

COUNTY GOVERNMENT OF BUNGOMA



COUNTY EXECUTIVE COMMITTEE MEMBER FINANCE & ECONOMIC PLANNING

REF NO: BCG/FIN/MIN/CIR/VOL. 2/36

Date: 30th August, 2019

FINANCE CIRCULAR NO. 5/2019

To: All County Executive Committee Members
All Chief Officers
Clerk to the County Assembly
Secretary - County Public Service Board
BUNGOMA COUNTY GOVERNMENT

**RE: GUIDELINES FOR PREPARATION OF THE MEDIUM TERM EXPENDITURE
FRAMEWORK (MTEF) BUDGET FOR THE PERIOD 2020/2021-2022/2023**

I. PURPOSE

1. The guidelines contained in this Circular provide instructions on the processes and procedures for preparing the 2020/21 - 2022/23 MTEF Budget proposals. They apply to County Government Entities, Ministries, Departments and Agencies (EMDAs) and the County Assembly. The guidelines are intended to:
 - a) Advise on the policy framework underpinning the Budget for the 2020/21 - 2022/23 MTEF period;
 - b) Outline the National Government priority programs and reforms to be implemented over the next five years, and how the county can leverage on the same for the benefit of the public;
 - c) Provide guidance on the form, content and timing of the budget proposals and the costing of the programmes;
 - d) Emphasize the constitutional legal timelines and requirements annexed to this circular;
 - e) Provide guidance on priority county programs and projects to be funded;
 - f) Provide guidance on mainstreaming International and National obligations- The Sustainable Development Goals (SDGs), The New Urban Agenda (NUA), The Green Economy Strategy & Implementation Plan (GESIP) The Big Four Agenda, into the budget making process;
 - g) Advise Planning and Budgeting Units on how to attain all inclusive growth, and
 - h) Advise on procedures for stakeholder and public participation in the budget process

II. BACKGROUND

2. Budget preparation and subsequent implementation sets out the County Administration priority programs and reforms to be implemented over the next three years (2020/21 - 2022/23). The programs and policies herein reflect the concerns of the public and are anchored on the Vision 2030 Medium Term Plan (MTP III) and the County Integrated Development Plan (2018 – 2022) and other county planning frameworks. These priority programs will build on the achievements attained since the onset of devolution.
3. The revenue and expenditure priorities in the sector ceilings in the MTEF Budget for 2020/21 - 2022/23 will be realigned to "The Big Four" Plan as provided for in the 2019 Budget Policy Statement (BPS). In this regard, the targeted expenditures will prioritize employment creation, youth empowerment, supporting manufacturing activities, enhancing health coverage, improving food security and enhancing living conditions through affordable housing. The allocations to other critical sectors such as education, infrastructure, energy and social protection will remain protected so as to achieve the targeted objectives.
4. As we embark on the county transformation journey, we are clearly conscious of our limited fiscal space and will therefore leverage on the private sector in partnership with the National Government and Development Partners. In this respect, the County Treasury shall coordinate the formulation of a legal framework to attract and engage the private sector on implementation of most of the priority projects under the MTP III and the CIDP II.
5. In general, the FY 2020/21 - 2022/23 MTEF Budget will aim at achieving efficiency and productivity on public spending, as well as adhering to the Fiscal Responsibility Principles of the PFMA, 2012.

III. OVERVIEW OF RECENT ECONOMIC DEVELOPMENTS

International Scene

6. The global economy experienced decelerated growth of 3.6 per cent in 2018 compared to a 3.8 per cent growth in 2017, albeit with marked varying performances across countries and regions. Advanced economies are estimated to have expanded by 2.4 per cent in 2018 compared to a growth of 2.5 per cent in 2017. The growth was notable in the United States of America (USA) as a result of a fiscal stimulus that boosted domestic demand. Growth in emerging markets and developing economies decelerated from 4.7 per cent in 2017 to 4.6 per cent in 2018. The slowed growth was partly on account of strengthening of the US Dollar which led to weakened capital flows, depreciation of currencies and foreign reserve losses.
7. In 2018, the overall global inflation rose to 3.6 per cent compared to a revised rate of 3.2 per cent in 2017. This was mainly attributable to a robust global oil demand coupled with disruptions of the supply side as a result of political and geopolitical tensions in the Middle East and Venezuela. The world trade

volume rose by 3.9 per cent in 2018 compared to a growth of 5.2 per cent in 2017. The slowed trade was echoed by decelerating export orders and softening global industrial activity after the strong momentum reported in 2017. The global unemployment rate dropped from 5.7 per cent in 2017 to 5.3 per cent in 2018.

