



REPUBLIC OF KENYA
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TREASURY CIRCULAR NO. 13/2019

TO: ALL CABINET SECRETARIES
ALL ACCOUNTING OFFICERS/PRINCIPAL SECRETARIES

GUIDELINES FOR PREPARATION OF THE 2020/21 – 2022/23 MEDIUM-TERM BUDGET

I. PURPOSE

1. This Circular is issued in accordance to Section 36 of the Public Finance Management Act, 2012, to provide guidelines on the processes and procedures for preparing the 2020/21 – 2022/23 Medium-Term Budget. The guidelines apply to all Ministries, Departments and Agencies (MDAs), Constitutional Commissions, Independent Offices, Parliament and the Judiciary.

2. The purpose of the Circular is to guide MDAs on the following:

- (i) Policy framework supporting the Medium-Term Budget for 2020/21 – 2022/23;
- (ii) Constitutional timelines and requirements for key activities in the budget preparation process;

- (iii) Institutional structures to guide the budget process;
- (iv) Programme Performance Reviews (PPRs);
- (v) Prioritization process for programmes;
- (vi) Form and content of budget, and the costing of programmes; and
- (vii) Framework for public participation in the budget making process.

II. BACKGROUND

3. The FY 2020/21 Budget is being prepared within the context of a weakened global economy. The IMF latest report has downgraded global expansion to 3.5 percent in 2019 and 3.6 percent in 2020, which is lower than October 2018 projections. On the upside, growth prospects for sub-Saharan Africa continue to strengthen. Growth is estimated to have improved from 2.9 per cent in 2017 to 3.0 percent in 2018 and further to 3.5 percent in 2019 as a result of a strong recovery in the economies of commodity exporting countries. This recovery is expected to continue, supported by higher commodity prices, improved capital market access and contained fiscal imbalances in many countries. Growth in 2020 for sub Saharan African region is projected at 3.7 per cent.

4. On the domestic scene, economic growth has remained strong and resilient. Growth continues to be supported by strong agricultural and manufacturing activities underpinned by favourable weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business confidence. Growth is expected to rise gradually to 7.0 percent per annum over the medium term from the projected 6.2 percent in 2019 due to investments in strategic areas under the “Big Four” Plan.

5. The 2020/21 – 2022/23 Medium-Term Budget will continue to provide an enabling environment for the private sector to thrive by preserving macroeconomic stability; expanding infrastructure; improving security; implementing business

regulatory reforms; expanding access to finance and instituting governance reforms so as to achieve “The Big Four” Plan. The Government will also support higher levels of value addition in domestically produced goods, strengthen the fight against corruption and counterfeits, enhance the use of public procurement to promote Buy Kenya Build Kenya initiative and support Micro, Small and Medium Enterprises (MSME) sector.

6. As we scale up implementation of “The Big Four” Plan, the Government is aware of its limited fiscal space and will continue to leverage on private sector partnership. The aim of the Medium Term Expenditure Framework Budget is therefore to strike an appropriate balance between support for growth and continued fiscal discipline while providing room for implementation of the ‘Big Four’ Plan.

III. THE GUIDELINES

7. The following will guide the preparation of 2020/21 – 2022/23 Medium-Term Budget proposals.

(i) Medium-Term Development Strategy

8. Despite economic shocks witnessed over the last five years, the resilience of our economy to withstand the shocks has improved significantly and this has laid a solid foundation for Kenya’s industrialization as envisaged in the Vision 2030. The 2020/21 – 2022/23 Medium-Term Budget will continue to be based on MTP III and will build on the progress made in the previous financial years. The Government will continue to address the remaining policy, legal, regulatory, and governance challenges as a priority to ensure that we attain our full potential.

- *The ‘Big Four’ Agenda*

9. The Medium-Term Budget will further support the ongoing priorities for achievement of the “Big Four” Plan taking into account:

- (i) Responsible management of public resources;
- (ii) Building a resilient, more productive and competitive green economy;
- (iii) Delivering better public services within a tight fiscal environment; and
- (iv) Deepening governance, anti-corruption and public financial management reforms to guarantee transparency, accountability and efficiency in public spending.

10. Implementation of the policies and programmes under “Big Four” Plan initiated in FY2017/18 is expected to accelerate and sustain inclusive growth, create opportunities for productive jobs, reduce poverty and income inequality and provide a better future for all Kenyans. Notable progress has already been made on the implementation across the four strategic areas of:

- (i) **Enhancing Food and Nutrition Security to all Kenyans** through expansion of food production and supply, reduction of food prices to ensure affordability, and support value addition in the food processing value chain;
- (ii) **Providing Universal Health Coverage** thereby guaranteeing quality and affordable healthcare to all Kenyans where piloting is ongoing in four Counties ;
- (iii) **Supporting value addition and raise the manufacturing sector’s share** to GDP to 15 percent. In this area several manufacturers have set up investments in the country due to enhancement in the enabling

environment while Government is investing in revival of local industries such as Rivatex; and

- (iv) Providing **affordable housing** by constructing at least five hundred thousand (500,000) affordable new houses to improve the living conditions of Kenyans. Under this, Government has established the Kenya Mortgage Refinancing Company and the first affordable houses are under construction in Nairobi.

