



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NAKURU
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING



Telephone: (051) 2214142
Website: nakuru.go.ke
Fb: nakuru county government-official
twitter: @nakurucountygov

CEC – Finance & Economic
Planning
P.O. Box 2870-20100
Nakuru

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COUNTY TREASURY CIRCULAR NO. 08/2024

TO: All Accounting Officers/Chief Officers
Clerk, County Assembly of Nakuru
Secretary, County Public Service Board
Solicitor, Office of the County Attorney
Manager, Nakuru City
Manager, Naivasha Municipality
Manager, Gilgil Municipality
Manager, Molo Municipality
NAKURU COUNTY

RE: **GUIDELINES FOR PREPARATION OF FINANCIAL 2025/2026 AND THE MEDIUM-TERM 2026/27-2027/28 BUDGET**

A) PURPOSE

- 1) These guidelines are issued in accordance with Section 128 of the Public Financial Management Act, 2012 to provide guidelines and procedures for budget preparation in 2025/26-2027/28 Medium Term Expenditure Framework (MTEF) period. The guidelines apply to all the County Government Departments, Entities, City and Municipalities Boards and the County Assembly.
- 2) The Guidelines provide information on the following: -
 - i) Background to the Medium-Term Budget 2025/26-2027/28.
 - ii) Key policy priorities to guide the proposal of Medium-Term Budget 2025/2026-2027/2028.
 - iii) Key timelines and requirements for key activities for budget preparation process.
 - iv) Form and content of budget and costing of the programme and projects.

- v) The framework and procedure for the public participation in the budget process.
- vi) Annual programme performance reviews.

B) BACKGROUND

- 3) The FY2025/26 and the Medium-Term Budget is being prepared when growth in emerging and developing economies is projected to remain stable at 4.3 percent in 2024 and 2025 from an estimated 4.4 percent in 2023. Domestically, growth is projected at 5.5 percent in 2025 from 5.6 percent in 2023 supported by a rebound in the agriculture sector and the continued strengthening and resilience of the services sector.

- 4) Given the limited resources that the economy is likely to generate under prevailing circumstances, the County and thus County Departments/Entities are required to ensure that key priorities are accommodated within the resource envelope and ensure that focus is on the implementation of strategic priorities outlined in Vision 2030's Medium-Term Plan IV (MTP 2023-2027) priorities, Governor's Manifesto and CIDP 2023-2027 as outlined in the ADP 2025/2026.

- 5) The FY2025/2026 and medium-term budget will largely be shaped by the current integrated plan period (CIDP 2023-2027) and the National Government Bottom-up Economic Transformation Agenda (BETA). Therefore, as outlined in the CIDP 2023-2027, the next MTEF budget will continue being based on the following priority areas:
 - a) Completion of ongoing and stalled projects
 - b) Operationalization of complete projects
 - c) Leveraging on growth in productive sectors of the economy including agriculture, trade, manufacturing and services;
 - d) Mainstreaming/integration of cross cutting issues in development planning including green growth & green economy, sustainable development, climate change adaptation, Disaster Risk Reduction (DRR), SDGs and special interest groups;
 - e) Promotion of access to integrated, quality and affordable healthcare services;
 - f) Enhancing governance, transparency & accountability as well as efficiency and effectiveness in delivery of public good;
 - g) Creating enabling environment for promoting private sector growth and faster growth of MSMEs;
 - h) Expansion and operationalisation of County physical and social infrastructure

C) SPECIFIC GUIDELINES

Timelines and Requirements for Key Activities in the Budget Preparation Process

- 6) The specific timeframes as per the PFM Act, 2012 and Regulation 2015 in preparation, submission and approval of all statutory documents will be adhered to in preparation of MTEF budget period 2025/2026-2027/2028. The key budget documents include:
- Annual Development Plan
 - County Budget Review and Outlook Paper (CBROP)
 - Sector/Sub Sector Reports
 - County Fiscal Strategy Paper
 - Draft Departmental Budget Estimates
 - Debt Management Strategy Paper
 - Programme Based Budgets and supporting details
 - Finance Bill
 - Budget Progress Review Reports

To ensure the above outlined key budget/policy documents are submitted for approval by County Executive and County Assembly within the stipulated timelines, all County Departments/Entities will be required to execute key budget activities as provided in the Budget Calendar for FY 2025/2026 as summarised in **Annex 8**.

Broad Framework for 2025/26 – 2027/28 Budget

- 7) The overall strategic priorities for County development, as contained in the CIDP 2023-2027, is operationalization of complete projects and completion of ongoing projects/programmes, social economic recovery strategy & provision of safety nets; leveraging on growth in productive sectors of the economy including agriculture, trade, manufacturing and services; mainstreaming/integration of cross cutting issues in development planning including climate change adaptation, Disaster Risk Reduction (DRR), SDGS and special interest groups; promotion of access integrated, quality and affordable healthcare services; enhancing governance, transparency & accountability as well as efficiency and effectiveness in delivery of public good; creating enabling environment for promoting private sector growth and faster growth of SMEs; and expansion and operationalization of County Physical and social infrastructure.
- 8) The medium-term macroeconomic framework is informed by the following:
- The Kenya Vision 2030
 - Medium Term Plan IV (MTP 2023-2027)

- County Integrated Development Plan (CIDP 2023-2027)
- Governor’s Manifesto (2023-2027)
- PFM Act 2012 and PFM (County Government) Regulations 2015
- Nakuru County Revenue Allocation Act, 2018.