Domestic Economy

8. Kenya's economy recovered from the effects of the persistent drought experienced in 2017 coupled with uncertainties associated with general elections held in the same period. Real Gross Domestic Product (GDP) is estimated to have expanded by 6.3 per cent in 2018 compared to 4.9 per cent in 2017. The growth was principally attributable to increased agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities. Agricultural activities benefited from sufficient rains that were well spread throughout the country.
9. In 2018, the growth realized was anchored on a relatively stable macroeconomic environment with the various macroeconomic fundamentals remaining supportive of growth for the better of the year. Inflation remained low at 4.7 per cent in 2018 compared to 8.0 per cent in 2017 majorly as a result of considerable declines in prices of food after the shortage experienced in 2017.
10. The Central Bank Rate (CBR) was reviewed downwards twice from 10.00 per cent to 9.50 per cent in March 2018 and then to 9.00 per cent in July 2018, signalling easing monetary policy stance. This was aimed at reducing cost of borrowing, increase money supply and boost economic activity.
11. Activities of Agriculture, Forestry and Fishing were vibrant in 2018 mainly on account of favourable weather conditions that characterized the year under review. The sector's growth accelerated from a revised growth of 1.9 per cent in 2017 to 6.4 per cent in 2018. The growth was mainly driven by marked improvement in crops and animal production that benefited significantly from the sufficient rains during the period under review.
12. Performance of Kenya's economy looks less optimistic in 2019. A gradual increase in international oil prices in the course of the year is anticipated. Inflation is likely to rise significantly, largely driven by increase in food prices as a result of constrained domestic production in 2019. This could worsen if the magnitude of the expected rise in fuel prices ends up being substantial.

IV. SPECIFIC GUIDELINES

a) Medium Term Development Strategy

13. The medium term priorities and corresponding resources will be outlined in the County Budget Review Outlook Paper (CBROP) 2019, the County MTEF

reports as well as the County Fiscal strategy paper (CFSP) 2020. These documents will guide the development of sector priorities, policies, plans and monitoring and evaluation processes for FY 2020/21-2022/23 MTEF Budget. In this regard, sector budget proposals should factor priority programmes/projects that:

- i) Address the priorities and objectives of the Vision 2030, the Third MTP of the Vision 2030 and CIDP 2018 - 2022;
- ii) Invest in priority areas that support the National Government 'Big Four' Agenda;
- iii) Support the county transformational needs including the county flagship projects;
- iv) Focus on Economy of Inputs, Efficiency of outputs and Effectiveness of outcomes;
- v) Address all inclusive growth by focusing on sustainability, resiliency, greening initiatives and efficiency in resource use;
- vi) Improve the capacity of the County Departments and Agencies to provide quality and efficient services to the public;
- vii) Link available resources to expected outputs and also ensure that there is adequate provision for mandatory expenditures.

b. Timeframe and Reorganization of Sector Working Groups (SWGs) and County Sector Working Group (CSGs)

13. Accounting Officers are required to strictly adhere to the timelines provided in the Budget Calendar in order to ensure timely preparation, approval and implementation of the budget. The Budget Calendar which is provided in Annex 1 outlines the timelines for the budget process in accordance to the requirements of the Public Finance Management Act, 2012. In this regard, sector working groups should be re-organized by 15th September 2019, ready to deliver on their mandates.
14. County Government Sectors have been organized in line with the new structure. The functions of the County Government have been mapped into six functions of government and eight MTEF sectors as highlighted table 1;

Table 1: Standard MTEF Sector Compositions

SECTOR COMPOSITION AND SECTOR WORKING GROUPS FOR THE MTEF BUDGET 2020/21 – 2022/23		
CLASSIFICATION FUNCTIONS OF THE GOVERNMENT (COFOG)	MTEF SECTOR	COUNTY DEPARTMENTS/AGENCIES
Economic Affairs	Agriculture, Rural and Urban Development (ARUD)	Department of Agriculture
		Department of Livestock
		Department of Fisheries & Blue Economy
		Department of Land and Physical Planning
	Energy, Infrastructure and ICT (EII)	Department of Infrastructure
		Department of Transport

		Department of Housing & Urban Development
		Department of Public Works
		Department of ICT
		Department of Energy
	General Economic and Commercial Affairs (GECA)	Department of Investment and Industry
		Department of Cooperatives
		Department of Trade
		Department of Tourism
Health	Health	Department of Health & Sanitation
Education	Education	Department of Basic Education
		Department of Vocational and Technical Training
Public Sector & Safety	Public Administration (PA)	Governor's Office
		Department of Planning and Statistics
		Department of Youth
		County Treasury
		Department of Gender
		County Assembly Service Board
		County Assembly
		County Public Service Board
Recreation, Culture and Social Protection	Recreation, Culture and Social Protection (RCSP)	Auditor General
		Department of Sports Development
Community Amenities	Environmental Protection, Water and Natural Resources (EPWNR)	Department of Arts and Culture
		Department of Environment
		Department of Water Services
		Department of Irrigation
		Department of Natural resources

