BUDGET PROCESS FOR THE MTEF PERIOD 2021/22–2023/24

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Presentation During the Launch of the 2021/22-2023/24 MTEF Budget Process
PRESENTATION OUTLINE

1. Overview of the Budget Process
2. Institutional Framework for Delivering the Budget
3. Budget Calendar
4. Way Forward

9/11/2020
OVERVIEW OF THE BUDGET PROCESS

- Constitutional (Part 5, A220-224) and PFM Legal Requirement Sections 35-41
- Eleven to twelve months Process
- Process entails
  - Formulation and Preparation
  - Implementation
  - Monitoring, Evaluation
  - Auditing and Reporting

Focus on the formulation and Preparation
OVERVIEW OF THE BUDGET PROCESS

- Key Expected Outputs of the Formulation and Preparation
  - Budget Guidelines
  - Programme Performance Reviews
  - Budget Review and Outlook Paper
  - Sector Budget Proposals
  - Budget Policy Statement
  - Medium Term Debt Strategy Paper
  - Division of Revenue and County Allocation of Revenue Bills
  - Estimates of Revenue and Expenditure
  - Finance Bill
INSTITUTIONAL FRAMEWORK FOR DELIVERING THE BUDGET

- Budget Teams in MDAs
- Sector Working Groups (SWGs)
- Macro Working Group
- Economic and Budget Steering Committee
- The Cabinet
- Parliament (NA $Senate)
- Same replicated in the Counties

Emphasis on the SWGs
Sector Working Groups

- Sector Working Groups (SWGs) are responsible for formulation and prioritization of sector budget proposals.

- SWGs are the only recognized avenue for bidding for resources.

- MDAs are 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.
Ministries, Departments and Agencies have been mapped into ten sectors as indicated below:

i. Agriculture, Rural and Urban Development

ii. Energy, Infrastructure and ICT

iii. General Economic and Commercial Affairs

iv. Health

v. Education

vi. Governance, Justice, Law & Order (GJLO)

vii. Public Administration & International Relations (PAIR)

viii. National Security

ix. Social Protection, Culture and Recreation (SPCR)

x. Environmental Protection, Water and Natural Resources
SWGsl shall comprise the following:

i. **Chairperson** – One Principal Secretary/Accounting Officer chosen by consensus by other Principal Secretaries/Accounting Officers during the launch of SWGs

ii. **Sector Convenor** – Already appointed by the National Treasury

iii. **Sector Co-Convenor** – Already appointed by State Department for Planning

iv. **Technical Working Group** – To be appointed by individual SWG;

v. **A SWG Secretariat** – To be appointed by the individual Principal Secretaries/Accounting Officers to assist the Chairperson in coordinating the activities of the SWG;

vi. **Representatives from Development Partners** – to be coopted

vii. **Civil Society and Community Based Organizations to represent the public** in line with article 201 of the constitution – to be coopted

viii. **Representatives from the Kenya Private Sector Alliance** – to be coopted
BUDGET CALENDAR

The Government is required to prepare key documents for approval by Cabinet and Parliament within stipulated timelines provided for in the Constitution and the PFM Act, 2012.

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

9/11/2020
The key activities and timelines as indicated in the Budget Calendar are as follows:

- Review and update Strategic Plans of MDAs – 16th Sept. 2020
- Programmes Performance Review – 16th Sept. 2020
- Budget Review and Outlook Paper – 30th Sept. 2020
- Develop Draft Budget Policy Statement – 30th Nov. 2020
Submission of Budget Policy Statement to Parliament – 14th Feb. 2021

Approval of BPS – End February 2021


Consolidation of draft Budget Estimates – 1st April 2021.


Budget Statement – 11th June 2021.

Approval of Appropriation bill by – 30th June 2021.
Way Forward

- Due to strict timelines the SWGs are expected to:
  1. Current Sector Chairpersons/MDAs Chairing to convene initial Meeting;
  2. Elect Sector Chairpersons and forward the same to the National Treasury by 18th September, 2020;
  3. Nominate the Technical Working Group for the Sector process;
  4. Prepare Work Plans aligned to the Budget Calendar;
  5. MDAs to finalize the preparation of Programme Performance Review Reports and submit by 16th September, 2020;
  7. Finalize the preparation and submit the Sector Budget Proposals to the National Treasury by 30th November 2020.

Thank you for your attention
GOD BLESS YOU