County Departments and Entities are required to align their respective medium-term Development plans, with the priorities of the Government. The respective Departmental Annual Development Plan (ADP 2025-2026) will also serve as the basis for the preparation of the Departmental Annual Budget estimates.

Focus of the 2025/2026 – 2027/2028 MTEF Budget

- 9) In FY 2025/2026, guided by the sectoral strategic goals, the County Government will continue to;
 - a) Create a conducive environment for the development and growth of trade, industrialization, co-operatives and tourism
 - b) Promote prudent economic, good governance, financial and fiscal management accountability for growth and economic stability
 - c) Facilitate attainment of food security, sustainable land management and development of affordable housing and urban infrastructure;
 - d) Develop, maintain and manage, transport infrastructure, cost effective public buildings and other public works and a world class ICT infrastructure that ensures availability, efficient, reliable and affordable ICT services
 - e) Reduce inequalities in health care services and reverse the downward trend in health-related outcomes in the County
 - f) Provide quality ECD education and vocational training for all
 - g) Improve environment, natural resource management, water and sewerage services and enhance adoption of green energy within the County
 - h) Develop and promote sports industry, affirmative action, cultural heritage, creative industry for a socially inclusive, empowered, just and equitable society.

- 10) To ensure realization of the above, Accounting Officers and Convenors of Sector Working Groups (SWG) are urged to take leadership role in the entire budget preparation process. This is to ensure that all County Government priority programmes are fully reflected within the expenditure ceilings provided for each Department and Entity. Sectors will also be required to adequately prioritise and budget for their flagship/transformational projects outlined in the CIDP 2023-2027 and as prioritized in the ADP 2025/2026.

Legal and Regulatory Provisions

- 11) Preliminary budget ceilings will be based on the County Budget Review and Outlook Paper (CBROP 2024) and shall be firmed up by the County Fiscal Strategy Paper (CFSP 2025). The National division of revenue vide Division of Revenue Act (DORA 2025) and County Allocation of Revenue Act (CARA 2025) shall be key determinants of the final County Equitable share of revenue.
- 12) The County Governments Additional Allocations Bill 2025 will also play a crucial role in determining the amount of grants (conditional & unconditional) that the County will benefit.
- 13) The County will continue to adhere to fiscal responsibility principles set out in the PFM Act 2012 and the enabling PFM (County Government) Regulations 2015. To this end, allocation to development expenditure will be pegged at a minimum of 30% of the total budget while striving to maintain the wages and pending bills at sustainable levels.

Sectors, Sub Sectors and Working Groups

- 14) In line with the UN-Classification of the Functions of Government (COFOG), Departments performing closely related functions have been organized into Sectors that allows Sector wide approach to planning and budgeting. The 8 Sectors at the County level include;
 - i) Agriculture, Rural and Urban Development (ARUD);
 - ii) Energy, Infrastructure and ICT;
 - iii) General Economic and Commercial Affairs;
 - iv) Health;
 - v) Education;
 - vi) Social Protection, Culture and Recreation;
 - vii) Environmental Protection, Water and Natural Resources;
 - viii) Public Administration, National/International Relations.
- 15) The mapping of Departments/Entities into Sectors is provided under **Annex 1** of this Circular. Respective Sector/Sub Sector Working Groups (SWGs) will be responsible for formulation and prioritization of Sector budget proposals. The structure, composition, terms and reference of Sector Working Groups is provided in **Annex 2** of this Circular.

Programme Performance Reviews (PPRs)

- 16) Accounting Officers are required to initiate actions for their Departments to undertake PPRs in line with the guidelines. In undertaking PPRs, Departments are expected to do a

detailed assessment of the progress achieved towards realization of the targeted outputs/outcomes after the implementation of the Medium-Term budgets 2021/22 – 2023/24. The Assessment should entail analysing the previous budgetary allocations, actual expenditure and achievement of outputs/outcomes.

- 17)The PPRs reports should provide both financial and non-financial indicators of performance for each programme and sub-programme. The report should provide progress of projects within a programme and sub-programme financed by local sources of revenue, conditional grants or external partners. In addition, the review should focus on efficiency and effectiveness towards the achievement of programme outcomes. The guidelines and formats for undertaking Programme Performance Reviews are provided under **Annex 4** of this Circular.

Programme Based Budgeting (PBB)

- 18)The Budget will continue to be presented by vote and programme in accordance with Section 12 of the Second Schedule of the PFM Act, 2012. Departments/Entities should also provide an update on key achievements and major deliverables, relating to the implementation of the projects/programmes of the 2022/23 – 2023/24 budgets as well as projections for 2026/2027 – 2027/2028.

- 19)Programmes and sub programmes should be SMART and at high level and aligned to those in the CIDP. Departments should ensure that their programmes and sub programmes are not activity based but rather highlight the overall goal/objective to be achieved. Departments are further reminded that changes to programmes and sub programmes is not allowed unless with the approval of the County Treasury. This is to ensure consistency and coherence in County plans, budget and expenditure tracking.