11. In preparing the 2020/21 – 2022/23 Medium-Term Budget, MDAs will be required to prioritize allocations towards the achievement of the ‘Big Four’ Plan. This will build on the progress made as we confront the perennial challenges of unemployment, poverty and inequality that the economy continues to face.

12. To create fiscal space and guarantee appropriate phasing out of expenditure programmes, Sector Working Groups will be required to conduct a thorough review of all proposed MDAs Budgets for FY2020/21 to ensure that they are not only directed towards improving productivity but also aligned to the achievement of the objectives of the “Big Four” Plan either directly as ‘drivers’ or indirectly as ‘enablers’. The exercise should involve the following:

- Identifying and prioritizing the “Big Four” ‘drivers’ and the ‘enablers’ in the sector budget proposals;
- Initiating Zero Based Budgeting to create fiscal space for the “Big Four” interventions;
- Establishing the resources required for individual programmes and projects and the level of provision within the ceilings provided;
- Justifying each proposed programme funding with supporting documentation.

(ii) Key Dates in the Budget Preparation Process

13. The budget process involves preparation of key documents for approval by Cabinet and Parliament. To finalize the Budget and submit it for approval, MDAs will be required to undertake a number of key activities as provided in the Budget Calendar for FY2020/21 which is indicated in Annex 1. Accounting Officers are required to note the timelines and initiate action as required to ensure that budget is prepared and submitted to Parliament as provided for in the Constitution and the PFM Act, 2012.

(iii) Sectors and Working Groups

14. MDAs are organized into sectors within the context of UN-Classification of the Functions of Government (COFOG). The classification allows sector wide approach to planning and budgeting, as well as international comparison of similar programmes and services across countries. In this regard, the functions of the Government have been mapped into ten sectors, namely:

- (i) Agriculture, Rural and Urban Development (ARUD)
- (ii) Education
- (iii) Energy, Infrastructure and ICT
- (iv) Environmental Protection, Water and Natural Resources
- (v) General Economic and Commercial Affairs
- (vi) Governance, Justice, Law & Order (GJLO)
- (vii) Health
- (viii) National Security

(ix) Public Administration & International Relations; and

(x) Social Protection, Culture and Recreation.

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

(iv) Programme Performance Reviews (PPRs)

16. Programme Performance Review (PPRs) are essential to effective programme-performance budgeting. Accounting Officers are required to initiate action for their MDAs to undertake PPRs in line with the guidelines. In undertaking PPRs, MDAs are expected to do a detailed assessment of the progress achieved towards realization of the targeted outputs after the implementation of the Medium-Term Budgets for 2016/17 – 2018/19 . The assessment should entail analysing the previous budgetary allocations, actual expenditure and achievement of actual outputs.

17. 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. In addition, the review should focus on efficiency and effectiveness towards the achievement of programme outcomes. Experiences and lessons learnt should form the basis for guiding expenditure allocations in the Medium-Term Budget.

18. Accounting Officers should note that their respective 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 prior to discussing the funding requirements with the Resource Allocation Panel. The guidelines and

formats for undertaking Programme Performance Reviews are provided in Annex 4 (A-D) of this Circular.

(v) Prioritization and Allocation of Resources

19. The Government will continue to pursue the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, implementation of the Constitution, creation of employment opportunities and improving the general welfare of the people. Realization of these objectives will have implications in the budget ceilings to be provided in the Budget Review and Outlook Paper. The following criteria will serve as a guide for prioritizing and allocating resources:

- (i) Linkage of Programmes to the 'Big Four' Plan either as drivers or enablers;
- (ii) Linkage of the programme with the objectives of Third Medium-Term Plan of Vision 2030;
- (iii) Degree to which a programme addresses job creation and poverty reduction;
- (iv) Degree to which the programme is addressing the core mandate of the MDAs;
- (v) Expected outputs and outcomes from a programme;
- (vi) Cost effectiveness and sustainability of the programme; and
- (vii) Immediate response to the requirements and furtherance of the implementation of the Constitution.

Based on the broad guidelines, each sector is expected to develop and document criteria for resource allocation within the ceilings provided and undertake a prioritization exercise.