15. For purposes of preparation of the MTEF budget priorities for the period 2020/21 – 2022/23, the respective Accounting Officers shall be the Chairpersons of their respective sector working groups as provided for in the current organization of the County Government of Bungoma, as indicated by table 2;

Table 2: Organization of the County Government of Bungoma Based on Accounting Units

S/No	DEPARTMENT	CORRESPONDING MTEF SECTOR
1.	Agriculture & Irrigation	ARUD
2.	Livestock and Fisheries Development	ARUD
3.	Co-operative Development	GECA
4.	Tourism, Forestry and Environment	GECA/EPWNR
5.	Water and Natural Resources	EPWNR
6.	Roads and Public works	EII
7.	Education and Vocational Training	Education

S/No	DEPARTMENT	CORRESPONDING MTEF SECTOR
8.	Health& Sanitation	Health
9.	Trade, Energy and Industrialization	GECA
10.	Lands, Housing Urban and Physical Planning	ARUD
11.	Bungoma Municipality	ARUD
12.	Kimilili Municipality	ARUD
13.	Youth and Sports	RCSP/PA
14.	Gender and Culture,	RCSP/PA
15.	County Assembly	PA
16.	Finance and Economic Planning	PA
17.	County Public Service Board	PA
18.	Governors/DG Office	PA
19.	Public Administration- Public Service Management	PA
20.	Office of the County Secretary - ICT & Records	PA
21.	Office of the County Secretary, Legal Affairs and Human Resources Management	PA

16. For budget reports compilation, the County Treasury shall use the standard COFOG and MTEF sector compositions contained in table 1.
17. Sector Working Groups (SWGs) shall be responsible for formulating sector budget proposals and developing sectoral policies. SWGs are expected to ensure that proposed programmes and projects are in line with objectives of Vision 2030, the Third Medium Term Plan and the County Integrated Development Plan 2018 - 2022. The composition and terms of reference for SWGs is indicated in Annex 2 (a) and 2 (b).
18. Accounting Officers are reminded that the Sector Working Groups are the only recognized avenue for resource bidding. The County Treasury will not accept requests for funding outside the Sector Working Group process. MDAs are therefore required to fully participate in the relevant Sector processes and bid for resources within the available ceilings.

County Sector Working Group

19. The combined Sector Working Group will form the County Sector Working Group, which will deliberate on budget proposals and policies developed by MDAs. County SWG will hold quarterly meetings to review budget implementation status and challenges experienced. It will be chaired by CECM

Finance and Economic planning. The composition and terms of reference for County SWGs is indicated in Annex 3(a) and 3(b).

c) Programme Performance Review (PPRs)

20. Review of programme performance is essential in establishing and determining the achievement of the budget for the previous period and using the information to improve the designing of programmes and setting of the targets for the next period. It is an annual exercise that is carried out between July and September and entails undertaking a detailed assessment of previous budget allocation, disbursement of funds and outputs and outcomes.
21. The review evaluates the proper use of funds and assesses the achievement of programme objectives and appropriateness of policies. In effect, the review focuses on the efficiency and effectiveness of the budget implementation and whether the public spending is geared towards addressing identified government priorities. Thus, accounting officers are reminded to ensure an objective review of the budget for FY 2018/19 is undertaken to inform decisions for the MTEF budget for FY 2020/21-2022/23.
22. The programme performance review will be both financial and non-financial performance indicators against the targets provided at the time of the budget preparation. The review reports should provide implementation details, progress of both domestically and foreign funded projects within programme.
23. Accounting officers are therefore required to ensure that programme performance reviews for 201/19-2020/21 medium term budget are undertaken and finalized by their MDAs by 30th September, 2019, before embarking on the preparation of the sector proposals for FY 2020/21-2022/23. Please note that MDAs will only be allowed to bid for resources in the relevant SWG after finalizing the review of programme performance. Annex 4 provides format for programme performance review.

Annual Progress Report (APR) for FY 2018/19

24. The County Treasury has finalized the APR for FY 2018/19 and is available on the County Website and official social media platforms for reference. Accounting Officers are asked to link up with County Treasury Planning Unit to obtain a copy of this document to inform their PPRs.

d) Matching Revenues and Expenditures to enhance service delivery

25. All County MDAs are referred to Treasury Circular No.11 dated 15th August 2018 on measures to match revenues and expenditure to enhance service delivery. In formulating your budget proposals for the period 2020/21-2022/23, all Accounting Officers are required to adhere to the provisions of this circular and particularly consider the following:

- i) That total remuneration for all MDAs will be funded by the equitable share
- ii) Development projects and utilities will be funded by equitable share
- iii) The office of the Governor, The County Treasury and the County Assembly to be funded by the equitable share
- iv) Operations and Maintenance to be partly funded by the equitable share
- v) Local Revenue and AIA to be utilized only when realized.
- vi) All AIA collecting MDAs to ensure they provide proper estimates of what can actually be collected for inclusion in the budget estimates
- vii) Conditional grants and donor funding to be utilized only when realized

26. Accounting Officers are further advised that when making their budget proposals for FY 2020/21-2022/23, they should clearly indicate the source of funding for every programme/activity to be undertaken in the MTEF budget.

e) Programme-Based Budgeting (PBB)

27. The appropriation of the budget shall continue to be presented by Vote and programme level in accordance with section 38(1) (d) (v) of the PFMA, 2012. The programmes for the Medium Term Budget will largely remain as approved in FY 2019/20 and as contained in the CIDP 2018 – 2022. Any proposals to include a new programme or sub programme should be approved by the County Treasury and in any case should be in support of National Government Initiatives, and should be considered after completion of earlier programmes. In designing programmes, the structure should match the key areas of services delivered by the respective MDA. The format for presentation of the PBB is provided under Annex 5(a) of this circular.

f) Costing of programmes

- 28. 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.
- 29. The County Treasury will be inviting MDAs for capacity development exercise on costing techniques that will be used during preparation of sector budget proposals as highlighted in Annex 5 (b) of this circular.

g) Support for National Government 'Big Four' Agenda

- 30. The theme of the 2019 Budget Policy Statement is to 'Create Jobs and Transform lives' through the implementation of the 'Big Four' initiatives whose outcomes are;
 - i) Supporting value addition and raising the manufacturing sector's share to GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty;
 - ii) Focusing on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain;

- iii) Providing Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and,
- iv) Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improve the living conditions for Kenyans.

31. Since National Government initiatives stand to benefit the public in the County, in making proposals for the MTEF budget, Accounting Officers are reminded to align their programmes wherever feasible, to the attainment of the 'Big Four' Agenda. Inclusion of the same should be done in a participatory manner and with full knowledge of the respective County Executive Committee Members.

h) Alignment of Budget Proposals to National and International Obligations

32. All sector working groups are advised to ensure that their budget proposals are aligned and serve to progressively attain the objectives of the Sustainable Development Goals (SDGs), the New Urban Agenda (NUA), the Green Economy Strategy & Implementation Plan (GESIP) and climate change protocols. Doing this will ensure that we invest in an economy that is resilient and delivers all inclusive growth.

i) Programme Performance Measures and Targets (PPMTs)

33. Programme Performance Indicators and Targets (PPMTs) should only focus on key outputs and outcomes. Set targets should be specific, measurable, achievable, realistic, and time bound (smart). The set targets should be for key outputs that MDAs can reasonably influence their achievement. Each programme should be confined within a single MDA and all functions fall within programmes.

34. Accounting Officers should therefore ensure that in designing programmes, each and every function of activity undertaken by the MDA is included in relevant programmes. In particular, care should be taken to ensure that;

- i) There are no cross-cutting activities or functions which are not assigned to respective programmes;
- ii) Each programme has a distinctive name that reflects the overall objectives of the programme;
- iii) The budget proposals for 2020/21 show a clear linkage between the CIDP II to the ADP 2020/21
- iv) Each programme is framed broadly such that it can be broken down into specific sub-programmes, with a set of outputs, activities, performance indicators and targets, and
- v) There is no duplication of programme names used by other MDAs.

35. MDAs with more than one programme should include an additional programme to cater for general administration, planning and support services which cannot be attributed to only one programme. Such a programme should

be confined to common services such as general administration, financial services, accounting, internal audit, procurement, planning services, human resources management and ICT services which are not programme specific.

j) Prioritizing and Allocation of Resources

36. The County Government will continue with expenditure rationalization policy with a view to shift resources from non-core areas to capital investments and core priority services. This will be done by ensuring equity and minimization of costs through the elimination of duplication and inefficiencies. The following criteria will serve as a general guide in allocating resources;

- i) The programme performance review findings for the ongoing programmes
- ii) Linkage of the programme with the objectives of the CIDP 2018 - 2022 and MTP III.
- iii) Degree to which a programme addresses core poverty and job creation interventions;
- iv) Degree to which the programme is addressing the core mandate of the MDAs;
- v) The extent to which programmes are addressing all inclusive growth and development based on sustainability, resiliency, green growth and empowerment;
- vi) Expected outputs and outcomes from a programme;
- vii) Backward and forward linkage of a programme with other Programmes;
- viii) Extend to which the programme addresses Sustainable Development Goals
- ix) Cost effectiveness and sustainability of the programme;
- x) Immediate response to the requirements of the implementation of the County functions and The Constitution;
- xi) Ongoing activities of the strategic interventions initiated in previous Financial Years
- xii) Extend to which the programmes support the national government 'Big Four' Agenda

