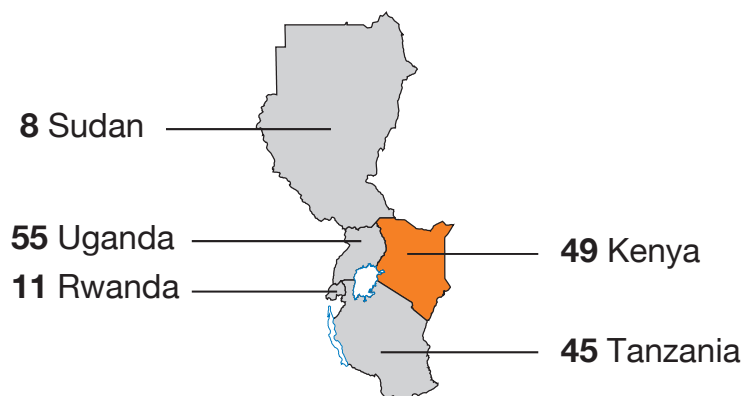
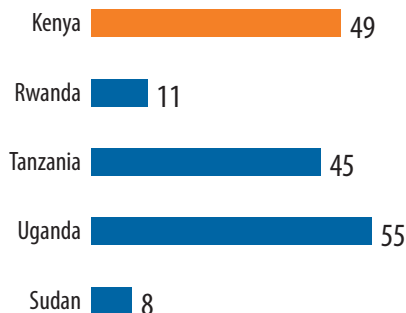




Overall score: 49 (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Kenya Compare to Its Neighbors?



Key Findings

The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country's budget process. These scores constitute the Open Budget Index (OBI).

Kenya's OBI 2010 score is 49 out of 100. Kenya's score shows that the government provides the public with only some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

Information in Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	A	Published
Executive's Budget Proposal	C	Published
Enacted Budget	B	Published
Citizen's Budget	E	Not Produced
In-Year Reports	B	Published
Mid-Year Review	E	Produced, Not Published
Year-End Report	E	Produced, Not Published
Audit Report	C	Published

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Kenya the budget proposal is not sufficiently comprehensive. Major gaps in information are found in the following areas:

- The budget proposal lacks information that can help explain the relationship between the government's revenue and expenditure plans and its policy and macroeconomic goals. In particular, it lacks a sensitivity analysis and an assessment of how new policies affect the revenue side. This information is important if the executive wishes to facilitate a broader debate about planned expenditures.
- It does not have sufficient information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on quasi-fiscal activities, financial and other assets, arrears, and contingent and future liabilities. Without this information, the public does not know the government's complete fiscal position.
- It also lacks adequate information on outputs and outcomes. This information is important for those who are interested in monitoring the budget's impact.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Kenya publishes a comprehensive Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government's stated policy priorities and hold it to account. Kenya publishes a fairly comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Kenya does not produce a Citizens Budget.

In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus can facilitate adjustments. Kenya publishes fairly comprehensive In-Year Reports.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Kenya produces a Mid-Year Review for internal purposes but does not make it public.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. A Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. Kenya produces a

OPEN BUDGET SURVEY 2010

Kenya

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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cumulative fourth-quarter economic review, but it does not present the information and narrative required of a Year-End Report.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Kenya publishes an Audit Report, but it is not sufficiently comprehensive. For example, it does not present audits of extra-budgetary funds.

Institutions of Accountability and Public Participation

Beyond improving access to key budget documents, there are other ways in which Kenya's budget process could be made more open. These include ensuring the existence of a strong legislature and SAI, as well as providing greater opportunities for the public to participate in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Moderate
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by Kenya's legislature is inadequate because it does not:

1. have full powers to change the Executive's Budget Proposal at the start of the year before it is enacted; and
2. have sufficient time to discuss and approve a budget. (The legislature receives the budget less than six weeks before the start of the budget year.)

According to the Open Budget Survey, budget oversight provided by Kenya's SAI is inadequate because it does not:

1. have sufficient resources to meaningfully exercise its mandate;
2. have proper channels of communication with the public; and
3. issue reports on the follow-up steps taken by the executive to address audit recommendations.

Recommendations

Kenya should:

- publish a Mid-Year Review and a Year-End Report;
- begin to produce and publish a Citizens Budget;
- increase the comprehensiveness of the Executive's Budget Proposal; and
- enable the legislature and SAI to provide more effective oversight of the budget.