

REPUBLIC OF KENYA



GOVERNMENT OF MAKUENI COUNTY



COUNTY TREASURY

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Our Ref: GMC/FIN/CIRCULAR.91/VOL.1(17)

29th August, 2024

COUNTY TREASURY CIRCULAR NO. 1/2024/25

TO;

1. All County Executive Committee Members
2. County Attorney
3. Clerk-Makueni County Assembly
4. All Accounting Officers

RE: GUIDELINES FOR THE PREPARATION OF THE MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) BUDGET FOR THE PERIOD 2025/26 – 2027/2028

1.0.PURPOSE

In accordance with Section 220 of Constitution of Kenya and the Public Financial Management Act, 2012 Section 128, the County budget process for each financial year is expected to commence by 30th August of the preceding year. The Executive Committee Member for Finance is required to issue a circular setting out guidelines to be followed by all of the county government's entities in the budget process. It is on this basis that the budget circular for FY 2025/2026 and Medium Term Budget Estimates is issued to all the County Government Departments, Entities, Authorities, Boards and the County Assembly.

The purpose of the Circular is to provide guidance on the processes, procedures and timelines to be followed by County Entities /departments when preparing the FY 2025/26 and Medium Term budgets. The circular outlines the following:

- i. Policy framework supporting the Medium Term Budget for 2025/26 – 2027/2028
- ii. Institutional framework to guide the budget preparation process
- iii. Prioritization process for programmes
- iv. Timelines and requirements for key activities in the budget preparation process
- v. Programme Performance Reviews (PPRs);
- vi. Framework for public participation in the budget making process
- vii. The format in which information and documents relating to the budget are to be submitted,
- viii. Form and content of budget and costing of the programme and projects

2.0.BACKGROUND

The FY 2025/26 Budget will be the third to implement the 2023-2027 CIDP and the 13th Budget to be prepared by the County Government since the inception of the County Governments. The FY 2025/26 and the Medium Term Budget is being prepared when Kenya has successfully weathered the recent global and local economic shocks. Kenya's real GDP growth accelerated to 5.6% in 2023, surpassing the previous year's growth of 4.9%. This was propelled by robust recovery in agriculture sector and service sector and a decline in global commodity prices, which is expected to reduce production costs. However, GDP growth in 2024 is expected to slow down to 5.5% underpinned by favorable weather conditions for the agricultural sector, a recovery of industry, and the resilience of services.

Makueni County has consistently contributed approximately 1.3% to the national GDP annually, underscoring its role in Kenya's economic fabric. Over recent years, the county's Gross County Product (GCP) has grown at an average rate of 4% per year, reflecting steady economic activity within the region. This growth has been supported by key sectors such as agriculture, which is vital to Makueni's economy, along with emerging contributions from the services and industrial sectors.

The circular is also being prepared amidst expected reduction in County Governments equitable share allocation following presidential memorandum regarding the failed assessment of the proposed 2024/25 County Allocation of Revenue Bill (CARB) 2024.

The FY 2025/26 and the Medium-Term Budget will continue to support the National Government's Bottom-Up Economic Transformation Agenda and the Makueni County socio-economic transformation through the CIDP III.

Given the limited resources that the economy is likely to realize under the prevailing circumstances, Accounting Officers are required to accommodate development priorities within the resource envelope and focus on the implementation of the strategic priorities outlined in the County Integrated Development Plan (CIDP) 2023-2027.

3.0.ASSUMPTIONS UNDERPINNING THE FY2025/26 AND MEDIUM-TERM FISCAL FRAMEWORK

The Medium –Term fiscal Framework supporting the budget will be anchored on the following assumptions;

- a. Real GDP is projected to grow at 5.5 % and Makueni County's GCP is projected to align closely with the national outlook, with GCP growth anticipated to average 5% in 2024
- b. All projected revenue from the National Government and development partners will be received on timely basis.
- c. All projected Own Source Revenue (OSR) for the budget period will be fully mobilized

4.0.IMPLEMENTATION OF FY 2024/25 BUDGET

The FY 2024/25 budget focuses on the County Government's transformational development agenda. Accounting officers are advised to fast track project implementation to ensure project completion and payments are made before end of fourth quarter. In order to avoid bills being carried forward, departments are advised to adhere to the County work plan, procure and implement projects by end of third quarter and process payments by payments 30th June 2025.

5.0.CASH FLOW MANAGEMENT IN FY 2025/26

In the Financial Year 2025/26, the County Government will manage the cash flow as follows;

- a. The County Treasury will set quarterly expenditure limits per vote for departments based on departmental cash flow projections. Departments will be expected to adhere and plan their activities within the set limits.
- b. Discretionary expenditures on operation and maintenance will be tied to Own Source Revenue mobilized and therefore departments are required to support revenue mobilization.
- c. AIEs will be issued on quarterly basis subject to proof of revenues mobilized by the specific department and entity and in conformity of provisions of PFMA 2012 section 109.
- d. Requisitions from County Revenue Fund (CRF) will be done for those payments that are well supported and justified.

6.0.THE GUIDELINES

The following are the specific guidelines to be followed in the preparation of FY 2025/2026 and the Medium Term Budget proposals

6.1.POLICY FRAMEWORK SUPPORTING THE MEDIUM TERM DEVELOPMENT BUDGET PROPOSALS

The FY 2025/26 and the Medium Term budget estimates will be guided by the development philosophy of *Wauni wa Kwika Nesa na Ulungalu* and a rallying call for *“Our people, our Priority”*. The development theme will be *“Stimulating Local Economies for Shared Prosperity,”* highlighting the importance of local economic actors in both agricultural and non-agricultural enterprises, including institutions within our rural communities. The interventions can be grouped into three: rural economic revitalization, social services and social protection and environmental protection and conservation. The FY 2025/2026 and the Medium Term Budget estimates will be based on the third generation County Integrated Development Plan 2023-2027 and will build on achievements made in the previous years.