(vi) Form and Content of Budget, and the Costing of Programmes

- **Programme-Based Budgeting (PBB)**

20. The Budget will continue to be presented by Vote and programme in accordance with Section 38 (3) (b) of the Public Finance Management Act, 2012. In this regard, Sector Working Groups will be required to review their Programmes and align them to the mandates of the respective MDAs. Where a new programme is proposed, approval must be obtained from the National Treasury.

21. In designing new programmes, the structure should match the main lines of service delivery in the MDAs. During the review of Programmes, Sector Working Groups should ensure that:

- (i) Programme performance targets are Specific, Measurable, Achievable, Realistic, and Time bound;
- (ii) Programme performance indicators are mainly outputs or/and outcomes;
- (iii) Programme targets are those that the MDAs can reasonably influence their achievement;
- (iv) Programme service delivery units with no clear outputs, key performance indicators and targets are not considered for funding; and
- (v) There are no crosscutting activities or functions which are not assigned to respective programmes.

22. Each programme should be confined within a single MDA and all functions should fall within programmes. There should be no duplication of programme names across MDAs. In cases where MDAs have more than one programme, an

additional programme should be created to cater for management and administration of overhead costs which cannot be attributed to only one programme. The format for presentation of the Programme Based Budget is provided under Annex 5A of this Circular.

- ***Estimates for the 2020/21 – 2022/23 Medium-Term Budget***

23. The Government will continue pursuing a fiscal consolidation policy which is aimed at reducing the overall fiscal deficit and debt accumulation. The consolidation policy will be supported by enhanced revenue mobilization and rationalization of recurrent expenditure, while protecting capital expenditure. This will ultimately reduce public debt and create fiscal space over the medium term. SWGs are required to prepare Medium-Term budgets that are consistent with the Medium-Term Fiscal Framework that will be provided in the Budget Review and Outlook Paper (BRPOP).

- ***Developing 'Rolling' three-year medium-term Budget Estimates***

24. In a “rolling” medium-term budget plan, the first year forward estimate forms the starting point for the next financial year’s budget. Under this approach, budget resources will continue to be appropriated on an annual basis but the budget planning process will also include estimates of expenditure and revenue for the two forward/outer years. Accounting Officers should note that the Public Finance Management Regulations, 2015 require that the ceilings in the outer years are binding. Accounting Officers are therefore urged to ensure that budget estimates for the planned priorities for outer years are within the ceilings provided.

- ***Costing of Programmes***

25. Accounting Officers are requested to ensure that costing of all their programmes is accurate taking into account the ceilings provided to avoid

exaggerated resource requirements. The National Treasury will be inviting MDAs for a capacity building exercise on costing techniques that will be used during the preparation of sector budget proposals highlighted in Annex 5B of this circular.

- ***Personnel Emoluments***

26. In line with the Public Finance Management Regulations, 2015, the National Government expenditure on compensation to employees is not expected to exceed 35 percent of the National Government's equitable share of revenue. It is the policy of the Government to contain the wage bill to the medium-term targets. In this regard, Sector Working Groups should not allocate resources for new recruitment, interns or upgrading unless there is prior approval from the National Treasury. Sector Working Groups should however provide adequate resources for the normal wage drift. Allocation for personnel emoluments must be supported by Integrated Personnel Payroll Data (IPPD) and each MDA will be required to provide this information to support personnel requirements.

27. Sector Working Groups should also note that adjustments of remuneration and benefits for staff in MDAs, including SAGAs, should only be done after receiving recommendations from the Salaries and Remuneration Commission (SRC). MDAs are reminded to first obtain a written approval on availability of funds from the National Treasury before putting the request to SRC. This approval should be provided to the SWGs to support personnel requirements.

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

28. Sector Working Groups are required to critically review MDAs requirements to curtail growth of recurrent budgets especially use of goods and services. All requirements for use of goods and services should be accurately costed. Each allocation should be supported by service provision agreements, demand notes, and documentary evidence of past trend. The resultant savings should be directed

towards capital investment and other priority areas. . In addition, Sector Working Groups are also required to make adequate budgetary provision for the payment of all utilities under respective MDAs budgets.

- ***Payment of Subscriptions/Contributions***

29. All subscriptions to international organizations remain consolidated under the National Treasury. All MDAs are expected to justify the requirements for international subscriptions/payments for inclusion under the National Treasury's Budget

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

30. Transfers to SAGAs must be critically reviewed and justified. Where no sufficient documentation or evidence is provided, the earmarked provision should be considered savings and redirected to other priority areas within or across MDAs within the Sector. Any additional requirement by a SAGA should be critically reviewed and determined after a thorough scrutiny of the budget and the rationale for the additional funding, while taking into account its revenue base.

