



**THE NATIONAL TREASURY AND ECONOMIC PLANNING**

**BUDGET PROCESS FOR THE FY 2025/26  
AND THE MEDIUM TERM PERIOD**

By:

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# OUTLINE

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3. Sector Working Group Process
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# 1.0 Introduction

- ❑ Following the issuance of Treasury Circular No.11/2024 and the launch of the budget process, we are expected to immediately commence the preparation of the FY 2025/26 and the Medium-Term Budget
- ❑ To facilitate timely finalization and approval of key budget policy documents and Bills, MDAs will be required to strictly adhere to the timelines outlined in the Budget Calendar.

## (CONT...)

- ❑ As we embark on the preparation of the FY 2025/26 Budget, the following should be emphasized:

### **Stakeholder participation:**

- SWGs should build on the countrywide stakeholder participation for the medium term;
- In addition, you are required to identify your key stakeholders, conduct meaningful engagement and annex public participation reports to the Sector Reports.

## 2.0 The Budget Calendar

- ❑ The Government is required to prepare key documents for approval by Cabinet and Parliament within stipulated timelines provided for in the Constitution and the PFM Act, 2012.
- ❑ The FY 2025/26 and the Medium Term Budget Calendar is to ensure timely submission and approval of the key Budget Documents and the Budget.

## **(Cont...)**

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

- ❑ Programmes Performance Review – **20<sup>th</sup> Sep. 2024**
- ❑ Budget Review and Outlook Paper – **30<sup>th</sup> Sep. 2024**
- ❑ Preparation of MTEF Sector Budget proposals – **14<sup>th</sup> Oct. - 8<sup>h</sup> Nov. 2024**
- ❑ Validation of Budget Proposals -Public Hearing – **20<sup>th</sup> to 22<sup>nd</sup> Nov. 2024**
- ❑ Submission and review of Sector Budget Proposals – **28<sup>th</sup> Nov. 2024**
- ❑ Develop Draft Budget Policy Statement – **20<sup>th</sup> Dec. 2024**

## (Cont...)

- ❑ Submission of Budget Policy Statement to Parliament– **15<sup>th</sup> Feb. 2025**
- ❑ Issuance of guidelines on finalization of Ministerial Budgets – **5<sup>th</sup> Mar. 2025**
- ❑ Consolidation of draft Budget Estimates – **1<sup>st</sup> Apr. 2025**
- ❑ Submission of draft Budget Estimates to Parliament – **29<sup>th</sup> Apr. 2025**
- ❑ Budget Statement – by **12<sup>th</sup> Jun 2025**
- ❑ Approval of Appropriation bill by – **30<sup>th</sup> Jun 2025**

## 3.0 Sector Working Groups

- ❑ Sector Working Groups (SWGs) are responsible for formulation and prioritization of sector budget proposals. SWGs are the only recognized avenue for bidding for resources.
- ❑ SWGs to convene immediately and elect Sector Chairpersons to be submitted to the National Treasury by 20<sup>th</sup> September, 2024.
- ❑ Accounting Officers to nominate Technical Officers to their respective Sector Working Group.



- The Composition and mapping of the Sectors is as indicated below:

<b>S/NO</b>	<b>SECTOR</b>	<b>CONVENER</b>
1	Agriculture, Rural and Urban Development	Mr. Rustus Shikuku
2	Energy, Infrastructure and ICT	Mr. Micah Origa
3	General Economic and Commercial Affairs	Mr. Isaiah Ochelle
4	Health	Mr. Peter Wanjiku
5	Education	Ms. Eunice Kigen
6	Governance, Justice, Law & Order (GJLO)	Mr. Alexander Sasa
7	Public Administration & International Relations (PAIR)	Mr. Isaac Sichangi
8	National Security	Mr. Kariuki Kimemia
9	Social Protection, Culture and Recreation (SPCR)	Mr. Felix Oulo
10	Environmental Protection, Water and Natural Resources	Mr. Silas Muyela

## (Cont...)

- SWGs shall comprise the following:
  - i. **Chairperson** – One Principal Secretary/Accounting Officer chosen by consensus by other Principal Secretaries/Accounting Officers in the SWG
  - ii. **Sector Convenor** – appointed by the National Treasury
  - iii. **Sector Co-Convenor** – appointed by the State Department for Economic Planning
  - iv. **Technical Working Group** – appointed by individual MDAs;
  - v. **A SWG Secretariat** – To be appointed by the individual Principal Secretaries/Accounting Officers to assist the Chairperson in coordinating the activities of the SWG;
  - vi. **Representatives from Development Partners** – to be coopted
  - vii. **Civil Society and Community Based Organizations to represent the public** in line with article 201 of the constitution – to be coopted
  - viii. **Representatives from the Private Sector** – to be coopted

## (Cont...)

### ❑ Costing of Programmes

- ❑ To support standardized costing of programmes, a costing tool has been developed within the IFMIS budgeting module to estimate the budget baseline.
- ❑ The **budget baseline** will comprise requirements for ongoing policy, new approved policy and verified pending bills.
- ❑ The National Treasury has been conducting comprehensive trainings on the new system to all MDAs;
- ❑ MDAs are expected to provide the budget baseline through the IFMIS system by C.O.B **9<sup>th</sup> September, 2024** in line with the Budget Calendar.

## 5.0 Way Forward

Due to strict timelines the, the following are the next steps in the preparation of FY 2025/26 Budget:

- ❑ MDAs to submit Budget Baseline by 9<sup>th</sup> Sept. 2024;
- ❑ MDAs to immediately nominate the Technical Working Group for the Sector process;
- ❑ Elect Sector Chairpersons after confirmation of Principal Secretaries and forward the same to the National Treasury;
- ❑ The former Sector Chairpersons to continue guiding the process awaiting appointment of new Chairpersons;

- ❑ Submit Programme Performance Review Reports to the National Treasury by 20<sup>th</sup> September, 2024;
- ❑ Preparation draft Sector Budget Proposals by **8<sup>th</sup> November 2024**;
- ❑ Hold Public Sector Hearings from **20<sup>th</sup> to 22<sup>nd</sup> November, 2024** ; and
- ❑ Finalize the preparation and submit the final Sector Budget Proposals to the National Treasury by **28<sup>th</sup> November 2024**;

**END**