REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

REMARKS BY DR. CHRIS K. KIPTOO, CBS PRINCIPAL SECRETARY, THE NATIONAL TREASURY DURING THE LAUNCH OF THE FINANCIALYEAR 2025/26 AND THE MEDIUM-TERM BUDGET PREPARATION PROCESS AT THE KENYATTA INTERNATIONAL CONVENTION CENTER (KICC), NAIROBI ON MONDAY, 9TH SEPTEMBER, 2024

Principal Secretaries and Accounting Officers Present,

Chairpersons; Budget and Appropriations Committee,

Finance and Planning Committee,

Public Debt and Privatization Committee, and

The Council of Governors,

Development Partners,

The Media Fraternity,

Distinguished Guests,

Ladies and Gentlemen:

1. Good morning. May I take this opportunity to welcome you all to the launch of the FY 2025/26 and the Medium-Term Budget making process. This launch marks the official start of the budget preparation process which will run for the next ten (10) months.

2. During this period, we will be expected to deliver the following outputs within the timelines provided in the Budget Calendar:

- Programme Performance Review Reports;

- The 2024 Budget Review and Outlook Paper (2024 BROP);

- The Sector Budget Proposals;

- The 2025 Budget Policy Statement;

- Division of Revenue Bill;

- County Allocation of Revenue Bill;

- County Government's Additional Allocation Bill; and

- The Estimates of Revenue and Expenditure and supporting documents.

3.　　We are therefore required to remain vigilant to ensure that the legal timelines for submission of these documents are complied with.

Ladies and Gentlemen:

4.　　I wish to remind ourselves that prioritization and allocation of resources is done within the Sector Working Group Framework. All Accounting Officers are therefore expected to fully participate in this process.

5.　　Sector Working Groups are required to develop Sector Budget Proposals for the FY 2025/26 and the Medium-Term Budget after a thorough review and analysis of past performance, and the guidelines provided.　As provided in **Treasury Circular No.11/2024**, Accounting Officers should submit their Performance Review Reports before bidding for resources.

6.　　To ensure Sector Working Groups commence the budget making process immediately, the outgoing Sector Chairpersons should immediately convene the first Sector Working Groups meetings to confirm or elect Sector Chairpersons to coordinate the process.

Ladies and Gentlemen:

7.　　In view of resource constraints, the Government has emphasized on a Zero-Based Approach to Budgeting. To implement this, we have developed the Budget Costing Tool in the IFMIS Budget Module.

8.   Accounting Officers are required to submit the FY 2025/26 Budget baseline information to the National Treasury by **Close of Business, today, Monday, 9ᵗʰ September, 2024** as provided in the Treasury Circular.

9.   To ensure adequacy and completeness of the baseline information, we will hold review meetings and capacity building of MDAs on budget costing which will be communicated in due course to facilitate preparation of the 2024 BROP.

10.   To entrench Zero Based Budgeting, the National Treasury, in collaboration with the Council of Governors and our Development Partners have also developed the National Government Budget Manual and the County Government Budget Manual to guide the budgeting process. The Manuals have incorporated the concept of Costing of Government Programmes and Projects. These will also be launched today alongside the Guidelines for the FY 2025/26 and the Medium-Term Budget.

Ladies and Gentlemen:

11.   Finally, we have commenced the implementation of the FY 2024/25 Budget. We however continue to receive requests for additional funding. In view of the current fiscal constraints, I wish to urge Accounting Officers to align work plans to be within the approved estimates and prioritize outstanding commitment/pending activities within the context of the FY 2025/26 budget.

12.   With these few remarks, it is now my humble duty and pleasure to invite Hon. Ndindi Nyoro, MP and Chairman of the Budget and Appropriations Committee of the National Assembly to give his remarks.

Thank you.