31. The SWGs should critically analyze the revenue generating potential of SAGAs in their respective sectors. This is in a view of weaning self-sustaining SAGAs from the exchequer so as to release funds to other priorities. In this regard, SAGAs should present their audited accounts and clearly indicate their revenue levels and planned revenue raising measures so as for the SWGs to determine the exchequer support necessary for smooth operations of the SAGAs within the provided ceilings.

- ***Consolidation of ICT Equipment and Services***

32. All ICT services remain consolidated under the Ministry of Information, Communication and Technology (ICT). These include but not limited to purchase

of computers, printers and other ICT equipment; purchase of ICT networking and other communication equipment; purchase of software; contracted ICT professional services; purchase of photocopiers; and purchase of specialized ICT equipment. MDAs will be required to present and justify to the Sector Working Group the requirement they have submitted to the Ministry of ICT for ICT goods and related services.

- ***Development Budget Estimates***

Project Preparation, Appraisal and Approval for New Projects

33. The Government recently directed that no new projects should be started without the approval of the National Treasury. In case of any new project, the SWGs are advised to only consider new projects approved by the National Treasury.

34. In this regard, the National Treasury has developed a Public Investment Management (PIM) Framework and adopted the Public Investment Management Guidelines to increase efficiency and effectiveness of public spending. These Guidelines will be applied in the preparation, appraisal and approval of all projects before their inclusion in the budget. MDAs will be required to ensure that all new projects are adequately prepared, appraised and approved by the National Treasury before prioritization and resource allocation by the Sector Working Groups.

35. Specifically SWGs should ensure that before a new project is considered for budget allocation, the relevant Accounting Officer/MDA have fulfilled the following minimum prerequisites;

- i. All conditions precedent are fulfilled, including land acquisition, compensation, stakeholder 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,
- v. Project details are captured in the relevant Public Investment Management Information System.

36. SWGs and the Accounting Officers shall ensure that projects that have fully met the conditions above are allocated adequate funding in that financial year. Where the above preliminaries have not been met, the Accounting Officer/MDA shall only request for resources to meet these prerequisites in that financial year. Financing Agreements with development partners shall be executed for projects that have been approved and processed through the Public Investment Management Information System. For any new project to be considered for funding, it must have been appraised, approved and pipelined by 30th June of the preceding FY. The guidelines can be accessed online on the National Treasury Website. www.treasury.go.ke.

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

Ongoing Projects

38. The FY 2020/21 Budget will only focus on completion of ongoing projects. In particular, emphasis should be on projects nearing completion to ensure that citizens benefit from such public investments. Capital projects to be factored in the budget should include both domestically and foreign financed projects. Further,

projects that seek to implement/facilitate the realization of the 'Big Four Plan' should receive the highest priority. SWGs are reminded to request individual MDAs to provide adequate information to support the existence of ongoing projects. This should include a list of the ongoing projects with details of total cost, start and end date, cumulative expenditure to date, balance to completion, and amount required over the medium term, among others.

39. Accounting Officers are requested to ensure that all ongoing multi-year projects are allocated adequate funds in accordance with the contract signed between Government and third parties within the projected ceilings before a new project is allocated budgetary resources.

40. In order to have uniform and comparable information on projects, we have prepared operational definition of projects for use by SWGs. These include:

- i. **On-going project;** these are projects whose implementation is still in progress and are actively being executed and funded and whose completion is consistently progressing.
- ii. **Stalled project;** these are projects which are being implemented by the Government and are at different levels of completion but are not funded at the moment hence they are not progressing or have stopped from being implemented or executed to completion. Their implementation will however resume if the required funds are availed.
- iii. **Suspended or shelved or dropped;** This is a viable project which was being implemented at one point in time or another but has been temporally deferred from implementation or being allocated budget due to an outstanding issue that is yet to be resolved. This project will be continued whenever the issue has been resolved and budget is allocated.
- iv. **Abandoned;** This is a project which was viable at inception and during the initial implementation stages but whose viability has substantially

diminished leading to its being deserted or neglected or dumped or stopped permanently. This project will never be continued or can be continued after a fresh appraisal process has been conducted.

- v. **Pipeline/ New Project;** These are viable projects already appraised and granted necessary approvals and uploaded in the Public Investment Management system ready for prioritisation and budget allocation or awaiting introduction in the budget for the first time.

41. SWGs are required to provide details of the approved new projects, ongoing projects and stalled projects as indicated in Annex 7 of this Circular. Projects should be evaluated in the context of the following:

- i) Priority should be given to ‘Big Four’ Interventions and completion of on-going projects;
- ii) MDAs should indicate how the proposed projects will contribute to the ‘Big Four’ Plan of enhancing economic growth, job creation and increased citizen’s welfare;
- iii) Preference for financing should be given to those projects which are in full compliance with Government priorities;
- iv) Resources to projects should largely reflect the actual financial requirement over the medium term; and
MDAs should review the project concept notes to reflect the actual allocations, which should be submitted with the 2020/21 – 2022/23 medium-term budget proposals.