Preparation of 2025/2026 – 2027/2028 Budget Estimates

- 20)Department/Entity SWG will continue to be responsible for the preparation and submission of Departmental/Entity's budget estimates to the County Treasury. Accounting Officers should ensure that all functions or activities undertaken by Departments are included and relevant programmes in particular areas should be taken into account to ensure that: -

- a) A narration of budget programmes and sub-programmes delivered by Departments/Entities is provided. The budget programmes and sub programmes are expected to deliver the related policy outcomes to achieve the needed impact as well

as improve service delivery of the Departments/Entities within the context of their distinct mandate.

- b) There are no cross-cutting activities or functions that are not assigned to a respective programme.
- c) Each programme has a unique name that reflects an overall objective.
- d) There is no duplication of programme name among Departments.
- e) For the outcomes, Departments/Entities are expected to include international obligations adopted by the County. These include; indicators on Sustainable Development Goals (SDGs), green economy considerations, Disaster Risk Reduction, among others which fall within their mandates.

CBROP and Indicative Budget Ceilings

- 21)The County Treasury will prepare the County Budget Review and Outlook Paper (CBROP) by end of September 2024 as per the budget calendar. The CBROP will provide baseline budget ceilings and should be used by Departments/Entities in estimating their draft budgets. The final budget ceilings will be firmed up in the CFSP 2025 for purposes of finalizing the final draft MTEF Budget Estimates 2025/26 – 2027/28 to be submitted to the County Assembly by 30th April 2025.

Revenue Management

- 22)The focus of the County Government in the formulation of financing policy for the medium term will be to strike the right balance between local revenue mobilization for development and designing an attractive tax regime that promotes local and foreign investment. The County will continue to embrace technology in revenue management to reduce revenue leakages.

Recurrent Budget Estimates

Personnel Emolument

- 23)Each Department/Entity is required to budget for their Compensation to Employees as a first charge/non-discretionary expense. Departments/Entities are required to adhere to the policy directive that staff strength should be kept at recommended levels with net increase not exceeding the agreed ceiling. Departments/Entities are to note that only personnel emoluments related to allowances should be budgeted for under Compensation of Employees.

24)Departments/Entities should budget appropriately for recruitment, promotion, re-engagement and contract appointment. Replacement of staff will be subject to the number of retirees and staff who have exited in the current year. Departments/Entities are still required to adhere to the requirement of obtaining financial clearance from the County Treasury before recruitment/replacement into the County Public Service.

25)Replacement can only be made in the year an employee exits the payroll. Under no circumstance will the County Treasury approve financial clearance if budgetary provisions are not made.

Operations & Maintenance

26)Departments/Entities are to budget using the Charts of Accounts and within the tentative ceilings to be provided in the CBROP 2024. In budgeting for Operations and Maintenance, Departments/Entities should give top priority to their critical requirements and take note of the following:

- ✓ All Departments/Entities are required to budget appropriately for the non-discretionary expenditures and payment of rent and utilities especially in the case of electricity, water as well as Internet charges.
- ✓ All requirements for operations and maintenance should be accurately costed taking into consideration the past trends in expenditure and current market rate.
- ✓ All Departments are required to budget for their common use items including General Office Supplies, Refined Fuels and Lubricants for Transport, Purchase of Computers, Printers and other IT Equipment, and Purchase of ICT networking and Communications Equipment. Expenditure under the above votes by each Department will be subject to what the Department will have budgeted for.

Budgeting for Capital Expenditure

27)Departments/Entities are expected to give priority towards completion of ongoing projects and operationalization of complete projects as a first charge on their capital budget in compliance with Section 55 of PFM (County Government) Regulations 2015, and indicate the proposed funding sources for all projects. New capital projects of Departments/Entities should be informed by the ADP 2025/2026, CIDP 2023-2027 and the projects that support the Governor's manifesto and MTP IV priorities in line with provisions in Section 125(1)(a) of the Public Financial Management Act, 2012. Departments and entities will be required to give priority to transformative, strategic and flagship projects prioritized in the above plans.

Capital Project Selection and Budgeting

28) In adherence to Regulation 55 of the PFM (County Government) Regulations 2015, the following instructions are hereby issued:

- ✓ Departments/Entities requesting for project funding should ensure that the projects have been prioritized in the Annual Development Plan (ADP 2025/26) taking into consideration the following criteria:
 - a) Projects are aligned to the County and Sector development plans;
 - b) Projects that are 100 percent complete but have outstanding balances to be paid should be the first charge on the Department's/Entity's budget.
 - c) Projects financed through conditional grants but require counterpart funding.
 - d) Projects that require complementary works, equipment supply and some expansion works are prioritised and budgeted for.
 - e) Where there are additional resources to take on new projects, Departments/Entities are also entreated to invest in income generating projects to expand their internally generated revenue base.
- ✓ Departments/Entities requesting for project funding shall indicate if the project has received the necessary regulatory approvals and ensure that detailed resource requirements including funding sources and personnel to operationalize the project are planned e.g. specialized plant operator for road machinery.
- ✓ New projects can only be considered where there is sufficient fiscal space after allocations for the implementation of ongoing projects have been made within the capital budget ceilings of the Departments/Entities. Departments/Entities are to note that the prioritised projects within the MTEF shall be the basis for the capital expenditure discussions at the 2025/26 Budget Hearings.
- ✓ Department/Entities with Conditional and Unconditional allocations in their budgetary ceilings must ensure the grants are reflected and accounted for within the appropriate programme and sub programme structure.

