



Kenya Country Case Study

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Kenya's Digital Journey

Kenya, the epicenter of Africa's mobile money revolution, has demonstrated a strong commitment to leveraging digital technologies for government. The country is using technologies to reshape government operations, particularly in Public Financial Management (PFM). Kenya's digital journey began in 1998 with the introduction of the integrated Financial Management Information Systems (IFMIS), designed to automate public financial functions, including budgeting, accounting, and procurement.

In recent years, Kenya's digital footprint in PFM has expanded rapidly, driven by strategic investments in technology, robust institutional frameworks, and strong support from development partners. Today, over 30 specialized PFM ICT systems are operational across the MOF and MDAs. The implementation and continuous enhancement of these systems are coordinated by the PFMR Secretariat, supported by Government ICT Development team from the Ministry of ICT, the ICT Authority, the National Treasury's ICT Unit, and the PFMR Secretariat's ICT Section.

The IFMIS is under the responsibility of the National Treasury with an in-house IFMIS department¹ in charge of the implementation and management of the Enterprise Resource Planning (ERP) used for both the National and County levels of government.²

Leveraging multiple systems for budget credibility and accountability

One of the accomplishments of the Integrated Financial Management Information System (IFMIS) has been enhancing the efficiency and transparency of budgeting processes. The Programme-Based Budgeting structures and processes have been incorporated into the iFMIS software, and complementary modules and tools have been developed to leverage FMIS data. Together these have provided:

- **Enhanced Data Analytics:** Quicker analysis of expenditure data against previous budgets at the line-item level is now possible thanks to digitalisation. Budget officers in the National Treasury consistently conduct these analyses to provide guidance and insights to MDAs during budget development.
- **Automated Reporting:** Automated reporting tools offer real-time access to financial data and tracking of expenditures, significantly enhancing transparency in budget execution.
- **Accessible Data:** A complementary transparency tool was developed by the Government ICT Development Team in December 2022. This tool, known as Bajeti Yetu ("Our Budget"), allows citizens and civil society to access, analyse and engage in discussions about budget and expenditure data. FMIS data is imported into this tool, as it is a stand-alone platform.

Kenya's experience highlights the value of digital tools in enhancing the efficiency of budgeting processes and transparency of detailed budgeting data. The budgeting department at the National Treasury continues to explore ways that these tools can strengthen overall budget credibility. For example, an additional component of the FMIS system, the Budget Costing Tool, will be rolled out in December 2024 to provide more detailed budget information and improve budget accuracy and scrutiny.

The experience underscores the necessity of parallel reforms in financial management practices and institutional processes to fully realize the benefits of digital investments. The ongoing reforms are geared towards strengthening

¹ <https://www.treasury.go.ke/ifmis/>

² Based on Oracle technologies

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financial governance, accountability, and the overall credibility of the budgeting system are needed to see the full benefits of the digital systems.

Leveraging diverse staff capabilities

Recruiting and retaining skilled ICT personnel who can design, manage, and optimize digital systems remains a significant challenge for governments, including Kenya. The private sector often offers better remuneration, career growth opportunities, and cutting-edge work environments, making it difficult for public institutions to compete.

Kenya addresses this challenge through strategic recruitment and talent management by the State Department for ICT, ICT Authority, PFMR Secretariat, and other agencies with ICT staff establishments. ICT professionals are deployed across various Ministries, Departments, and Agencies (MDAs), including the National Treasury, to provide specialized in-house expertise. These staff members participate in continuous, hands-on training facilitated by leading software providers such as Oracle and SAP, fostering a highly skilled workforce capable of sustaining digital PFM systems.

The State Department for ICT maintains a comprehensive database of ICT professionals, detailing their skills and areas of expertise, which enables flexible project staffing, efficient resource allocation, and promotes cross-departmental collaboration. This approach ensures the government retains critical capabilities to manage and expand its digital initiatives. The emphasis on governance in managing ICT talent is crucial, as it helps align ICT initiatives with national standards and fosters a cohesive and interconnected ICT community within the government. By maintaining structured oversight and clear pathways for professional development, Kenya ensures that ICT staff are well-prepared to support PFM reforms and broader digital transformation goals.

This interconnected approach was beneficial to the budgeting department during the development of Bajeti Yetu. This tool was developed using in-house talent, to avoid costly Commercial Off-The-Shelf solutions. Using the database of ICT professionals, a multi-disciplinary team could be established from across government to develop a custom-made solution tailored to Kenyan needs.