6.2.INSTITUTIONAL FRAMEWORK TO GUIDE THE BUDGET PREPARATION PROCESS

The County Government is committed towards linking policies, plans and budgets by strengthening the Sector working groups and the budget implementation committees and establishing which are key players in the budget process. The County will establish and operationalize Public Investment Management Unit which shall be the focal point for public investment management as guided by Section 10 of the Public Finance Management (Public Investment Management) Regulations, 2022. Departments are requested to ensure full participation in the sector working groups and budget implementation committees as this will be the avenue for resource bidding in the budget process.

Accounting Officers are directed to establish and operationalize the Budget Implementation Committees (BICs) which together with the Sector Working Groups shall be responsible for formulation and prioritization of sector budget proposals, and sector reports which will be the basis of preparing the budgets. The composition and the Terms of Reference for the Sector Working Groups and Departmental Budget Implementation Committees is attached in **Annex 1(a) and 1(b)**

SWGs are expected to ensure that the proposed programs are in line with the priorities outlined in 2023-2027 CIDP and the 2024/25 Annual Development Plan. All SWGs are expected to support the projects/programmes appraisals to determine the scope, costs, effectiveness, beneficiaries and intended coverage. The appraisal report format is attached as **Annex 2**

The Sector Chairpersons shall ensure all activities including the preparation of sector reports and sector budgets are coordinated and completed within the given timelines. The Sector budget proposals should reach the County Treasury by 31st December 2024. The Budget Implementation Committee chairpersons should ensure timely preparations and submission of their reports which will inform the sector budget

proposals. The format for the Sector and Budget Implementation Reports are attached in **Annex 3(a) and 3(b)**

6.3. PRIORITIZATION OF PROGRAMMES AND ALLOCATION OF RESOURCES

The Government will continue to pursue priorities which are aimed at safeguarding livelihoods and wealth creation. The following will serve as the criteria to guide prioritization and final allocation of resources:

- a. Alignment to the National Government's Bottom-Up Economic Transformation Agenda
- b. Alignment to the Makueni County socio-economic transformation Linkage of the programme with the priorities of CIDP III
- c. Findings of the Programme Performance Reviews for ongoing programmes.
- d. Degree to which a programme addresses core poverty reduction interventions and wealth creation.
- e. Degree to which the programme is addressing the core mandates of the County entity.
- f. Expected outputs and outcomes of the programme.
- g. Cost effectiveness and sustainability of the programme.
- h. Ongoing activities of the County Government flagship projects.
- i. Extent to which the Programme seeks to address viable stalled projects and
- j. Readiness of the sector to implement the programmes

6.4. BUDGET PREPARATION PROCESS

The budget process involves preparation of key policy documents for approval by County Executive Committee and the County Assembly. The budget process will commence upon issuance of this circular up to the time the County Assembly shall approve the 2025 Finance Bill. The following policy documents will require to be prepared and approved within the timeframes outlined in the Public Finance Management Act, 2012 and Regulations (County Governments), 2015:

- a) The County Budget Review and Outlook Paper (CBROP);
- b) County Medium Term Debt Management Strategy Paper (CMTDMSP)
- c) The County Budget Review and Outlook Paper (CFSP)
- d) Sector Budget Proposals;
- e) Programme Based Budgets and supporting details;
- f) The Appropriation Bill; and
- g) The Finance Bill.

To facilitate the finalization and approval of the above policy documents and Bills within the stipulated timelines, Accounting Officers are required to strictly undertake the activities outlined in the Budget Calendar within the set timeframes. The timeframes for delivery of the Policy Documents, reports, and relevant Bills are as per attached schedule in **Annex 4**

6.5. PROGRAMME PERFORMANCE REVIEW

Programme Performance Reviews (PPRs) are essential to effective programme- performance budgeting. Accounting Officers are expected to undertake a detailed assessment of the progress achieved towards the realization of the targeted outcomes and outputs after the implementation of the FY 2022/23 to FY 2023/24 Budgets. The assessment should entail analyzing the previous budgetary allocations, actual expenditure and achievement of actual outputs and outcomes. The PPRs reports should indicate both financial and non-financial indicators of performance for each programme. Departments and Agencies will only be allowed to bid for resources in their respective sectors after finalization of the PPRs. Expenditure and performance review report format is attached as **Annex 5**

6.6. MOBILIZATION OF RESOURCES

There has been a tremendous growth of receipts from national government and county own source revenue since the County resource since FY 2013/14. The revenue has grown from Kshs. 4.5 billion in 2013/14 to Kshs. 11.197 billion in 2024/25 representing a 165 percent increase. Despite the increase, the County

resource basket over the years has not been adequate to fund service requirements by the citizens and therefore departments are advised to adopt technology and innovation in service delivery, pursue partnerships and external resource mobilization. The County has not been meeting own source revenue targets over the years and will employ following strategies to raise revenue;

- a) Introduction of instalment payment for licenses to ease the burden on the one off payment which has impeded compliance by some of the customers
- b) Incentivize customers who pay early through introduction of discounts on the prescribed fee for licenses
- c) Introduce half yearly and quarterly license for new customers
- d) Designate revenue champions from amongst the leadership of business community especially the markets committees to enhance level of compliance
- e) Institute a performance based facilitation for own source revenue mobilization where good collectors are incentivized to collect more
- f) Create an online self-customer service portal to enable customers register and pay for their business licenses obligations with ease

6.7. KEY POLICY AREAS

The FY 2025/26 Budget will be the third budget in implementing the County Integrated Development Plan 2023-2027 “resilient economy for sustainable development”. The year theme is “Stimulating local economies for shared prosperity” and highlights the importance of local economic actors in both farm and non-farm enterprises including institutions within our rural communities. The main focus on local economies and the priority interventions have been aligned in the eight sectors.