29) Before a new project is included in the budget, Departments/Entities must ensure that: All precedent conditions are fulfilled including land acquisition; Detailed designs are completed and relevant approvals obtained where applicable; Detailed resource requirements including funding sources and Personnel to operationalize the project are planned for and the project's operation items and cost is identified and budgeted.

Projects with Counterpart Requirement and Performance for Results (PfR)

- 30) Projects with counterpart funding must be within the Government priorities and that all the requirement and supporting documentation for counterpart funding for each planned project must be forwarded to the County Treasury before committing funds.
- 31) Departments/Entities are to ensure that Performance for Results (PfR) projects as well as Disbursement Linked Indicators (DLIs) are properly identified, prioritized and adequately funded.
- 32) The Second Kenya Devolution Support Programme (KDSP II) has been rolled out in the current year starting with institutional capacity building. In the ensuing years, capital budget will be rolled out on the basis of achieved PfR and DLIs. The eligibility for funding as well as amount allocated to the County will depend on the County meeting all minimum requirements and level of achievement of DLIs. Departments/Entities responsible for achieving the DLIs are required to take lead and ensure maximum attainment of the scores and attainment of the programme's objectives.

Multi-Year Expenditure Commitments

- 33) Departments/Entities are advised not to make multi-year commitments without complying with provisions of Regulations 55(1) of PFMA of 2012 and making such disclosures to the County Treasury. Departments/Entities should ensure that ongoing multi-year projects are allocated adequate funds in accordance with the signed contract/project terms within the resource envelope of the Medium-Term Expenditure Framework (MTEF) before new projects are allocated budgetary resources.

Budgeting for the City and Municipalities

- 34) The City and Municipal Managers will undertake the preparation of their annual budget proposals in compliance with Section 175 of the PFM Act 2012 and as guided by the contents of this Circular and will do so on the basis of the attached prescribed format in the appendices. The Managers will ensure that the budget has been approved by the City/Municipal Boards before their submission to the County Treasury within the stipulated time frames. The Managers shall carry out public participation during the preparation of the budget as outlined in the Second Schedule of the Urban and Cities Act.

Review of Draft Sector Reports

- 35) Sector hearings will be conducted for all Sector Working Groups in the month of November/December as indicated in **Annex 8**. The Sector hearings provide the opportunity to ensure quality reports and also verify that programmes and projects outlined in the

budget are in line with the CIDP 2023-2027, ADP 2025/26 and the Sector proposals. All Departments are required to participate.

Budget Submission/Approval

36) Section 30(1)(a) of the PFM Regulations 2015 stipulates the time frame for submission of the initial (draft) Departmental estimates to the County Treasury as the month of January. Further, after issuance of final ceilings, Departments will be required to revise their draft estimates to conform with the ceilings provided. Departments/Entities should ensure that their budgets are first approved by respective CECMs with respect to Departments and Boards in the case of City, Municipalities and CPSB before submission to the County Treasury. This is a requirement and mandatory in compliance with Section 30(6) that requires submission to the CEC Members of budget estimates.

Public Participation and Stakeholder Involvement

37) Public participation and involvement of other stakeholders in the Medium-Term Budget process is essential and is a Constitutional requirement. The SWGs should identify their critical stakeholders including Development Partners and engage them in programme prioritization. The participation/consultation processes should be documented for reference purposes. The County held public participation in the month of August 2024 for identification of ADP 2025/2026 priorities in all the 11 Sub Counties. It will further hold public hearing on sectoral proposal that will inform the CFSP 2025 which is expected to incorporate the priorities identified in the ADP. The County will also undertake public participation exercise for identification of Ward based development projects for FY 2025/2026 across all the 55 Wards.

External Resource Mobilisation

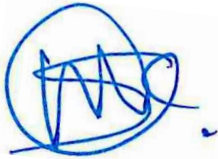
38) To bridge funding gaps that exist in actualization of programmes/flagship projects as espoused in the CIDP 2023-2027, Departments/Entities should leverage on partnerships with Development partners and other relevant stakeholders who can plug in and bridge the existing gaps. Any commitments by partners should be brought to the attention of the County Treasury through the External Resource Mobilization Division. Departments/Entities should take note that Contracts, Agreements, MOUs should be first approved by the Office of the County Attorney before signing and further by County Treasury on those that have financial implication on the part of the County.

CONCLUSION

Accounting Officers should adopt cost effective measures in preparing the 2025/26-2027/28 budget to enable the Government derive maximum results from the interventions currently being implemented in their respective Departments and Entities. In connection with the above, Departments, City and Municipalities should allocate adequate resources to key priority programmes and initiatives as highlighted in the County development plans.

