**

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Presentation During the Launch of the Budget Preparation
Process At the Kenya School of Monetary Studies

OUTLINE

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1.0 Introduction

- ❑ As outlined in the Constitution and the Public Finance Management Act, 2012 and its attendant regulations, the budget process involves timely preparation of key policy documents for approval by Cabinet and Parliament.
- ❑ To facilitate timely finalization and approval of key budget policy documents and Bills, MDAs will be required to fast track schedule of activities as outlined in the Budget Calendar.

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- During the preparation of the FY 2024/25 Budget, the following should be emphasized:

Stakeholder participation:

- SWGs will be required to document stakeholder engagements and attach evidence of these engagements as an annexure to the Sector Reports to comply with public participation requirements; and

Timely submission of budget documents:

- Timely submission of Budget Documents in line with the Budget Calendar.

2.0 The Budget Calendar

- ❑ The Government is required to prepare key documents for approval by Cabinet and Parliament within stipulated timelines provided for in the Constitution and the PFM Act, 2012.
- ❑ The Budget Calendar has identified the key activities, timelines and Milestones. This is to ensure timely submission and approval of the key Budget Documents and the Budget.

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To ensure that these timelines are adhered to, the following Calendar will be applicable in the budget preparation process:

- ❑ Review and update Strategic Plans of MDAs – **31st Aug. 2023**
- ❑ Programmes Performance Review – **31st Aug. 2023**
- ❑ Budget Review and Outlook Paper – **30th Sep. 2023**
- ❑ Preparation of MTEF Sector Budget Proposals – **22nd Oct. to 18^h Nov. 2023**
- ❑ Validation of Budget Proposals -Public Hearings – **27th to 29th Nov. 2023**
- ❑ Submission and review of Sector Budget Proposals – **6th Dec. 2023**
- ❑ Develop Draft Budget Policy Statement – **15th Dec. 2023**

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- ❑ Submission of Budget Policy Statement to Parliament– **15th Feb. 2024**
- ❑ Approval of BPS – **28th Feb. 2024**
- ❑ Issue of Guidelines on Finalization of Ministerial Budgets – **5th Mar. 2024**
- ❑ Consolidation of Draft Budget Estimates – **12th Apr. 2024**
- ❑ Submission of Draft Budget Estimates to Parliament – **29th Apr. 2024**
- ❑ Budget Statement – **13th Jun. 2024**
- ❑ Approval of Appropriation Bill by – **30th Jun. 2024**

3.0 Sector Working Groups

- ❑ Sector Working Groups (SWGs) are responsible for formulation and prioritization of sector budget proposals.
- ❑ SWGs are the only recognized avenue for bidding for resources.
- ❑ MDAs are required to fully participate in the relevant Sector and bid for resources within the available ceilings.
- ❑ No expenditure proposal will be factored in the budget unless approved and considered within the SWGs.

- The Composition and mapping of the Sectors is as indicated below:

S/NO	SECTOR	CONVENER	CO-CONVENER
1	Agriculture, Rural and Urban Development	Mr. Rastus Shikuku	Ms. Leah Chirchir
2	Energy, Infrastructure and ICT	Mr. Micah Origa	Ms. Electine Nanzala
3	General Economic and Commercial Affairs	Mr. Isaiah Ochelle	Mr. Leonard Kwinga
4	Health	Mr. Peter Wanjiku	Mr. William Komu
5	Education	Ms. Eunice Kigen	Dr. Justus Makau
6	Governance, Justice, Law & Order (GJLO)	Mr. Alexander Sasa	Mr. Ezekiel Manyara
7	Public Administration & International Relations (PAIR)	Mr. Isaac Sichangi	Benson Kimani
8	National Security	Mr. Joseph Kimemia	Mr. Jacob Mumia
9	Social Protection, Culture and Recreation (SPCR)	Mr. Felix Oulo	Ms. Grace Kimitei
10	Environmental Protection, Water and Natural Resources	Mr. Silas Muyela	Mr. John Olela

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- SWGs shall comprise the following:
 - i. **Chairperson** – One Principal Secretary/Accounting Officer chosen by consensus by other Principal Secretaries/Accounting Officers in the SWG
 - ii. **Sector Convenor** – Already appointed by the National Treasury
 - iii. **Sector Co-Convenor** – Already appointed by the State Department for Economic Planning
 - iv. **Technical Working Group** – To be appointed by individual MDAs;
 - v. **A SWG Secretariat** – To be appointed by the individual Principal Secretaries/Accounting Officers to assist the Chairperson in coordinating the activities of the SWG;
 - vi. **Representatives from Development Partners** – to be coopted
 - vii. **Civil Society and Community Based Organizations to represent the public** in line with article 201 of the constitution – to be coopted
 - viii. **Representatives from the Private Sector** – to be coopted

4.0 Costing of Programmes

- ❑ 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.
- ❑ The National Treasury has been conducting comprehensive trainings on the new system to all MDAs;
- ❑ MDAs are expected to provide the budget baseline through the IFMIS system by C.O.B **5th September, 2023** in line with the Budget Calendar.

5.0 Way Forward

Due to strict timelines, the following are the next steps in the preparation of FY 2023/24 Budget:

- ❑ MDAs to submit Budget Baseline by 5th Sept. 2023;
- ❑ MDAs to immediately nominate the Technical Working Group for the Sector process;
- ❑ Elect Sector Chairpersons and forward the same to the National Treasury;

- ❑ Immediately submit Programme Performance Review Reports to the National Treasury;
- ❑ Finalize the preparation and submit the draft Sector Budget Proposals to the National Treasury by **24th November 2023**;
- ❑ Hold Public Sector Hearings from **27th to 29th November, 2023** ; and
- ❑ Finalize the preparation and submit the final Sector Budget Proposals to the National Treasury by **6th December 2023**;

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