(a) Water, Environment and Natural Resources Sector

In FY 2025/26, implements the Last mile water connection Phase II targeting reducing distance to water source. The sector will focus on:

- i. **Access** - Distribution of existing water sources in every sub ward, Promoting individual household water connections through registered Water Service Providers.
- ii. **Water Efficiency** - Implementing digital metering and payment systems in the water projects (Time taken and revenue collected). This will also reduce non-revenue water losses by the Water Service Providers.
- iii. **Sustainability** - Developing a business model plan for each water project to enhance project sustainability.
- iv. **Governance** - Strengthening operation of Makueni Rural and Water Board (MARUWAB). Capacity building on water management Committees (The Water Act and the Water Policy)
- v. **Water for productive use** - Enhancing irrigated agriculture through rehabilitation of irrigation schemes, Support of farm pond excavation, water harvesting and micro-irrigation at household level.
- vi. **Waste management** – both the solid and liquid, ensuring urban waste management system is working by establishment and management of dump sites and DTF/ Containerized treatment.

(b) Agriculture and Rural Development

The sector will enhance agricultural production and productivity and income for the rural farmers through:

- i. **Extension services** – Capacity build the farmer on various issues (Climate smart agricultural practices, Pest and disease control, Post-harvest loss management, Soil management and conservation)
- ii. **Support the farming venture** through credit and subsidies
- iii. **Access to market** – for the farm produce – fresh or value added.

(c) Transport, Infrastructure, Public Works, Energy and ICT

In FY 2025/26, the sector plans to ensure:

- i. Quality, reliable, sustainable, and resilient infrastructure.
- ii. Access to affordable, reliable and modern energy, and
- iii. Increased access to information and communication technology through affordable access to internet.

(d) Health Sector

The sector will enhance healthcare through;

- i. **Preventive and Promotive** services is to increase access to essential primary healthcare, which aims to reduce maternal, infant, and child mortality and control both communicable and non-communicable diseases.
- ii. **The Curative and Rehabilitative aims** to enhancing access to quality essential healthcare services with safe, effective, quality and affordable essential medicine and vaccines and friendly customer care.
- iii. **Planning and Administration** ensures that healthcare infrastructure are developed, well-equipped and healthcare workforce recruited, developed, trained and retained to deliver high-quality healthcare services.

(e) Education, Social Protection and Recreation Sector

The sector will;

- i. Promote access to inclusive quality education and training for effective learning outcomes in ECDEs
- ii. **Carry out infrastructure development** for conducive learning environment in ECDE and CTTIs
- iii. Provide capitation to ECDE and CTTI learners for increased retention and transition
- iv. Provide county bursary and scholarship for increased retention and transition
- v. **Youth empowerment** through relevant talent development, training and skill **development for employment** and decent jobs- CTTIs and other Youth programmes
- vi. **Develop the community county library and resource centers for improved literacy and skills level among the community members**
- vii. Improve on youth engagement and preparation for employment through the county internship, mentorship and volunteerism programme
- viii. **Gender Based Violence** - Community Anti –GVB champions capacity build and GBV recovery centres established in the Sub County Head quarters
- ix. **The social protection** aspect is aimed at empowering and cushioning the vulnerable and Most at risk populations (MARPs) to effectively contribute towards the realization of inclusive sustainable development.

(f) Lands and Urban Development Sector

The sector's primary objective is to promote the security of land tenure, urban planning and development.

The sector will;

- i. Ensure adequate, safe and sustainable infrastructure to ensure basics services are offered and urban development promoted.
- ii. Support for positive economic, social and environmental links between the urban and rural areas through the prerequisite enabling urban infrastructure
- iii. Enhance land tenure system – through issuance of title deeds and letters of allotments
- iv. Purchase of land for county strategic investments
- v. Digitize land records
- vi. Plan for the urban areas. This will entail sustainable urban development so as to attract investments in the county urban areas.
- vii. Develop urban infrastructures – once planned (Water and sewerage infrastructures, lighting structures and systems, Solid waste management, urban road development and

parking lots, Recreation facilities – Green public places and spaces, Market governance – Committees).

(g) General Economic and Commercial Affairs

The sector will focus on;

- i. MSMEs capacity building and provision of credits (Tetheka & AGPO)
- ii. The market infrastructure by construction of market sheds and stalls
- iii. The Sanitation by promoting market cleaning and construction of market toilets
- iv. Consumer protection by ensuring the fair trade practices in the county
- v. Regulation aspects – Business permit, market information, Market days,
- vi. Root out misallocation and exploitative tendencies within the worksites.
- vii. Promoting value addition through development of the cottage industries for the local produce and products.
- viii. Establishment of Special economic zone
- ix. Tourist infrastructure development and income generation from tourism
- x. Stakeholder partnership
- xi. Product diversification in tourist attraction
- xii. Earning from our Heritage and culture
- xiii. Heritage infrastructure development
- xiv. Development and preservation of the indigenous knowledge

(h) Devolution Sector

The sector will play the coordinating and facilitative role to ensure effective and efficient service delivery The sector will:

- i. Enhance human resource management systems and structures
- ii. Promote transparent and accountable management of public resources
- iii. Improve performance, service delivery and efficiency
- iv. Empower the citizenry to engage in meaningful participation in development activities
- v. Increase county government effectiveness, retain knowledge and continuous improvement
Strengthen use of data for planning and tracking of implementation
- vi. Efficient and effective disaster preparedness, mitigation, response, management and mainstreaming
- vii. Enact implementable laws and policies

The Key priority areas will be as follows;

Sector	Key Outcome	Strategies
Agriculture Rural Urban Development	Enhanced Agricultural production, productivity and profitability	<ul style="list-style-type: none"> a) Reengineering agricultural extension services for effective technology transfer. b) Strengthening pest and disease control and management c) Promote and facilitate mentorship of youth and women involvement in agricultural production. d) Entrench appropriate farming practices. e) Promote proper handling and storage of farm produce f) Diversification of Agriculture g) Promote value addition h) Promote agri-entrepreneurial skills i) Promote Agriculture Insurance
	Improved Security of Land Tenure	<ul style="list-style-type: none"> a) Land Mapping Survey and Titling