- ***Projects with GOK Counterpart Requirement***

42. 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 and adequately funded. MDAs are required to provide proof to support the allocation for counterpart funding.

- ***Conditional Grants to Counties***

43. Conditional grants 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 from.

(vii) Public Participation and Stakeholder Involvement

44. Public participation and involvement of other stakeholders in the medium term budget process is not only essential but a constitutional requirement. SWGs should identify its critical stakeholders including donors, Kenya Private Sector Alliance (KEPSA) among others and engage them in programme prioritization. Such engagements should be documented for reference purposes.

45. Further, SWGs should ensure that the Cabinet Secretaries in the sector are briefed and collectively approve the sector budget proposal before it is submitted to the National Treasury.

46. Accounting Officers are reminded that the SWGs are the only recognized avenue for bidding for resources. MDAs are therefore required to fully participate in the relevant Sector and bid for resources within the available ceilings. No spending proposal will be factored in the budget unless approved and considered within the SWGs.

IV. COUNTY BUDGETING PROCESS

47. 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 at request, including capacity building of County officials.

V. PREPARATION AND SUBMISSION OF BUDGET PROPOSALS

48. 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 **29th November 2019** in line with the format indicated in Annex 8.

VI. CONCLUSION

49. Finally, Accounting Officers are required to ensure strict adherence to the 2020/21 – 2022/23 MTEF Budget guidelines and to bring the contents of this Circular to the attention of all Officers working under them, including the Heads of Parastatals and other Semi-Autonomous Government Agencies (SAGAs)



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Mrs. Jacqueline Mogeni
Chief Executive Officer
Council of Governors
NAIROBI.

All County Executive Committee Members for Finance

ANNEX 1: BUDGET CALENDAR FOR THE FY 2020/21 MEDIUM-TERM BUDGET		
		FY2019/20
ACTIVITY	RESPONSIBILITY	TIMELINES
1. Develop and issue MTEF guidelines	National Treasury	23-Aug-19
2. Launch of Sector Working Groups	National Treasury	6-Sep-19
3. Programme Performance & Strategic Reviews	MDAs	16-Sep-19
3.1 Review and update of strategic plans	"	"
3.2 Review of programme outputs and outcomes	"	"
3.3 Expenditure Review	"	"
3.4 Review and approval of projects for FY2020/21	Project Committees	"
3.5 Progress report on MTP implementation	"	"
3.6 Preparation of annual plans	"	"
4. Development of Medium-Term Budget Framework	Macro Working Group	30-Sep-19
4.1 Estimation of Resource Envelope	"	"
4.2 Determination of policy priorities	"	"
4.3 Preliminary resource allocation to Sectors, Parliament, Judiciary & Counties	"	"
4.4 Draft Budget Review and Outlook Paper (BROP)	"	"
4.5 Submission and approval of BROP by Cabinet	"	15-Oct-19
4.6 Submission of approved BROP to Parliament	"	27-Oct-19
5. Preparation of MTEF budget proposals	MDAs	29-Nov-19
5.1 Retreats to draft Sector Reports	Sector Working Group	14-25 Oct. & 28 Oct.-8 Nov -18
5.2 Public Sector Hearing	National Treasury	25-Nov-19
5.3 Review and incorporation of stakeholder inputs in the Sector proposals	Sector Working Group	27-Nov-19
5.4 Submission of Sector Report to Treasury	Sector Chairpersons	29-Nov-19
5.5 Consultative meeting with CSs/PSs on Sector Budget proposals	National Treasury	6-Dec-19
6. Draft Budget Policy Statement (BPS)	Macro Working Group	14-Feb-20
6.1 Draft BPS	Macro Working Group	30-Nov-19
6.2 Division of Revenue Bill (DORB)	National Treasury	"
6.3 County Allocation of Revenue Bill (CARB)	National Treasury	"
6.4 Cabinet Retreat on Finalization of FY2020/21 Medium-Term Budget	Presidency	10-Jan-20
6.5 Submission of BPS, DORB and CARB to Cabinet for approval	National Treasury	12-Jan-20
6.6 Submission of BPS, DORB and CARB to Parliament for approval	National Treasury	14-Feb-20
7. Preparation and approval of Final MDAs Budgets		27-Apr-20
7.1 Develop and issue final guidelines on preparation of 2020/21 Medium-Term Budget	National Treasury	28-Feb-20
7.2 Submission of Budget Proposals to Treasury	MDAs	15-Mar-20
7.3 Consolidation of the Draft Budget Estimates	National Treasury	1-Apr-20
7.4 Submission of Draft Budget Estimates to Cabinet for Approval	National Treasury	15-Apr-20
7.5 Submission of Draft Budget Estimates to Parliament	National Treasury	27-Apr-20
7.6 Review of Draft Budget Estimates by Departmental Committees of Parliament	National Assembly	15-May-20
7.7 Budget & Appropriations Committee Report on Draft Budget Estimates	National Assembly	20-May-20
7.8 Consolidation of the Final Budget Estimates	National Treasury	29-May-20
7.9 Submission of Appropriation Bill to Parliament	National Treasury	10-Jun-20
7.10 Submission of Vote on Account to Parliament (if necessary)	National Treasury	10-Jun-20
8. Annual Budget Statement	National Treasury	11-Jun-20
9 Appropriation Bill Passed	National Assembly	30-Jun-20
10. Finance Bill Passed	National Assembly	30-Jun-20