Heads of Departments and County Entities are urged to take ownership and lead the entire budget preparation process in order to ensure that all Government priority programmes are fully incorporated within the expenditure ceilings provided for each Department/Entity.

Finally, Accounting officers are required to ensure strict adherence to the 2025/26 – 2027/28 MTEF Budget Guidelines, timelines and bring the contents of this Circular to the attention of all Officers working under them.



STEPHEN IRIBE NJOGU

CECM – FINANCE AND ECONOMIC PLANNING

C.C. H.E The Governor
County Secretary & Head of Public Service
All County Executive Committee Members
Hon. County Attorney
Chairpersons, Urban Boards/Entities

ANNEX I

SECTOR COMPOSITION AND WORKING GROUPS FOR THE 2025/26 – 2027/28 MEDIUM TERM

NAME OF SECTOR	SECTOR COMPOSITION
Agriculture, Rural and Urban Development (ARUD)	Agriculture, Livestock, Fisheries and Veterinary Services
	Lands, Physical Planning, Housing and Urban Development
	Nakuru City
	Naivasha Municipality
	Gilgil Municipality
	Molo Municipality
Energy, Infrastructure and ICT	Infrastructure
	ICT & e-Government and Public Communication
General Economic and Commercial Affairs	Trade, Cooperatives and Tourism
Health	Health Services
Education	Early Childhood Education
	Vocational Training
Social Protection and Recreation	Youth, Sports, Gender, Social Services and Inclusivity Culture
Environmental Protection, Water and Natural Resources	Water, Energy, Environment, Natural Resources and Climate Change
Public Administration and International Relations	Office of the Governor and Deputy Governor
	Finance and Economic Planning
	Public Service, Devolution, Citizen Engagement, Disaster Management and Humanitarian Assistance
	County Public Service Board
	Office of the County Attorney
	County Assembly

ANNEX 2

STRUCTURE, COMPOSITION, TERMS AND REFERENCES OF SECTOR WORKING GROUPS

1. The SWGs shall comprise the following:

- 1.1 Chairperson – One Accounting Officer chosen by consensus by other Accounting Officers within the Sector.
- 1.2 Sector Convener – Planning/Budget Officer seconded from County Treasury to the line Department.
- 1.3 Sector Co-Convener – Appointed by the Accounting Officer line Department.
- 1.4 Technical Working Group – Appointed by the Sector Working Group.
- 1.5 A SWG Secretariat – Secretariat comprising of Technical Officers from the Treasury and the relevant Department making up a Sector.
- 1.6 Representative from the Private Sector.

2. 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, CIDP 2023-2027, Governor's Manifesto/Key Agenda and the CIDP 2 End Term Review Report. Specifically, the terms of reference for SWGs will be to:

- 2.1 Review Sector objectives and strategies in line with the overall goals outlined in the Vision 2030, MTP IV, CIDP, and Governor's Manifesto/Key agendas.
- 2.2 Identify the programmes and the necessary policy, legal and institutional reforms required.
- 2.3 Approve list of projects to be included and funded.
- 2.4 Analyse cost implications of the proposed programmes, projects and policies for the MTEF period.
- 2.5 Prioritize Sector Programmes and allocate resources appropriately in accordance with an agreed criteria and prioritization.
- 2.6 Thoroughly analyse the baseline expenditure and remove all one-off expenditure for the previous years.
- 2.7 Identify programmes/projects that are of low priority in order to realize savings which should be directed to the Governor's Key Agenda.

- 2.8 Allocate resources only to projects that have been fully processed (i.e. feasibility study done, with detailed designs, necessary approvals and land secured). The SWGs should also pay attention and be cognizant of the estimated cost for the projects.
- 2.9 Introduce mechanisms of efficiency savings in their budgets through reducing operating costs and non-service delivery activities.
- 2.10 Identify programmes and projects that may be funded under Public Private Partnership (PPP) arrangement.
- 2.11 Strategies on off-budget resource mobilisation initiatives towards financing their flagships and sector/subsector financing gaps
- 2.12 The SWGs are expected to provide a detailed explanation for the rescheduling of projects which should include savings and financial implications of rescheduling projects and activities.
- 2.13 Coordinate activities leading to the development of sector reports and indicative Sector budget proposals.

ANNEX 3 SECTOR REPORT FORMAT

COVER PAGE

(Indicate Sector Title, Sub Sector Title and the Focus Period)

TABLE OF CONTENTS

(Please ensure that Headings and Subheadings are identical to those in the report and should show each Chapter (1 to 7) showing logical sections and subsections using appropriate heading and numbering.)