Sector	Key Outcome	Strategies
	Enhanced Urban Planning and Infrastructure development	a) Infrastructure Development in Urban Areas
	Land Digitization and Management	a) Land Digitization and Management
	Enhanced Management and Utilization of Natural Resources	a) Improved Mineral Mapping and Utilization
General Economic and Commercial Affairs	Enhanced trade and industrial development	a) Enhancing industrial development
	Improved access to market and enhanced profitability	a) Promotion of Entrepreneurial Development and Marketing
	Developed and self-sustaining cooperative movement	a) Strengthen governance and capacities in co-operatives
	Enhanced tourism in the county	a) Promote and develop sustainable tourism
Environmental Protection, Water and Natural Resources Sector	Increased access to potable water	a) Development of Water Harvesting, Storage and Distribution infrastructure b) Enhancing water resource management structures c) Improved access to sanitation and sewerage services
	Improved environmental conservation and management	a) Promote sustainable natural resource utilization and environmental protection b) Reclamation of forest cover and landscape restoration c) Strengthen institutions and coordination frameworks for climate change resilience and response
	Improved environmental and sustainable utilization of natural resources	a) Improved Mineral Mapping and Utilization
Energy, Infrastructure and ICT Sector	Improved Road Network, Accessibility and Interconnectivity	a) Upgrading Road Infrastructure
	Affordable Housing and Sustainable Living	a) Enhance Access to Adequate and Affordable Housing
	Improved Access to Safe and Reliable Energy	a) Energy Infrastructure Development
	Improved Access to ICT	a) ICT Development
Health Sector	Equitable, Affordable and Quality Healthcare to all citizens	a) Enhanced Access to Preventive healthcare services b) Strengthen Community Health Strategy
	Effective and Efficient Curative and Rehabilitative Healthcare Services	a) Strengthen Curative Healthcare Services b) Enhance Rehabilitative Healthcare Services
	Enhanced Health Infrastructure Development, Research, Innovation and Financing	a) Improved Health Facility Infrastructure b) Enhance adoption of ICT in Healthcare c) Health Financing
Education,	Cohesive and Inclusive	a) Enhance County Social Protection

Sector	Key Outcome	Strategies
Social Protection, Culture and Recreation Sector	Society	b) Sexual and Gender Based Violence Protection and Mitigation c) Conservation, Preservation and Promotion of Arts, Culture and Heritage
	Empowered Youthful Generation	a) Enhancing Youth Participation in Governance and Leadership b) Investing in business incubation and entrepreneurship c) Enhancing Skill and Capacity development for the youth d) Sport Development and Management
	Enhanced access to quality ECDE and Technical Education and Training	a) ECDE Development b) CTTI Development c) The Support to Education.
Devolution	Improved Public Service Delivery	a) Enhance Public Service Management b) Enhancing Employee Productivity
	Enhanced Enterprise Risk Management	a) Enhance Disaster Preparedness and Management b) Enhance Transparency, Accountability and Fiscal Discipline
	Efficient Public Finance Management	a) Enhance Resource Mobilization b) Enhancing Linkage Between Budget and County Plans
	Good Governance	a) Enhance Open Governance and Accountability b) Strengthen Policy, Legal and Regulatory Framework
	Improved Result Based Management	a) Enhance Robust Research and Data Management b) Enhance Knowledge Management c) Enhance Result Based Monitoring, Evaluation, Reporting and Learning d) Strengthen Performance Management Framework

6.8. PUBLIC PARTICIPATION AND STAKEHOLDER INVOLVEMENT

Public participation and involvement of other stakeholders in the budget making process is essential and a constitutional requirement. SWGs should identify and engage their critical stakeholders including development partners in programme prioritization. The SWGs shall demonstrate the engagement of stakeholders in the SWGs reports and budget proposals. The participatory process of FY 2025/26 will be enhanced by;

- a. Automating the budget participatory process and feedback mechanisms by using e-questionnaires
- b. Mapping all projects done by the National Government, County Government and development partners. This will guide the public participation as well as equity in projects distribution.
- c. Offering technical support to communities to prioritize big projects with high impact
- d. Strengthening development committees by building their capacity
- e. Enhancing the linkage between the development committee and SWGs.
- f. Preparing an annual Public Participation Plan

6.9. PROJECTS DEVELOPMENT AND SUSTAINABILITY

In FY 2025/26, The County will continue to focus on high impact projects at the ward and headquarter level. This will be through;

- a. Promoting one government approach in planning and budgeting

- b. Enhancing project and programme conceptualization before budgeting
- c. Ensure all ongoing projects are completed and are sustainable
- d. Setting clear development outcomes to be realized within the medium term.

6.10. EFFICIENT PUBLIC SERVICE DELIVERLY

The role of the County Government is to offer service to the citizens in timely and efficient manner. Accounting Officers are therefore advised to enhance their service delivery mechanisms, ensure the services are responsive to the community needs and are decentralized for ease of access.

6.11. PROGRAMME BASED BUDGETING (PBB)

Pursuant to Section 130 (1) (b) (v) of the Public Finance Management Act, 2012, the County budgets will continue to be prepared and presented by vote and programme. SWGs are therefore required to align programmes to their respective mandates. SWGs should ensure that:

- a) Outcomes and Outputs, are Specific, Measurable, Achievable, Realistic, and Time bound;
- b) Performance indicators and targets are for outcomes and outputs;
- c) Performance indicators are results oriented, Clear, Relevant, Economic, Adequate, and Monitorable (CREAM);

Each programme should be confined to one department or agency and all functions mapped to respective programmes. There should be no duplication of programmes or names across departments. The format for presentation of Programme Based Budgets is indicate in **Annex 6**.

7.0.CONCLUSION

To facilitate finalization and approval of the statutory documents within the stipulated timelines, Accounting officers are required to strictly undertake the outlined activities in the budget calendar within the set frames. Any other additional information shall be provided in due course as the need arises and as would be requested by the various stakeholders.

Finally, Accounting Officers are required to ensure adherence to these guidelines and to bring the contents of this circular to the attention of all officers working under them including Heads of County Government agencies under their departments.



DAMARIS MUMO KAVOI

**CECM- FINANCE, PLANNING, BUDGET & REVENUE AND HEAD OF COUNTY
TREASURY**

Cc.