ANNEX 2: SECTOR COMPOSITION AND WORKING GROUPS FOR THE FY 2020/21 MEDIUM-TERM

MTEF SECTOR	MINISTRIES, DEPARTMENTS AND AGENCIES
Agriculture, Rural and Urban Development	1165 State Department for Crop Development. 1162 State Department for Livestock. 1168 State Department for Agricultural Research 1164 State Department for Fisheries and the Blue Economy 1112 Ministry of Lands and Physical Planning 2021. National Land Commission
Energy, Infrastructure and ICT	1091 State Department of Infrastructure 1092 State Department of Transport 1093 State Department for Maritime Affairs 1094 State Department for Housing & Urban Development 1095 State Department for Public Works 1122 State Department for Information Communications and Technology & Innovation 1123 State Department for Broadcasting & Telecommunications 1152 State Department for Energy 1153 State Department for Petroleum
General Economic and Commercial Affairs	1172 State Department for Investment and Industry 1173 State Department for Cooperatives 1174 State Department for Trade 1222 State Department for Regional Northern Corridor Development 1183 State Department for East African Integration 1201 Ministry of Tourism
Health	1081. Ministry of Health
Education	1066 State Department for Early Learning and Basic Education 1068 State Department for Post-training and Skills Development 1064 State Department for Vocational and Technical Training 1065 State Department for University Education 2091 Teachers Service Commission
Governance, Justice ,Law and Order	1021 State Department for Interior and Citizen Services 1023 State Department for Correctional Services 1252 State Law Office and Department of Justice 1261 The Judiciary 1271 Ethics and Anti-Corruption Commission 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

Public Administration and International Relations	1011 The Presidency
	1032 State Department for Devolution
	1034 State Department for Planning and Statistics
	1052 Ministry of Foreign Affairs
	1071 The National Treasury
	1211 State Department for Public Service and Youth Affairs
	2041 Parliamentary Service Commission
	2042 National Assembly
	2061 The Commission on Revenue Allocation
	2071 Public Service Commission
	2081 Salaries and Remuneration Commission
	2111 Auditor General
	2121 Controller of Budget
2131 The Commission on Administrative Justice	
National Security	1041 Ministry of Defence
	1231. National Intelligence Service
Social Protection, Culture and Recreation	1035 State Department for Development of the Asal
	1132 State Department for Sports Development
	1133 State Department for Arts and Culture
	1212 State Department for Gender
	1184 State Department for Labour
	1185 State Department for Social Protection
Environment Protection, Water and Natural Resources	1103 State Department for Water Services
	1104 State Department for Irrigation
	1105 State Department for Environment
	1106 State Department for Natural Resources
	1191 Ministry of Mining
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)
	Kenya Revenue Authority
Commission on Revenue Allocation	

Annex 3(A): Structure and Composition of Sector Working Groups	Annex 3 (B): Terms of Reference for Sector Working Groups
SWG's shall comprise the following:	SWG's are expected to ensure that proposed programmes and projects are in line with the priorities of the Vision 2030, Medium Term Plan III and the "Big Four" Agenda.
(i) Chairperson – One Accounting Officer chosen by consensus by other Accounting Officers within the Sector;	Specifically, the terms of reference for SWGs will be to:
(ii) Sector Convenor – Appointed by the National Treasury;	(i) Review sector objectives and strategies in line with the overall goals outlined in the Vision 2030, MTP III and the "Big Four" Agenda;
(iii) Sector Co-Convenor – Appointed by the State Department for Planning;	(ii) Identify the programmes and the necessary policy, legal and institutional reforms required;
(iv) Technical Working Group – Appointed by the Sector Working Group;	(iii) Approve list projects to be included and funded;
(v) A SWG Secretariat – Appointed by the individual Accounting Officers to assist in the coordination of the activities of the Sector;	(iv) Analyse cost implications of the proposed programmes, projects and policies for the MTEF period;
(vi) Representatives from Development Partners;	(v) Prioritize Sector Programmes and allocate resources appropriately in accordance with an agreed criteria and prioritization;
(vii) Representatives from the Private Sector	(vi) Identify programmes and projects to be funded under Public Private Partnerships (PPP); Thoroughly analyse the base line expenditure and remove all the once off expenditure for the previous years;