37. Based on these broad guidelines, each sector is expected to develop and document the criteria for resource allocation within the sector. Further, SWGs shall undertake a reprioritization exercise to take into account the following:

- i) Removal of the one-off expenditure for the baseline;
- ii) Identify the programmes/projects that are of low priority and come up with savings which should be directed to high priority programmes;
- iii) Introduce a mechanism of efficiency savings to ensure that funds are directed to service delivery, rather than non-essential spending;
- iv) Detailed explanation for rescheduling of projects where it has been done. MDAs should also indicate the savings and financial implications of rescheduling projects and activities; and
- v) The county MDAs whose proposed expenditure and investment programmes are to be financed from the budget of the National Government parent ministry or development partners; and
- vi) Proposals are accommodated within the respective Sector ceilings.

k) Vertical allocation of resources

38. Based on the provided criteria, Accounting Officers are advised that the actual resource allocation decision should be done vertically rather than horizontally. County MDAs have for a long time taken a horizontal approach in which resources are spread almost evenly across all of their programmes or projects, thus failing to show which programmes are a priority. The MTEF Budget proposals for the period 2020/21-2022/23 will adopt a vertical resource allocation approach.
39. That means, resources will NOT be spread evenly and will NOT simply reflect last year's budget plus inflation. Instead, a vertical approach means that those programmes or projects that are the top drivers of public benefits, opportunities and growth as determined by programme reviews, will be fully funded before moving down the list. Programmes or projects at the bottom of the list will receive what remains in the budget, if anything.

l) Capital projects

40. Specifically Sector Working Groups 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.
41. For any new project to be considered for funding, it must have been appraised, approved and pipelined by 30th June of the preceding FY.
42. 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 County Treasury.

Ongoing Projects

43. 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. Sector Working Groups 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 as provided in Annex 7.

44. Proposals for additional allocation of resources must be accompanied by a cost benefit analysis. The proposed additional or new expenditure will have to be aligned with the department's mandate and should be subject to the available fiscal space. In addition, MDAs are required to furnish full information on the projects for which they require counterpart funding.
45. Priority for financing projects should be given to those in full compliance with the Government Regulations and priorities outlined in the Third Medium Term Plan of Kenya Vision 2030, CIDP 2018 – 2022 and which are fully justified for financing. MDAs should also indicate how their proposed projects will contribute to economic growth, job creation and improved citizen's welfare.

m) Proposals for the Medium Term

46. SWGs are required to prepare a medium term budget including reliable budget proposal for the outer years within the medium term fiscal framework. The outer years of the 2019/20 Budget Policy Statement will form the basis for the medium term budget, having removed one-off expenditures. The indicative ceilings will however, be affirmed in the County Budget Review and Outlook Paper (CBROP) 2019.
47. Accounting Officers are required to ensure that only proposals that have been agreed upon through the Sector Working Groups and have been assessed to have substantial benefits to the community in terms of need and impact, will form part of the MTEF budget.
48. County Flagship projects whether on-going or planned to be initiated must be accorded priority and allocated funds for targeted completion within the Medium Term. Wherever feasible, Accounting Officers are required to liaise with National Government Ministries, Departments and Agencies to share and agree on modalities of implementing these flagship projects, including securing support in terms of budgetary support or technical assistance.

n) Public Participation/Stakeholder involvement

49. Accounting Officers should note that public participation in the budget process is a Constitutional Legal Requirement. It is through public participation process that stakeholders give their views and input on the proposed programmes and projects. The process creates widespread support, for programmes and this increases the acceptance and legitimacy of policy plans and strategies. SWGs are required to identify and involve the stakeholders throughout the budget preparation process, and information on their involvement be well documented.
50. Further, SWGs should ensure that the County Executive Committee Members, Chairperson and Heads of entities within the sector are briefed and collectively approve the sector budget proposals before submission to the County Treasury. 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 respective SWG and bid for resources within the sector ceiling.

o) Submission Of Budget Proposals

51. Sector Chairpersons are requested to ensure that all activities of Sector Working Groups are completed on scheduled timelines, including the drafting of Sector Budget proposals. The proposals should be ready for submission to the County Treasury by the first week of February, 2020 in line with the format indicated in Annex 8.

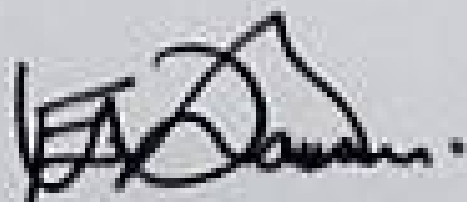
p) Budget Calendar

52. The Constitution and the Public Finance Management Act, 2012 have outlined specific timelines in the budget making process, which should be strictly adhered to. Timelines provided in the circular specific activities, deliverables, and the responsible actors. Accounting officers are required to strictly adhere to the timelines provided in order to ensure timeliness in the preparation and approval of the MTEF budget for the period 2020/21-2022/23.

q) Conclusion

53. 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 those in the Sub-Counties and the Wards.

