Driving improvements in service delivery through Public Finance Management

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Linking public sector planning to budgeting process

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Expectations

❑ Representation: where do you work? County Government? National Government? Agencies?

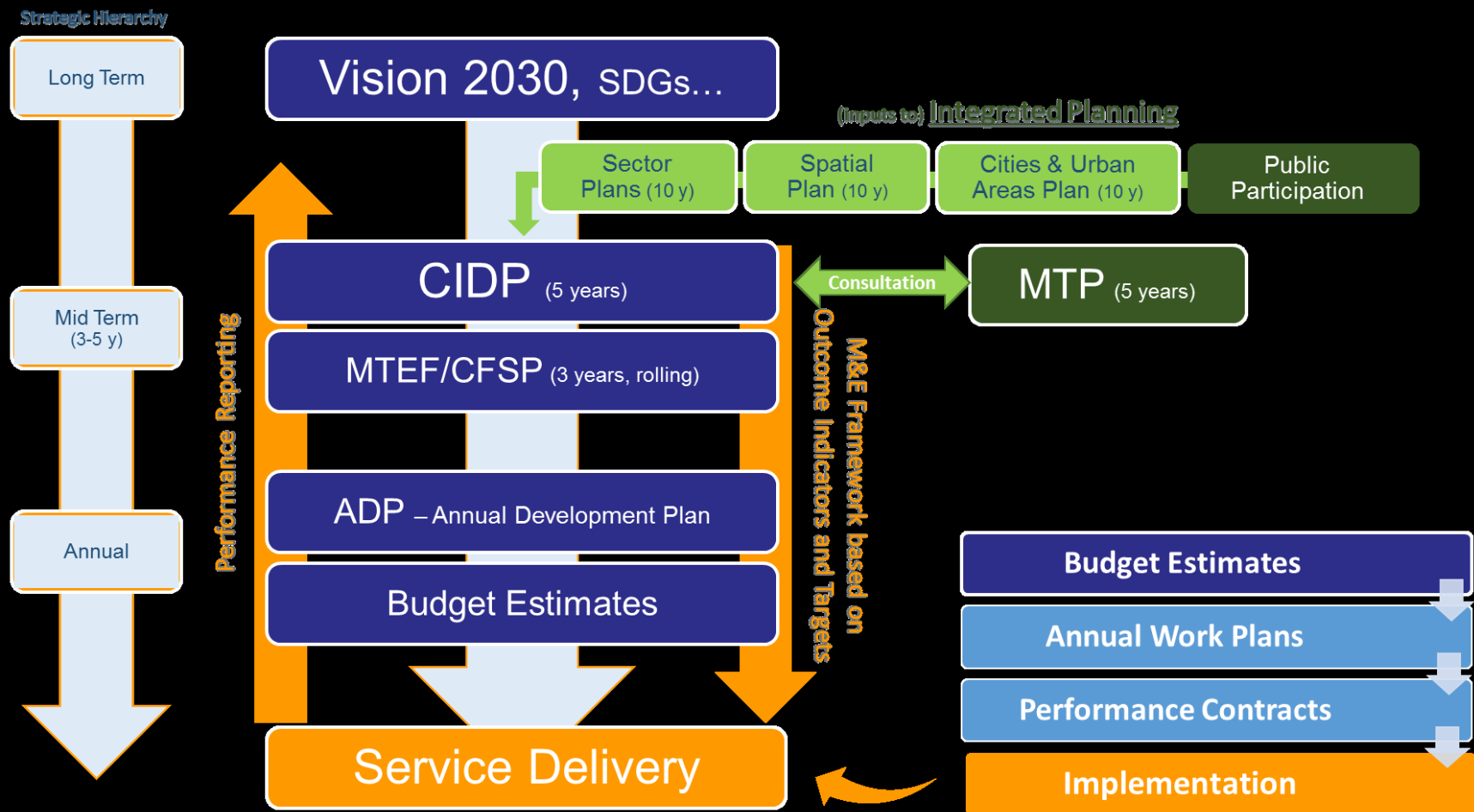❑ What are your expectations at the end of this workshop?