1. H.E the Governor
2. H. E the Deputy Governor
3. Hon. Speaker, Makueni County Assembly
4. County Secretary
5. Chairperson-County Public Service Board (CPSB)
6. Chairperson-Makueni County Executive Audit Committee
7. Chairperson-Wote Municipality
8. Chairperson-Emali-Sultan Hamud Municipality
9. Chairperson-Makueni County Sand Conservation and Utilization Authority
10. Chairperson-Makueni County Fruit Development and Marketing Authority
11. Chairperson- Makueni Rural Water Board (MARUWAB)

ANNEX 1(a): COMPOSITION AND TERMS OF REFERENCE FOR THE SECTOR WORKING GROUPS (SWGS)

COMPOSITION OF SECTOR WORKING GROUPS

No	sector	Composition/sub sectors	Departments/units
1.	Water, Sanitation, Environment & Natural Resources	Environment, water, irrigation, forestry	Water, sanitation and irrigation, environment & climate change, sand authority and mining
2.	Agriculture And Rural Development	Agriculture, livestock and fisheries development	Agriculture, livestock & fisheries development
3.	Transport, Infrastructure ,Public Works Energy And ICT	Energy, transport, infrastructure, ICT, urban development & housing	Roads, transport, works & energy, urban development & housing, ICT
4.	Health Services	Health services	Health services
5.	Social Protection, Education And Recreation	Education & library services, youth development & empowerment, gender & social protection, sports, culture & recreation	Education, youth, sports, gender, children, & social services
6.	General Economic And Commercial Affairs	Trade, cooperatives, tourism, MSMEs, mining	Trade, industry, tourism, cooperative, and culture and Makueni fruit processing
7.	Lands And Urban Development	land survey and titling, urban planning and development	Lands and urban development Wote Municipality and Emali-Sultan Hamud Municipality
8.	Devolution Sector	Finance & planning, Governorship, administration, legislation & oversight, HR management	CPSB ,Office Of The Governor & Deputy Governor Devolution, Administration, Participatory Development & Public Service, County Attorney, County Assembly, Finance & Socio Economic Planning, County Secretary

The sector working groups are composed of the following:

- i. Chairperson-one chief officer chosen by consensus by other chief officers within the sector
- ii. Sector convener appointed by the ECM finance & planning
- iii. Sector co-convener appointed by the ECM finance and planning
- iv. Secretariat comprising of technical officers from the treasury, directors and technical staff from the relevant departments making up a sector
- v. Other Stakeholders-Representatives of the National Government ministries, development partners, representatives of civil society organizations and the private sector

The terms of reference for sector working groups will be the following:

- i. Ensure proposed programmes and projects are in line with the priorities of Vision 2025, CIDP 2023-27 and ADP 2025/26
- ii. Coordinate the departmental reviews in accordance with the guidelines
- iii. Identify & prioritize the programmes to be funded
- iv. Identify projects to be funded under public private partnerships (PPP)
- v. Coordinate activities leading to the development of sector reports; programme based budgets, itemized budgets
- vi. Undertake appraisals for proposed programmes and projects
- vii. Analyze cost implications of the proposed programmes, projects and policies,

- viii. Allocate resources to ministries, departments and agencies within the sector in accordance with the agreed criteria.

Roles and responsibilities of sector conveners and co-conveners

The sector conveners and co-conveners are responsible to the chief officer planning, budget and revenue and the sector chairpersons for overall guidance and oversight of the sector working group consultations for sound formulation of sector policies and budget priorities. Specifically, the conveners and co-conveners are expected to perform the following task;

- i. Brief the sector chair persons on the county SWG implementation plan
- ii. Ensure that SWGs map out their key stakeholders and invite them to the sector consultative meetings
- iii. Assist SWGs understand and adhere to the MTEF budget preparation guidelines
- iv. Ensure that SWGs develop an action plan consistent with timelines set in the budget calendar and the SWG implementation action plan
- v. Ensure that planned SWGs programmes are anchored on the concept notes, ADP 2025/26, County vision 2025, SDGs and Kenya vision 2030
- vi. Ensure that SWGs develop and document a prioritization and resource allocation criteria which is consistent with the overall guidelines provided by county treasury
- vii. Ensure that programmes are well appraised, costed and have measurable performance indicators
- viii. Ensure ensuing MTEF policy priorities and budget are well informed by the previous performance of the sector/ministries through such instruments as annual progress reports, departmental public expenditure review
- ix. Track the implementation of the SWG planned activities and bring to the attention of the chairperson/treasury the challenges facing the exercise and recommended way forward
- x. Prepare and submit to ECM finance a bi-weekly status report on the preparation of the MTEF budget and MPER that clearly identifies achievements /progress made, challenges, and proposed way forward
- xi. Coordinate the preparation of final sector presentation for public sector hearings
- xii. Fully participate in the resource allocation panel with a view of ensuring that policy priorities as agreed in the SWGs are funded within the available resource envelope

ANNEX 1(b) COMPOSITION TERMS OF REFERENCE OF BUDGET IMPLEMENTATION COMMITTEES (BICS)

Composition of Budget Implementation Committees (BICs)

The BICs shall be constituted of departmental Chief Officers (Chairperson), Directors, Deputy /Assistant Directors, Departmental Accountants and Budget Officers/Economists (Secretary)

Terms of Reference for Budget Implementation Committees (BICs)

- i. To review and consider the annual work plan and procurement plan and approval of any changes to the initial work plan prepared
- ii. To review utilization of budget including donor funds allocated to the department/agency
- iii. To review and recommend reallocation of expenditures
- iv. To review and approve the submission of the expenditure returns, non-financial reports, pending bills and A-I-A returns and reports for the department/agency
- v. To participate in the County Sector Working Groups on plans and budgets
- vi. To advise the Accounting Officer on any challenges related to budget implementation
- vii. To prepare budgets for the department/agency in consultation with the Heads of Directorates, Units and Sections