Signed:



ESTHER N. WAMALWA
CECM, FINANCE & ECONOMIC PLANNING.

Copy to: H.E. the Governor
County Secretary

ANNEX 1: BUDGET CALENDAR FOR THE FY 2020/21 MTEF BUDGET		
ACTIVITY	RESPONSIBILITY	DEADLINE
1. Develop and issue MTEF guidelines	County Treasury	30-Aug-19
2. Launch of Sector Working Groups/ County Sector Working Group	County Treasury	30-Aug-19
3. Annual Development plan	Macro Working Group	
Convene sector working groups	County Treasury	
Draft Annual development plan report	County Treasury	
Consultative meeting on draft ADP Report	County Sector Working Group	
Submission of draft annual development plan to cabinet	County Treasury	
Submission of annual development plan to the county assembly	County Treasury	1-Sept-19
4. Programme performance and strategic reviews		
Performance Review and Strategic Plans	County Treasury	"
Review and update of strategic plans	"	"
Review of programmes , outputs and outcomes	"	"
Expenditure Review	"	"
Progress report on MTP implementation	"	"
5. Finance Bill	Macro Working Group	
Convene sector working groups	County Treasury	21-sep-19
Draft Finance Bill report	County Treasury	"
Consultative meeting on draft Finance Bill Report	County Sector Working Group	
Submission of draft finance bill to cabinet	County Treasury	23-Sep-19
Convene public participation	County treasury	23-sep- 2019
Approval of finance bill by county assembly	County Assembly	30- Sep-19
6. County Budget Review and Outlook Paper (CBROP)	MDAs	
Convene sector working groups	County Treasury	25-Aug-19
Submission of draft Budget Review and Outlook Paper(BROP) document	"	31-Aug-19
Compilation/ consolidation of the sector documents	Budget office	1-Sep-19
Budget technical team review of the draft CBROP report	"	7-Sep-19
Consultative meeting on draft CBROP Report	County Sector Working Group	
Submission of BROP to cabinet/CEC	County treasury	11-Oct-19
Submit Approval BROP to County Assembly	"	21-Oct-19
7. Preparation of MTEF budget proposals	MDAs	
Draft Sector documents	Sector Working Group	7-Nov-19
Compilation/ consolidation of the sector documents	Budget office	27-Nov-19
Budget technical team review of the draft MTEF report	County treasury	15-Dec-19
Convene Public Participation	"	26-Jan-20
Review of the Proposals and report writing	"	8-Feb-20
Submission of Reports to Treasury	Sector Working Group	15-Feb-20
9. Draft Fiscal strategy paper	MDAs	
Draft CFSP	County treasury	22-Dec-20
Technical review and finalization of the CFSP	County treasury	19 Jan- 20

ANNEX 1: BUDGET CALENDAR FOR THE FY 2020/21 MTEF BUDGET		
ACTIVITY	RESPONSIBILITY	DEADLINE
Submission of CFSP to cabinet for approval	County treasury	1-Feb-20
Submission of CFSP to County Assembly for approval	County treasury	14-Feb-20
Approval of CFSP	County Assembly	28-Feb-20
Submission of the Debt management strategy paper	County Treasury	28-Feb-20
10. Preparation and Approval of Final MDAs Programme Budgets		
Develop and issue final guidelines on preparation of 2020/21	County Treasury	5- March-20
Submission of Budget Proposals to Treasury	MDAs	16- March-20
Review of Draft Budget Proposals	County Treasury	23-March-20
Consolidation of the Draft Budget Estimates	County Treasury	5-April-20
Consultative meeting on draft CBROP Report	County Sector Working Group	
Submission of draft budget estimates to the cabinet	County Budget Office	10- April-20
Submission of Draft Budget Estimates to County Assembly	County Budget Office	30-April-20
Review of Draft Budget Estimates with the County Assembly	Budget team/ committee	15-May-20
Report on Draft Budget Estimates from County Assembly	Budget team/ committee	30-May-20
Consolidation of the Final Budget Estimates and report writing with the County Assembly	Budget team/ committee	15-Jun-20
Submission of Appropriation Bill to County Assembly	County Budget Office	-
Budget Statement Approval	County Assembly	15-Jun-20
Consideration and Passage of Appropriation Bill	County Assembly	29-Jun-20
Gazettment and publishing of the approved budget	County Treasury	4-Jul-20
Posting and uploading of the approved budget into the IFMIS -plan to budget module	County Treasury	10-Jul-20