Outline

❑ Linking public sector planning to budgeting process with focus on:
- Policy formulation;
- Planning;
- Budgeting
- The Constitution of Kenya, 2010 and other legal framework provisions

❑ Role of county assembly in budgeting: a look at the lessons learnt pioneer county governments; interface between the county assembly and executive

Public Expenditure Management cycle

The Flow of the County Public Expenditure Management

Strategic Hierarchy

- Long Term
- Mid Term (3-5 y)
- Annual

Vision 2030, SDGs…

(Inputs to) **Integrated Planning**

Sector Plans (10 y) | Spatial Plan (10 y) | Cities & Urban Areas Plan (10 y) | Public Participation

CIDP (5 years) ←Consultation→ MTP (5 years)

MTEF/CFSP (3 years, rolling)

ADP – Annual Development Plan

Budget Estimates

Service Delivery

Performance Reporting

M&E Framework based on Outcome Indicators and Targets

Budget Estimates

Annual Work Plans

Performance Contracts

Implementation

Policy formulation

☐ Constitution of Kenya, 2010 established two levels of governments (Art. 6) with specific functions outlined in the Fourth Schedule

☐ What are the problems affecting the citizenry (both at the national and county levels)

☐ Problem formulation and documentation processes are long; policy briefs can be done with clear problem identification through public participation

☐ Many tools are used in problem identification and analysis

Policy formulation

❑ Many tools are used in problem identification and analysis including problem tree analysis (demonstrate an example)

❑ Strategic policy goals (what need to be achieved after solving the problem: outcome) are determined on the basis of the problems identified

❑ We need to design means of achieving those goals. The means are called programmes that are documented in plans (V.2030, MTPs, SPs, CIDPs and then MTEF – annual budgets)

Planning

❑Long term planning, medium term planning, MTEF processes;

❑Article 220 (2), Sections 108 and 109 of the CGA and Section 126 of the PFMA; outline the legal requirements for planning and budgeting

❑The all plans and budgets MUST be programme based.

Budgeting process (MTEF)

❑ Sector Working Groups and County Budget and Economic Forums (membership requirements encompassing public representation)

❑ National government budgeting process (Sections 35 – 45 of the PFMA)

❑ County governments' budgeting process
  - Budget Preparation Circular (Section 128 of the PFMA)
  - Annual Development Plan (ADP) Section 126 of PFMA
  - County Budget Review and Outlook Paper (CBROP) Section 118 of PFMA
  - Fiscal Strategy Paper (FSP) Section 117 of PFMA
  - Programme Based Estimates (PBE) Section 129 of PFMA
  - Roles of SWGs and CBEFs at each stage

Budgeting process (MTEF) points to note

- ❑ Plans with indicative budgets

- ❑ MTEF provides for actual ceilings

- ❑ Updating of plans in within the MTEF

- ❑ Division of Revenue Act; County Allocation of Revenue Act

The integration (linkages)

❑ Policy Goal (Broad statement of intent providing guidance for action to solve a specific problem/issue)

❑ Policy Objective (What is needed to achieve a policy goal)

❑ Policy Strategy (Describe how policy objectives and goals can be achieved – Programmes, Sub-programmes, and Activities) with desired: Targets, Outputs, Indicators

❑ Programmes, Sub-programmes, Activities are translated into plans: V.2030, MTPs, 10 year Sector Plans and 5 year CIDP

❑ Programmes, Sub-programmes, Activities are implemented through the MTEF processes (annual budgeting processes)

❑ Chapter Twelve (Articles 201 – 231)

Role of county assembly in budgeting

- ❑ Policy formulation and approval

- ❑ Sector Plans

- ❑ County Integrated Development Plans

- ❑ Annual Development Plans

- ❑ County Budget Review and Outlook Paper

- ❑ Fiscal Strategy Paper

- ❑ Programme Based Estimates (approval and legislation processes)

- ❑ Modes of engagement at each stage to ensure cooperative government

Recommendations and areas of improvement

❑ This workshop's approach to be amended to include the whole Pubic Expenditure Management cycle (incorporating expenditure, reporting and monitoring and evaluation)

Thank you for listening and participating