Annex 3(A): Structure and Composition of Sector Working Groups	Annex 3 (B): Terms of Reference for Sector Working Groups
	<p>(vii) Identify the programmes/projects that are of low priority in order to realize savings which should be directed to the 'Big Four' Plan;</p>
	<p>(viii) 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 to the estimated requirements for each of the stages of project cycle;</p>
	<p>(ix) Introduce mechanism of efficiency savings in their budgets through reducing operating costs and non-service delivery activities;</p>
	<p>(x) 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;</p>
	<p>(xi) Coordinate activities leading to the development of sector reports and indicative Sector Budget proposals.</p>
	<p>(xii) Identify critical stakeholders and engage them in programme prioritization</p>

ANNEX 4: PROGRAMME PERFORMANCE REVIEW FY 2016/17 – 2018/19

Annex 4A Review of Sector Programme Performance

Table 2.1 Sector/Sub-Sector Programme Performance

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
			2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
Sub-Programme									
XX 1									
XX 2									

NB:Remarks should indicate reason for the variance between planned and achieved targets

Annex 4B: Analysis of Expenditure Trends

Table 2.2: ANALYSIS OF RECURRENT APPROVED BUDGET VS ACTUAL EXPENDITURE AMOUNT IN KSH MILLION

Sector Name							
Vote and Vote Details	Economic Classification	Approved Budget			Actual Expenditure		
		2016/ 17	2017/ 18	2018/ 19	2016/ 17	2017/ 18	2018/19
xxx1	Gross						
	AIA						
	NET						
	Compensation to Employees						
	Transfers						
	Other Recurrent						

Table 2.3: ANALYSIS OF DEVELOPMENT APPROVED BUDGET VS ACTUAL EXPENDITURE AMOUNT IN KSH MILLION

Sector Name							
Vote and Vote	Description	Approved Budget			Actual Expenditure		
		2016/ 17	2017/ 18	2018/ 19	2016/ 17	2017/ 18	2018/19
xxx1	Gross						
	GOK						
	Loans						
	Grants						
	Local AIA						

Table 2.4: ANALYSIS OF PROGRAMME EXPENDITURE (AMOUNT IN KSH MILLION)

	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
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 OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION (Amount in Million)

Economic Classification	Approved Budget			Actual Expenditure		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
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 RECURRENT BUDGET FOR SEMI-AUTONOMOUS GOVERNMENT AGENCIES (SAGA) IN MILLION

Vote Name						
	Approved Budget			Actual Expenditure		
Economic Classification	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
NAME OF SAGA 1.....						
GROSS						
AIA- Internally Generated Revenue						
Net- Exchequer						
Compensation Of Employees						
Use Of Goods And Services						
Other Recurrent						
Repeat as above for SAGA 2, 3 etc.:						
TOTAL VOTE.....						

Annex 4D: Review of Pending Bills

Table 2.8: Summary of Pending Bills by Nature and Type (KShs. Million)

Type/nature	Due to lack of Exchequer			Due to lack of provision		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
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 e.g utilities, domestic or foreign travel etc.						
Others-Specify						
Total Pending Bills						

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

Vote No. : Vote 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 2016/17 – 2018/19 Budget;
- Major achievements based on the planned outputs/services for 2016/17 – 2018/19 Budget;
- Constraints and challenges in budget implementation and how they will be addressed; and
- Major services/outputs to be provided in the 2020/21 – 2022/23 Medium-Term Budget

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 Indicators and Targets for FY 2018/19 -2022/23

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2018/19	Actual Achievement 2018/19	Target (Baseline) 2019/20	Target 2020/21	Target 2021/22	Target 2022/23
Name of Programme Outcome									
SPI.1									
SPI.2									
... etc.									

Part F: Summary of Expenditure by Programmes and Sub-Programmes 2018/19 -2022/23 (KSh. Millions)

Programme	Approved Budget 2018/19	Actual Expenditure 2018/19	Baseline Estimates 2019/20	Estimates 2020/21	Projected Estimates	
					2021/22	2022/23
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						

¹NB. 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 2018/19	Actual Expenditure 2018/19	Baseline Estimates 2019/20	Estimates 2020/21	Projected Estimates	
					2021/22	2022/23
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 Classification² (KShs. Million)

Code	Expenditure Classification	Approved Budget 2018/19	Actual Expenditure 2018/19	Baseline Estimates 2019/20	Projected Estimates 2020/21	Projected Estimates	
						2021/22	2022/23
	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 Expense						
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 (KShs. Million)