ANNEX 2(A): STRUCTURE AND COMPOSITION OF SECTOR WORKING GROUPS	
i.	Chairperson – The Accounting Officer for the respective department
ii.	Sector Convener – Appointed by the County Treasury
iii.	Technical Working Group – Appointed by the respective Sector Working Group;
iv.	A SWG Secretariat – Appointed by the Accounting Officer to assist him in coordinating the activities of the SWG;
v.	Sector Directors;
vi.	Any other key stakeholders

ANNEX 2 (B): TERMS OF REFERENCE FOR SECTOR WORKING GROUPS

- a) Review the implementation status of programmes and projects in F/Y 2017/18-2018/2019.
- b) Prioritize County Programmes on the basis of strategic objectives of the county, magnitude of the impact, implementation status and among other agreed criteria and justification for the prioritization;
- c) Review the Third Medium Term Plan (MTP) of Vision 2030 with a view of prioritizing flagship projects which fall within the county.
- d) Identify and consider national and international protocols/declarations, Acts of the parliament, policies that required to be adhered to.
- e) Identify programmes and projects that invest in key infrastructure facilities tailored to stimulate investments, create jobs and reduce poverty.
- f) Identify programmes and projects to be funded under Public Private Partnerships (PPP) and other off budget modes of financing.
- g) Coordinate activities leading to the development of sector reports and indicative Sector Budget proposals
- h) Analyse cost implications of the proposed programmes, projects and policies for the budget year 2020/21 and MTEF period;
- i) Summarise sector priority programmes and projects based on the need and impact, and
- j) Identify programmes and projects under implementation by Semi-Auto County entities

ANNEX 3(A): STRUCTURE AND COMPOSITION OF COUNTY SECTOR WORKING GROUP

- i. Chairperson – CECM Finance and Economic Planning
- ii. Sector Convener – Accounting officer – Finance and Economic Planning
- iii. County Executive Committee Members;
- iv. Accounting Officers;
- v. Technical Working Group – MDAs Sector Working Groups;
- vi. A CSWG Secretariat – Budget office secretariat to assist the Accounting Officer in coordinating the activities of the CSWG;
- vii. In attendance – HE The Governor, Deputy Governor, County Secretary, County Assembly Speaker, Clerk to the County Assembly.

ANNEX 3(B): TERMS OF REFERENCE FOR COUNTY SECTOR WORKING GROUPS

The mandate of the County Sector Working Group is to review the following:

- Implementation status of programmes and projects in F/Y 2017/18-2018/2019.
- Prioritized County Programmes on the basis of strategic objectives of the county, magnitude of the impact, implementation status and among other agreed criteria and justification for the prioritization;
- The second Medium Term Plan (MTP) of Vision 2030 with a view of flagship projects which fall within the county.
- Identified and considered national and international protocol/declarations, Acts of the parliament, policies that required to be adhered to.
- Identified programmes and projects that invest in key infrastructure facilities tailored to stimulate investments, create jobs and reduce poverty.
- Identified programmes and projects to be funded under Public Private Partnerships (PPP) and other off budget modes of financing.
- Activities leading to the development of sector reports and indicative Sector Budget proposals
- Analyzed cost implications of the proposed programmes, projects and policies for the budget year 2020/21 and MTEF period;
- Identified programmes and projects under implementation by Semi-Auto County entities

The CSWG gives the way forward on proposals from the MDAs.

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

Annex 4 (A) Review Of Sector Programme Performance

Table 2.1 sector/ sub-sector programme performance

Sector Name									
Program me	Key output	Key Performanc e Indica tors	Planned Target			Achieved target			Remark s
			2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
Sub - Programme									
XXX ₁									
XXX ₂									

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

Annex 4(B) Analysis Of Expenditure Trends

Table 2.2 Analysis Of Recurrent Approved Budget vs Actual Expenditure

Sector Name								
Vote and vote details	Economic classification	Approved Budget			Achieved Expenditure			remarks
		2016/17	2017/18	2018/19	2016/17 7	2017/18 8	2018/19 9	
XXX1	Gross							
	AIA							
	Net							
	Compensation To Employees							
	Transfers							
	Other Recurrent							

Table 2.3 Analysis Of Development Approved Budget vs Actual Expenditure

Sector Name								
Vote and vote details	Economic classification	Approved Budget			Achieved Expenditure			remarks
		2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
XXX1	Gross							
	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 Millions)

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 3.6: ANALYSIS OF RECURRENT BUDGET FOR SEMI-AUTONOMOUS GOVERNMENT AGENCIES(SAGA) IN MILLION

Vote Name	Approved Budget			Actual Expenditure		
	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 4C: Analysis of Performance of Capital Projects (Amount in Kshs Million)

Table 2.7: ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS FY 2006/07 – 2008/09

Ministry/Department / Agency																	Remarks		
Project code and title	Total Cost Of Project (a)	GO K	Grant title	estimated completion date	Actual Cumulative Expenditure upto June 2006	Approved Budget 2005/06	Expected Balance At 30th June 2006	FY 2006/07				FY 2007/08				FY 2008/09			
								Approved GOE Budget 2007	Approved Grants Budget 2007	Completion stage as at June 2007 (%)	Approved GOE Budget 2008	Approved Grants Budget 2008	Cumulative expenditure as at June 2008	Completion stage as at June 2008 (%)	Approved GOE Budget 2009	Approved Grants Budget 2009	Cumulative expenditure as at June 2009	Completion stage as at June 2009 (%)	
						(b)	(a)-(b)	(c)											
0001																			
0002																			
Repeat above for projects 1,3...																			