ABBREVIATIONS

(List all abbreviations used in the Report)

EXECUTIVE SUMMARY

(Summarize Key findings and recommendations under this section)

CHAPTER ONE:

1.0 INTRODUCTION

- 1.1 Background
- 1.2 Sector Vision and Mission
- 1.3 Strategic Goals/Objectives of the Sector
- 1.4 Sub Sector and their Mandates
- 1.5 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

2.0 PROGRAMME PERFORMANCE REVIEW FOR THE MTEF PERIOD 2021/22-2023/24

- 2.1 Review of Sector Programmes/Sub-Programmes/projects-Delivery of Outputs/ KPI/ targets (see **Table 1** on presentation of the information)
- 2.2 Expenditure Analysis
 - 2.2.1. Analysis of Programme expenditures (see **Table 2** on presentation of the information)
 - 2.2.2 Analysis of Programme expenditures by economic classification see **Table 3** on presentation of the information
 - 2.2.3 Analysis of Capital Projects (see **Appendix 1** and **Appendix 2** on presentation of the information)
- 2.3 Review of Pending Bills
 - 2.3.1 Recurrent Pending Bills
 - 2.3.2 Development Pending Bills

CHAPTER THREE

3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2025/26 – 2027/28

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 (see **Table 4** on presentation of the information)

3.1.3 Programmes by Order of Ranking

3.2 Analysis of Resource Requirement versus allocation by Sector/Sub Sector:

3.2.1 Sector/Sub Sector Recurrent (see **Table 5a** on presentation of the information)

3.2.2 Sector/Sub Sector Development (see **Table 5b** on presentation of the information)

3.2.3 Programmes and sub-programmes Resource Requirement (2025/26 – 2027/28) (see **Table 6a** on presentation of the information)

3.2.4 Programmes and sub-programmes Resource Allocation (2025/26 – 2027/28) (see **Table 6b** on presentation of the information)

3.2.5 Programmes and sub-programmes Economic classification. (See **Table 7** on presentation of the information)

3.3 Resource Allocation Criteria.

CHAPTER FOUR

4.0 CROSS-SECTOR LINKAGES

CHAPTER FIVE

5.0 EMERGING ISSUES AND CHALLENGES

CHAPTER SIX

6.0 CONCLUSION

This section should summarize the key findings of the report, as outlined in the discussion under the chapters 1-5 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 SEVEN

7.0 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, i.e. "Appendix A provides an overview of the Budget of Department X".

ANNEX 4
PROGRAMME PERFORMANCE REVIEW
(LIST OF TABLES)

Table 1: Sector Programme Performance Reviews

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
Programme									
Sub Programme									
XX 1									
XX 2									

Table 2: Programme/Sub-Programme Expenditure Analysis

ANALYSIS OF PROGRAMME EXPENDITURE BY PROGRAMME AND SUB PROGRAMME						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
PROGRAMME 1:						
Sub-Programme 1:						
Sub-Programme 2:						
TOTAL PROGRAMME 1						
Repeat as above for Programme 2, 3 etc.						
TOTAL PROGRAMME.....						
TOTAL VOTE.....						

Table 3: Programme Expenditure Analysis by Economic Classification

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
Economic Classification	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
PROGRAMME 1:						
Current Expenditure						
2100000 Compensation to Employees						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
2200000 Use of goods and services						
2400000 Interest Payments						
2600000 Current grants and other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers Govt. Agencies						
Other development						
TOTAL PROGRAMME 1						
SUB PROGRAMME 1.1:						
Current Expenditure						
2100000 Compensation to Employees						
2200000 Use of goods and services						
2400000 Interest Payments						
2600000 Current grants and other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers Govt. Agencies						
Other development						
TOTAL SUB PROGRAMME 1.1						
Repeat as above for Programme 2, 3 etc.:						
TOTAL PROGRAMME						
TOTAL VOTE.....						

Table 4: Programmes, Sub-Programmes, Expected Outcomes, Outputs and Key Performance Indicators for the Sector.

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2023/24	Actual Achievement 2023/24	Baseline 2024/25	Target 2025/26	Target 2026/27	Target 2027/28
Name of Programme Outcome									
SP 1.1									
SP 2									
...etc.									

Table 5a: Analysis of Resource Requirement versus Allocation – Recurrent

ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION									
		Approved	REQUIREMENT				ALLOCATION		
Sector Name		2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
Vote and Vote Details	Economic Classification								
xxx1	Current Expenditure								
	2100000 Compensation to Employees								
	2200000 Use of Goods and Services								
	2400000 Interest Payments								
	2600000 Current Grants and Other Transfers								
	2700000 Social Benefits								
	3100000 Acquisition of Non-Financial Assets								
	4100000 Acquisition of Financial Assets								
	4500000 Disposal of Financial Assets								
TOTAL									

Table 5b: Analysis of Resource Requirement versus Allocation – Development

ANALYSIS OF DEVELOPMENT RESOURCE REQUIREMENT VS ALLOCATION								
Sector Name	Description	Approved	REQUIREMENT			ALLOCATION		
		2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Vote and Vote Details	Description							
xxx1	Non-Financial Assets							
	Capital Transfers Govt. Agencies							
	Other development							
TOTAL								

Table 6a: Analysis of Resource Requirement by Programmes and Sub-Programmes

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE REQUIREMENT (AMOUNT KSH MILLIONS)									
	2025/26			2026/27			2027/28		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1:									
Sub-Programme 1:									
Sub-Programme 2:									
TOTAL PROGRAMME 1									
Repeat as above for Programme 2, 3 etc.:									
TOTAL PROGRAMME									
TOTAL VOTE									

Table 6b: Analysis of Resource Allocation by Programmes and Sub-Programmes

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE ALLOCATION (AMOUNT KSH MILLIONS)									
	2025/26			2026/27			2027/28		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1:									
Sub-Programme 1:									
Sub-Programme 2:									
TOTAL PROGRAMME 1									
Repeat as above for Programme 2, 3 etc.:									
TOTAL PROGRAMME.....									
TOTAL VOTE.....									