	Expenditure Classification	Approved Budget 2018/19	Actual Expenditure 2018/19	Baseline Estimates 2019/20	Projected Estimates 2020/21	Projected Estimates	
						2021/22	2022/23
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 Expense						
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 Expense						
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 Expense						
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 Expense						
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 30 th June, 2019	2019/20	2020/21	2021/22 Projection	2022/23 Projection
					Funded Positions	Positions to be Funded	Positions to be Funded	Positions to be Funded
XX1	General Admin. & Planning							
XX2								
XX3								
Total Funded Positions								

Part J: Semi –Autonomous Government Agencies

Analysis Of Semi-Autonomous Government Agencies (SAGAs) By Economic Classification

Name of SAGA:.....

Economic Classification	Allocation	Baseline	Requirement			Allocation		
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2020/21	FY 2021/22	FY 2022/23
Current Expenditure								
Compensation to Employees								
Use of Goods and Services								
<i>Of Which:</i>								
Rent								
Utilities								
Insurance Costs								
International Subscriptions								
Other Recurrent								
<i>Of which;</i>								
Contracted guards & cleaners								
Capital Expenditures								
Acquisition on Non Financial Assets								
Other Development								
<i>Repeat above for All SAGAs</i>								
TOTAL VOTE								
SUMMARY OF THE EXPENDITURES AND REVENUE GENERATED								
Gross								
ALA - Internally Generated Revenue								
Net Exchequer								

1. All resource requirements should be accurately costed, MDAs will be requested 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/ One-offs.

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. Whenever possible, MDAs are required to use this calculation method and justification should be provided if this method is not used.

ii. Trend

3. This might be used if quantity multiplied by price cannot be applied and 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/ One-Offs

5. The one-off is an expenditure which occurs not in each year but only in one or few years. Additionally, it refers to starting expenditure which has already been approved by law or by Cabinet.

ANNEX 6: PROJECT CONCEPT NOTE

SECTION 1: PROJECT PROFILE			
Project Name:			
Project Reference Number:			
Ministry / County Department:			
Implementing Agency (MDA/CDA):			
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:			
a) Briefly describe the current situation that rationalizes the project			

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:

1. Nature of the problem
2. Scope of the problem (How widespread or the magnitude of the problem)
3. State the likely causes and effects of the problem both direct and indirect.
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 show 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 be 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	Sources/Mean of verification	Assumptions
Goal (MTP/CIDP)			
Project Objectives / 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. Capital Cost to complete the project: Estimate the capital costs associated with the project

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 KShs Per Year:

FY 1	FY 2	FY 3	FY 4	FY 5
Total (KShs.)	Total (KShs.)	Total (KShs.)	Total (KShs.)	Total (KShs.)

D. Indicate the 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 all other cost implications 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

FY 2020/21 AND MTEF PROJECTIONS

Vote.....

Project Code & Project Title	Financing			Timeline		Actual Cumulative Expenditure upto 30th June 2019	Outstanding Project Costs as at 30th June 2019	Project Completion % as at 30th June 2019	Allocation for 2019/20 Budget		Allocation for 2020/21 Budget		Projection for 2021/22		Projection for 2022/23 Budget		REMARKS*
	Est Cost of Project (a)	Foreign	GOK	Start Date	Expected Completion Date				Foreign	GOK	Foreign	GOK	Foreign	GOK	Foreign	GOK	
Ksh Million																	
XX 1																	
XX 2																	
Total																	

NB: Rank projects in terms of percentage completion and order of priority
 NB: Under remarks column, provide a brief overview of the specific needs to be addressed for the project

ANNEX 8: SECTOR REPORT 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 2016/17 – 2018/19

- 2.1. Review of Sector Programmes performance – delivery of outputs/ KPI/targets (Summarize Annex 7 in this Section)
- 2.2. Expenditure Analysis
 - 2.2.1. Analysis of programme expenditure
 - 2.2.2. Analysis of programme expenditure by economic classification
 - 2.2.3. Analysis of capital projects by programme
- 2.3. Review of Pending Bills
 - 2.3.1. Recurrent Pending Bills
 - 2.3.2. Development Pending Bills

CHAPTER THREE

MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2020/21 – 2022/23

- 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
 - 3.1.3. Programmes by Order of Ranking
- 3.2. Analysis of Resource Requirement versus allocation by:
 - 3.2.1. Sector (recurrent and development)
 - 3.2.2. Sub-Sectors (recurrent and development)
 - 3.2.3. Programmes and Sub-programmes (current and capital)
 - 3.2.4. Programmes and sub-programmes by economic classification
Economic classification
 - 3.2.5. Semi-Autonomous Government Agencies
 - 3.2.6. Resource Allocation criteria

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 Ministry X"