NB: Under remarks column, provide a brief overview of the specific needs to be addressed by the project

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 THE PREPARATION AND PRESENTATION OF THE PROGRAMME BASED BUDGETS

SUMMARY OF THE COUNTY BUDGET 2020/2021			
MINISTRY/DEPARTMENT	RECURRENT	DEVELOPMENT	TOTALS
TOTALS			
PERCENTAGES			

CHAPTER ONE: Background Information

1.0 Background

This chapter covers a brief overview of the County Government and outlines the mandates, strategic objectives and major achievements of the respective Ministries, Departments and Agencies. It also highlights briefly the roles of the sector stakeholders.

1.1 Summary of the Planning and Budget Process in Kenya

The Government adopted the Medium Term Expenditure Framework (MTEF) approach to budgeting in the FY 2020/2021.

1.2 County Vision and Mission

County Vision (county vision statement)

County Mission (county Mission statement)

Strategic Goals/Objectives of the County

1.3 Sectors and their Mandates (state the sectors mandate)

1.3.1 Sector name

1.4 Role of Sector Stakeholders

Stakeholder	Role

CHAPTER TWO: COUNTY DEPARTMENTS PROGRAMME BASED BUDGET ANALYSIS FOR FY 2020/21

2.1 department name e.g. Agriculture, Livestock, Fisheries and Cooperative Development

PART A: Vision – Department Vision (state the department vision)

PART B: Mission- Department Mission (state the department Mission)

PART C: PERFORMANCE OVERVIEW AND BACKGROUND FOR PROGRAMMES FUNDING

PART D: PROGRAMMES AND OBJECTIVES. (List the departments' programmes and objectives as per MTEF)

No	PROGRAMME	OBJECTIVE
1		
2		
3		
4		

PART E: SUMMARY OF PROGRAMME OUTPUTS AND PERFORMANCE INDICATORS FOR FY 2020/21- 2022/23

PROGRAMME 1: General Administration, Planning and Support Services

OUTCOME: Enhanced institutional efficiency and effectiveness in implementation and service delivery

SUB PROGRAMME SP 1.1

DELIVERY UNITS	KEY OUT PUTS	KEY PERFORMANCE INDICATORS	TARGETS 2020/21	TARGETS 2021/22	TARGETS 2022/2023

PART F: ACTIVITY COSTING

Programme	Sub-programme	Activities/Task description	Specific Activities	Unit of measure	No of Units	Unit Cost (Kshs)	Estimated Cost	Sub-item

Part G: SUMMARY OF PROGRAMME BY COSTS

PROGRAMMES	ESTIMATES	PROJECTED ESTIMATES	
	2020/21	2021/22	2022/23
General administration, planning and support services			
TOTALS			
AIA			
NET			

PART H: SUMMARY OF EXPENDITURE BY VOTE AND ECONOMIC CLASSIFICATION
2020/21- 2022/23

ECONOMIC CLASSIFICATION	ESTIMATES	PROJECTED ESTIMATES	
	2020/21	2021/22	2022/23
Current Expenditure			
Compensation to employees			
Use of goods and services			
Other recurrent			
Capital expenditure			
Acquisition of non-financial assets			
Other development			
Total expenditure			

PART I: STAFF ESTABLISHMENT

Department	Delivery Units	Staff Details			Expenditure Estimates		
	Position Title	Job Group	Authorized		2020/21	2021/22	2022/23
				In Position projected			

PART J: PROJECT LIST

Project name	Physical location	Amount allocated FY 2020/21	Status	Remarks

ANNEX 5B: COSTING TECHNIQUES

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

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:

- Briefly describe the current situation that rationalizes the project
- 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 (Kshs.): 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 FOR FY 2020/21 AND MEDIUM TERM PROJECTIONS

Ministry/ Department/ Agency

Vote _____

[illegible]

rank projects in terms of percentage completion
NB All Concept Notes for the projects should be submitted

**ANNEX 8: FORMAT FOR COUNTY MINISTERIAL MEDIUM TERM
EXPENDITURE FRAMEWORK (M.T.E.F) 2020/21-2022/23**

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 as per the table below (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"