Table 7: Programme and Sub-Programmes Allocation by Economic Classification

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
PROGRAMME 1:						
Current Expenditure						
2100000 Compensation to Employees						
2200000 Use of goods and services						
2400000 Interest Payments						
2600000 Current grants and other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers Govt. Agencies						
Other development						
TOTAL PROGRAMME 1						
SUB PROGRAMME 1:						
Current Expenditure:						
2100000 Compensation to Employees						
2200000 Use of Goods and Services						
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
	REQUIREMENT			ALLOCATION		
Economic Classification	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
SUB TOTAL SP 1						
Repeat as above for all programmes and Sub programmes.....						
TOTAL PROGRAMME.....						
TOTAL VOTE.....						

ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS (2023/2024)

PROJECT DESCRIPTION	LOCATION	CONTRACT DATE	COMPLETION DATE	ESTIMATED COST TO COMPLETION	CUMULATIVE BUDGET ALLOCATION	COMPLETION STAGE (%)	SPECIFIC NEEDS TO BE ADDRESSED BY THE PROJECT
Programme:							
TOTAL							

Note: All HQ and Ward projects contained in the Supplementary II FY2023/2024 capital budget. Please sort them per Financial Year.

ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS (FY2013/14 – 2023/2024) CURRENTLY IN THE FY2024/25 BUDGET

PROJECT DESCRIPTION	LOCATION	CONTRACT DATE	ESTIMATED COST TO COMPLETION	CUMULATIVE BUDGET ALLOCATION	ACTUAL PAYMENT TO DATE	COMPLETION STAGE (%)	SPECIFIC NEEDS TO BE ADDRESSED BY THE PROJECT	PROJECT STATUS (ONGOING/ ABANDONED)
Programme:								
TOTAL								

Note: Please sort them per financial year.

**ANNEX 5
FORMAT FOR PRESENTATION OF PROGRAMME-PERFORMANCE BASED BUDGETS (PBB)**

VOTE NO:

VOTE TITLE:

Total expenditure summary 2025/26 and projected estimates for 2026/27 and 2027/28.
The estimates of the amount required in the year ending 30th June 2026 for salaries and expenses and Capital expenses of the including

Part A. Vision

Part B. Mission

Part C. Strategic Objective

List all the programmes and their strategic objectives. Please note that each programme must have only one objective which must be linked to the Department strategic plans and the CIDP (2023-2027).

Part D. Performance Overview and Background for Programmes

(The Performance Overview and Background for selected programmes including; a brief description of Mandate; expenditure trends; major achievements based on planned outputs for the previous funding period; constraints and challenges in implementing the budget: Major services/Outputs expected to be achieved in the MTEF Period 2025/2026-2027/2028).

Part E. Summary of the Programme Key Outputs and Performance Indicators for FY 2024/2025-2026/2027

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2023/24	Actual 2023/24	Baseline 2024/25	Target 2025/26	Target 2026/27	Target 2027/28
PROGRAMME 1: (Name of Programme)									
Outcome: (Each programme should have one outcome)									
SP1.1									
SP1.2									
Etc...									
PROGRAMME 2: (Name of Programme)									
Outcome: (Each programme should have one outcome)									
SP2.1									
SP2.2									
Etc.....									

Part F. Summary of Expenditure by Programmes and Sub Programmes 2024/2025-2026/2027 (Ksh. Millions)

Sub Programme (SP)	Approved Estimates 2023/24	Actual Expenditure 2023/24	Baseline Estimates 2024/25	Target 2025/26	Target	
					2026/27	2027/28
Programme 1: (State the name of the programme here)						
SP 1.1						
SP 1.2						
<i>Etc...</i>						
Total Expenditure Prog 1						
Programme 2: (State the name of the programme here)						
SP 2.1						
SP 2.2						
<i>Etc...</i>						
Total Expenditure Prog 2						
Total Expenditure of Vote						

Part G. Summary of Expenditure by Vote and Economic Classification (Kshs. Million)

Expenditure Classification	Approved Estimates 2023/24	Actual Expenditure 2023/24	Baseline Estimates 2024/25	Target 2025/26	Target	
					2026/27	2026/27
Current Expenditure						
2100000 Compensation to Employees						
2200000 Use of Goods and Services						
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers Govt. Agencies						
Other development						
Total Expenditure of Vote						

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

	Approved Estimates 2023/2024	Actual Expenditure 2023/24	Baseline Estimates 2024/25	Estimates 2025/26	Projected Estimates	
					2026/27	2027/28
Programme 1:						
Sub Programme 1.1:						
Current Expenditure						
2100000 Compensation to Employees						
2200000 Use of Goods and Services						
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 1.1)						
Sub Programme 1.2:						
Current Expenditure						
2100000 Compensation to Employees						
2200000 Use of Goods and Services						
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
Capital Expenditure						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 1.2)						
Etc						
Total Budget						