ANNEXTURE 2; PROJECT/PROGRAMME APPRAISAL TEMPLATE

REPUBLIC OF KENYA

GOVERNMENT OF MAKUENI COUNTY



COUNTY TREASURY

P.O.BOX 78-90300, Tel No.: 020-2034944
 Email: finance@makueni.go.ke, contact@makueni.go.ke
 Web: www.makueni.go.ke

FY 2025/26 BUDGET
 PROJECT/PROGRAMME APPRAISAL TEMPLATE

1. Project Identification			
Project Name:		Department/Sector:	Status:
Ward:	Sub-ward:	Village Cluster	Village
Which thematic area of the CIDP 2023-27 is the project/ program in?			
2. Project Justification			
Indicate the link of the project with county 2023-27 CIDP and ADP-2025/26 key thematic area- Explain/highlight how the project will deliver the program strategy?			
Project target Beneficiaries (Households)			
3. Project description			
Project Background: (inception; By who, when, available data supporting the project)			
Description/scope of work to be undertake (Activities)			
Activities and proposed timeline			
Expected Projected Outcome			
4. Cost Benefit Analysis			
Estimated cost/Bill of Quantities of the project (attach a breakdown of the overall budget)			
<i>Summarize in priority order (what needs to be done first-up to the last item to operationalize the project)</i>			
Availability of land and any other cost implications			
Key risks/environmental impact (Positive and negative; give details)			
5. Project sustainability and management			
Project ownership/handover arrangement; responsibility for operation/management and recurrent financing			
6. Community Contribution in project implementation			

What's the community contribution to the project.
7. Project Sustainability
What is required to ensure the project is sustainable (In order of priority)
Community Measures of ensuring project sustainability

Witnessed by: Community Members

No	Name	ID Number	Contact	Signature
1.				
2.				
3.				

Approved by: Government Officers

No	Name	Designation	Contact	Signature
1.				
2.				
3.				

ANNEX 3 (a): SECTOR WORKING GROUP REPORT FORMAT

TABLE OF CONTENTS

(Please ensure that headings and subheadings are identical to those in the report)

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 Mandate
- 1.5 Autonomous and Semi-Autonomous Government Agencies
- 1.6 Role of Sector Stakeholders

(The 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 introduction of the report)

CHAPTER TWO PERFORMANCE AND ACHIEVEMENT OF THE SECTOR DURING THE PERIOD 2023/24

- 2.1 Performance of Programmes
- 2.2 Key indicators of Sector and Sub-Sector Performance
- 2.3 Expenditure Analysis
 - 2.3.1 Analysis of recurrent expenditure
 - 2.3.2 Analysis of Development Expenditure
 - 2.3.3 Analysis of Externally Funded Programmes
- 2.4 Review of Pending Bills
 - 2.4.1 Recurrent Pending Bills
 - 2.4.2 Development Pending Bills

CHAPTER THREE; 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

(Chapters 1-5 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)

- 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 by;
 - 3.2.1 Sector
 - 3.2.2 Sub- Sectors

3.2.3 Programmes and Sub-programmes

3.2.4 Economic classification

3.3 Analysis of Resource Requirement versus allocation by:

3.3.1 Recurrent

3.3.2 Development

3.3.3 Semi-Autonomous Government Agencies

3.3.4 Programmes and sub-programmes

3.3.5 Economic classification

CHAPTER FOUR; CROSS - SECTOR LINKAGES

CHAPTER FIVE; EMERGING ISSUES AND CHALLENGES

CHAPTER SIX CONCLUSION

This section should summarize the key findings of the report, as outlined in the discussion under the chapter 1-5 of the report. The conclusions should relate specifically to the report's objectives (asset 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: RECOMMENDATIONS

(This section should outline future actions. The Recommendations should be action oriented, 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 department X'.

ANNEX 3 (b): BUDGET IMPLEMENTATION REPORT FORMAT

Format for Departmental Budget Implementation Report

Cover Page

Table Contents

Abbreviations and Acronyms

Executive Summary

I Introduction

II Review of Fiscal Performance for the period

- Revenue (Own Source, AIA and Donor funds receipts) performance for the quarter.
- Expenditure performance for the quarter (Compensation to employees, operations and maintenance expenditure and development expenditure)
- Project implementation (in the following format)

No	Programme	Project	Location of project	Quarter Target Achieved outputs	Percentage of cumulative achievement	Outcomes since project commencement	Action

III. Emerging issue, challenges and recommendation

- Emerging issues
- Challenges
- Recommendation

IV. Annex

Annex1: Departmental Expenditure Performance by Economic Classification, Programme and Sub Programme

Economic Item	Approved Estimate	Commitments	Actual Expenditure	Budget Execution Rate

Annex 4; 2025/26 MTEF BUDGET CALENDAR.

Activity	Responsibility	Timeframe/deadline
Develop and issue circular on Budget preparation and MTEF guidelines.	CEC Finance Planning	By 30 th August 2024
Develop the County Annual Development Plan	C.E.C Finance and Planning	By 1 st September 2024
Sector Consultations	All departments-Finance and Planning	By 15 th September 2024
Presentation and approval of Revised Budget Estimates (1) by the County Executive	C.E.C Finance & Planning	By 16 th September 2024
Presentation and approval of Revised Budget Estimates (1) by the CBEF	C.E.C Finance & Planning	By 23 rd September 2024
Presentation and approval of Revised Budget Estimates (1) by the County Assembly	C.E.C Finance & Planning	By 30 th September 2024
Presentation of County Budget Review and Outlook Paper (BRPOP) to County Executive	County Treasury	By 30 th September 2024
Presentation of County Budget Review and Outlook Paper to County Budget and Economic Forum (CBEF)	C.E.C Finance & Planning in consultation with the Governor	By 7 th October 2024
Submission of County Budget Review and Outlook Paper (BRPOP) to the County Assembly	County Treasury	By 19 th October 2024
Circulation of approved BRPOP to County Executive and Accounting Officers.	County Treasury	By 22 nd October 2024
FY 2024/25 first Quarter budget implementation report	County Treasury	By 30 th October 2024
Dissemination and feedback forums on ADP 2025/26, CBROP 2024, FY 2024/25 Budget estimates and preliminary engagement of communities on FY 2025/26	CEC Finance & Planning	October - November 2024
Preparation of Departments Public Expenditure Reviews-covering FY 2013/14- FY 2023/24	All departments / Finance & Planning	By 30 th November 2024
Participatory Budgeting -Citizen Engagements on 2025/26 budget and CFSP (sub county, Municipalities and diaspora)	To be done in conjunction with departments	By 10 th January, 2025
Presentation and Submission of final sector reports	All C.E.Cs /SWGs for their respective departments	By 15 th January 2025
Resource allocation to sectors	All C.E.Cs /SWGs for their respective departments	By 3 rd February 2025
Development of County Fiscal Strategy Paper (CFSP)	County Treasury	By 20 th February 2025
Development of County Debt Management Strategy Paper (CDMSP)	County Treasury	By 20 th February 2025
Submission of County Fiscal Strategy Paper (CFSP) to C.E.C for approval.	County Treasury	By 24 th February 2025
Submission of County Debt Management Strategy Paper (CDMSP) to C.E.C for approval	County Treasury	By 24 th February 2025
Presentation of County Fiscal Strategy Paper to County Budget and Economic Forum (CBEF)	C.E.C Finance & Planning	By 26 th February 2025

Presentation of Debt Management Strategy Paper (CDMSP) to County Budget and Economic Forum (CBEF)	C.E.C Finance & Planning	By 26 th February 2025
Submission of Debt Management Strategy Paper (CDMSP) to County Assembly	County Treasury	By 28 th February 2025
Submission of County Fiscal Strategy Paper (CFSP) to County Assembly	County Treasury	By 28 th February 2025
Issue of circular for finalization of 2025/26-2027/28 MTEF estimates and PBB	County Treasury	By 3 rd March 2025
Circulate approved County Fiscal Strategy Paper (CFSP) to county executive and Accounting officers	County Treasury	By 6 th March 2025
Participatory Budgeting -Citizen Engagements on 2025/26 Budget Village, sub ward, ward and markets)	To be done in conjunction with departments	By 21 st March 2025
Finalization of Departmental itemized and Programmed Based Budget (PBB)	All departments	By 4 th April 2025
Review and finalization of Departmental itemized and Programmed Based Budgets.	County Treasury	By 11 th April 2025
Submission of Budget Estimates to County Executive for approval	County Treasury	By 17 th April 2025
Presentation of FY 2025/26 Budget to County Budget and Economic Forum (CBEF)	C.E.C Finance & Planning	By 25 th April 2025
Presentation of Budget to County Assembly	C.E.C Finance & Planning	By 30 th April 2025
Approval of the Budget & Appropriation Bill by the County Assembly	County Assembly	By 30 th June 2025
Publication of the Budget Estimates	County Treasury	By 30 th July 2025
Submission & Approval of the Finance Bill	C.E.C Finance & Planning , County Assembly	By 30 th September 2025

ANNEX 5: REPORT FORMAT FOR DEPARTMENT'S PUBLIC EXPENDITURE REVIEW

Theme:

Executive Summary

Under this section department are required to provide a brief summary of the key issues in the report. It should highlight the major issues discussed in each section of the report.

1. Introduction

This section should discuss the overall objective of undertaking expenditure review; show the link between the expenditure review and the theme of the review: state any challenges which may hinder effectiveness of expenditure reviews; show the link between the expenditure review and achievement of the County's objectives through the budget; provide a brief explanation of the methodology used to undertake the review; and provide an overview of the various sections of the report and their relevance.

2. The Departmental Programmes

This section should state Mission and Vision of the department; discuss the vision and mission of the department in relation to its mandate; review the programmes of the department in relation to its mandate and the Vision as stated above; review the expenditures of the department in relation to the programmes and the mandate of the department in relation to the CIDP & the Vision 2025.

2.1 Expenditure Performance

- Indicate broad outputs in relation to the intended output in the previous financial years.

The review should be summarized as provided in the format below

Programme/Sub Programme	Intended Output	Output Achieved	Remarks
Programme Name:.....			
Programme Outcome:.....			
Sub-Programme 1:			
Sub- Programme 2: etc			

Discuss the implementation of the capital projects. The review should focus on the set targets as spelt out in the department's work plan. The table below may be used to summarize the information.

Project	Original contract sum to completion	Expected sum to completion	Original date of completion	Expected date of completion	Target 2013-2023/24	Achievement	Remarks

State any challenges experienced in implementation of the budget during the year under review.

2.2 Expenditure Analysis for the FY 2013/14-2023/24

Discuss the trends in allocation of total expenditure over the period stated above. Summarize these allocations as provided in Table 2.1 below

Discuss the absorption of the expenditure allocations by comparing the budgeted expenditures (approved estimates) with the actual expenditures.

Analyze expenditures as indicated in tables below and clearly explain the observed trends.

Table 2.1: Analysis of Department's Total Expenditure

Year	Revised Estimates 2013 /14	Actual Expenditure 2013 /14	Revised Estimates 2014 /15	Actual Expenditure 2014 /15	Revised Estimates 2015 /16	Actual Expenditure 2015 /16	Revised Estimates 2016 /17	Actual Expenditure 2016 /17	Revised Estimates 2017 /18	Actual Expenditure 2017 /18	Revised Estimates 2018 /19	Actual Expenditure 2018 /19	Revised Estimates 2019 /20	Actual Expenditure 2019 /20	Revised Estimates 2020 /21	Actual Expenditure 2020 /21	Revised Estimates 2021 /22	Actual Expenditure 2021 /22	Revised Estimates 2022 /23	Actual Expenditure 2022 /23	Revised Estimates 2023 /24	Actual Expenditure 2023 /24	
Develop ment																							
Total																							
Rec. as % of Total																							
Dev. As % of Total																							

Table 2.2: Analysis of Expenditures by Economic Classification

	Approved Estimates FY2013/14 -2023/24	Actual Expenditure FY 2013/14-FY 2023/24
1. Recurrent Budget		
Compensation to Employees		
Use of Goods and Services		
Acquisitions of Non-Financial Assets		
Total Recurrent Budget		
2. Development Budget		
Compensation to Employees		
Use of Goods and Services		
Acquisitions of Non-Financial Assets		
Total Development Budget		
Total Expenditures		

Clearly state the reasons for divergences between budget and actual receipts

2.3 Analysis of Pending Bills as at 30th June 2024

- Analyze the trends in stock of pending bills according to type (recurrent and development)
- Provide the nature of pending bills e.g. utility, personal claim etc.
- Analyze the stock in pending bills as a proportion of total department’s expenditure over the period of review.
- Discuss any measures undertaken or proposed to settle these pending bills.