ANNEX 6

PROJECT DETAILS FORM FOR FY2025/26

Project Code (IFMIS)	Project Description	Sub County	Ward	Est cost of Project or Contract Value (a)	Timeline		Allocation for 2025/26 Budget	
					Start Date	Expected Completion Date	Equitable	Conditional Grant
	Programme:							
	Sub Programme:							
	SUB TOTAL							
	Programme:							
	Sub Programme:							
	SUB TOTAL							
	TOTAL							

ANNEX 8

BUDGET CALENDAR FOR FINALIZATION OF FY 2025/26 MTEF BUDGET PROCESS

	ACTIVITY	RESPONSIBILITY	DEADLINE
1	Performance Review and Strategic Planning	County Treasury	July-Aug 2024
	1.1 Develop strategic plans	Departments	"
	1.2 Prepare Annual Development Plans	"	"
	1.3 Expenditure review	"	"
	1.4 Finalization of Annual Work plans	"	"
2	Develop and Issue County Budget Guidelines	County Treasury	30 th Aug 2024
3	Annual Development Plan submitted to County Assembly	County Treasury	30 th Aug 2024
4	Launch of Sector Working Groups	County Treasury	Sept. 2024
5	The 2024/2025 Supplementary Budget		
	5.1 Develop and issue guidelines on the 2024/25 Supplementary Budget	County Treasury	Sept. 2024
6	Determination of Fiscal Framework	Macro Working Group	16 th Sept. 2024
	6.1 Estimation of Resource Envelop	County Treasury	"
	6.2 Determination of policy priorities	"	"
	6.3 Preliminary Resource allocation to Sectors, Assembly & Sub Counties	"	"
	6.4 Draft County Budget Review and Outlook Paper 2024 (CBROP)	"	20 th Sept. 2024
	6.5 Submission and approval by County Executive Committee	"	30 th Sept. 2024
	6.6 Tabling of CBROP 2024 to County Assembly	"	7 th Oct. 2024
	6.7 Capacity building on MTEF Programme Based Budget and Sector Reports	"	7 th – 11 th Oct. 2024
7	Preparation of County Budget Proposals	Line Ministries	
	7.1 Draft Sector Reports	Sector Working Group	21 st Oct. 2024
	7.2 Submission of Draft Sector Reports to County Treasury	Sector Working Group	28 th Oct. 2024
	7.3 Review of draft Sector Reports Proposals	Macro Working Group	4 th - 8 th Nov. 2024
8	Stakeholders/Public Participation	Treasury/Departments	Nov. 2024
9	Draft Budget Estimates/ County Fiscal Strategy Paper (CFSP)	Macro Working Group / Departments	
	9.1 Preparation and consolidation of County Personnel Budget	PSM/County Treasury	6 th - 10 th Jan. 2025
	9.2 Sector Public Hearing and Public Participation on finalisation of CFSP 2025	Macro Working Group	27 th - 31 st Jan. 2025
	9.3 Submission of Draft Budget Estimates and Final Sector Reports	Departments	31 st Jan.2025
	9.4 Submission of Draft CFSP & Debt Paper 2025 to County Executive Committee for approval	County Treasury	21 st Feb. 2025
	9.5 Submission of CFSP 2025 to County Assembly for approval	County Treasury	28 th Feb. 2025
	9.6 Submission of Debt Management Strategy Paper to County Assembly for approval	County Treasury	28 th Feb. 2025
	9.7 Consideration and approval of the CFSP 2025 by the County Assembly within 14 days after submission	County Assembly	13 th March. 2025

	ACTIVITY	RESPONSIBILITY	DEADLINE
10	Preparation and approval of Final Departments' Programme Budgets		
	10.1 Issue final guidelines on preparation of FY 2025/26 County Budget	County Treasury	20 th March 2025
	10.2 Public Participation on the MTEF Budget proposal and identification of Ward based projects	County Treasury	24 th – 28 th March 2025
	10.3 Submission of Departmental Budget proposals to County Treasury	Line Departments	31 st March 2025
	10.4 Consolidation of the Departmental Budget Estimates and uploading to IFMIS Hyperion System	County Treasury	1 st - 11 th April 2025
	10.5 Submission of Original Budget Estimates for County Government to County Executive	County Treasury	15 th April 2025
	10.6 Submission of Original Budget Estimates for County Government to County Assembly	County Treasury	30 th April 2025
	10.7 Review of Original Budget Estimates by Departmental Committees	County Assembly	May 2025
	10.8 Report on Original Budget by Budget and Appropriations Committee (County Assembly)	County Assembly	30 th May 2025
11	11.1 Preparation of Annual Cashflow	County Treasury	2 nd - 6 th June 2025
	11.2 Submission of Annual Cashflow to Controller of Budget	County Treasury	13 th June 2025
	11.3 Submission of Appropriation Bill to County Assembly	County Treasury	17 th June 2025
	11.4 Resolution of County Assembly on Estimates and Approval	County Treasury	19 th June 2025
	11.5 Budget Statement	County Treasury	19 th June 2025
	11.6 Appropriation Bill Passed	County Assembly	26 th June 2025