Table 2.5: Summary of Pending Bills by Nature and Type

	Approved Estimates 2023/2024	Actual 2023/24
1.Recurrent		
utility		
Others- specify		
2.Development		
Others- specify		
Total Pending Bills		

3. Sectoral Performance and Achievements

Indicate & discuss the department’s performance and achievements against the allocations from FY2013/14 to FY 2023/24

Identify key success stories for the department which if replicated can realize economic transformation.

4. Work Plan for implementation of Recommendations of 2013-2024 PER

In this section, provide a work plan for implementation of the proposed recommendations of the 2013-2024 PER

5. Challenges

In this section discuss any challenges experienced in reviewing the expenditures and the budget process in general.

6. Conclusions

This section should provide conclusions drawn from the review

7. Key Recommendations

This section should provide recommendations to improve the implementation of the budget in terms of efficiency, effectiveness, timeliness and target for better service delivery.

ANNEX 6; FORMAT FOR PRESENTATION OF PROGRAMME BASED BUDGET (PBB)

Part A. Vision

Departments to outline their vision

Part B. Mission

Departments to outline their mission

Part C. Performance Overview and Background for Programme(s) Funding

This section is supposed to be a review of MTEF budgets for the FY 2023/24 should briefly discuss the following:

- *Departmental Performance Review including major achievements for the period; expenditure trends;*
- *Constraints and challenges in budget implementation and how they are being addressed;*
- *Ongoing programmes for FY2024/25*
- *Planned priority objectives and outputs for the 2025/26 Budget (the context within which the budget is required)*
- *Clearly outline the department's role in achieving the County agenda for economic empowerment*

Part D. Programme Objectives/Overall Outcome

- *(In this part, list all the programmes and their strategic objectives. Each programme to have only one strategic objective/outcome)*
- *Departments should edit the objectives to suit their intended outcomes*

Part E. summary of Expenditure by programmes, 2025/26 (KShs. Millions)

Programme	Revised Budget Estimates 2024/25	Estimates 2025/26	Projected Estimates	
			2026/27	2027/28
Programme 1: (state the name of the programme here)				
SP 1.1				
SP 1.2.				
...N				
Total Expenditure of Programme 1				

NB. Repeat as shown in the table under section "E" above 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)				
Sub Programme (SP)	Revised Budget Estimates 2024/25	Estimates 2025/26	Projected Estimates	
			2026/27	2027/28
SP 2. 1				
SP2. 2				
...N				
Total Expenditure of Programme 2				
Total Expenditure of Vote....				

Part F: Summary of Expenditure by Vote and Economic Classification² (KShs. Million)

Expenditure Classification	Revised Budget Estimates 2024/25	Estimates 2025/26	Projected Estimates	
			2026/27	2027/28
Current Expenditure				
Compensation of Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				

Capital Expenditure				
Acquisition of Non-Financial Assets				
Capital Transfers to Government Agencies				
Other Development				
Total Expenditure of Vote.....				

Part G. Summary of Expenditure by Programme, Sub-Programme and Economic Classification³ (KSHs Million)

² The total current expenditure and capital expenditure must be equal to the total expenditure vote given in tables E, F&G

³ The total current and capital expenditure for each programme in G, must add up to the total expenditure of the programme given in Table E. Please note further that the Total current and Capital expenditure given in Table G, must add up to the one given in Table F, i.e., Expenditure by Economic classification. Ensure consistency in all the figures in the Tables

Expenditure Classification	Revised Budget Estimates 2024/25	Estimates 2025/26	Projected Estimates	
			2026/27	2027/28
Programme 1 (State the name of the programme here)				
Current Expenditure				
Compensation of Employees				
Use of goods and services				
Current transfers Govt. Agencies				
Other Recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Capital Transfers to Govt. Agencies				
Other Development				
Total Expenditure				
Sub-Programme 1:(State the name of the sub-Programme here)				
Current Expenditure				
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
Capital Expenditure				
Acquisition of Non-financial Assets				
Capital Transfers to Govt. Agencies				
Other Development				
Total Expenditure				

- Repeat as above in cases where a department has more than one programme and/or sub-programmes

Part H: Details of Staff Establishment by Organisation Structure (Delivery Units)

DELIVERY UNIT	STAFF DETAILS		STAFF ESTABLISHMENT IN FY 2025/26		EXPENDITURE ESTIMATES			
	POSITION TITLE	JOB GROUP	AUTHORIZED	IN POSITION	2024/25	2025/26	2026/27	2027/28

NB, The details of Staff in this table should be just positions and not individuals in this table e.g. Senior support staff, Director.....Asst. Director..... etc.

Part I: Summary of the Programme Outputs and Performance Indicators for FY 2025/26-2027/28

Programme	Delivery unit	Key outputs(KO)	Key performance indicators(KPIs)	Target(Baseline) 2024/25	Target 2025/26	Target 2026/27	Target 2027/28
Name of programme							
Outcome:							
SP1.1							
SP.2							
SP.N							

NB: Each programme should have one outcome, and specific, Measurable, Achievable, Relevant and Time Bound (SMART) Outputs

The purpose of the Delivery Unit is to implement the strategic and operational objectives of the programme in relation to the outputs. A delivery unit could be a Department, Division or Unit within a department

