

The Cabinet Secretary  
Mr. Henry Rotich  
National Treasury  
Treasury Building  
Harambee Avenue  
P.O. Box 30007 -00200  
Nairobi, Kenya.

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### What the Public and Parliament Need to Know from Reading the 2014/2015 Budget



We civil society organizations and other stakeholders call on Treasury to make the budget proposal more transparent by providing more detailed and relevant information in order to expand public engagement and parliamentary oversight in budgeting as guaranteed by the constitution



**DSW**

DSW (Deutsche Stiftung Weltbevölkerung)

We applaud Kenya's shift to Programme Based Budgeting which is in line with international best practice, but remain concerned that the implementation of Programme Based Budgeting in FY 2013/14 led to a decline in budget transparency, as the figures presented were too highly aggregated in nearly all sectors. We believe that a transparent budget requires figures to be disaggregated to a meaningful level and accompanied by coherent narrative.



As Treasury prepares to release the 2014/15 budget estimates for debate by Parliament, we demand more information to help citizens understand government priorities for each sector, and how the budget numbers and tables link to these priorities. Ultimately, the budget is a statement of how the government will facilitate service delivery to its citizens, and the budget presentation should make this clear, consistent with the constitutional right to information.



We are confident that now, more than ever, with the recent passing of the Public Finance Management Act 2012, Treasury is in a stronger position to ensure a more comprehensive budget which presents a logical flow, linking the budget estimates to overall sector, county and national programme priorities.



**We therefore call upon Treasury, as it prepares the 2014/15 budget estimates for Parliament, to:**

- Improve the budget narrative details to ensure clear alignment between, programmes, objectives, spending, and indicators and targets.
- Break down most (if not all) major programmes into sub-programmes, to make the objectives clear.
- Clearly link all indicators to a specific programme and to specific programme objectives. Every indicator should have a



clear target, including a baseline and a time period for meeting the target



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- Break down the economic classification for all categories, with particular attention to information on the target of transfers, and replacement of the categories “other recurrent” and “other capital” spending with further details.
- Provide data on at least two past years’ spending down to the sub-programme level, including audited and provisional figures, to facilitate an understanding of trends in expenditure.
- Restore and enhance information about revenues available in previous years, including greater detail on Appropriations in Aid and donor funding for specific programmes within each ministry.
- Restore to the budget, information on the distribution of compensation to employees in each ministry as per the 2012/13 budget. This should include at least total spending on wages and allowances by job group, if not detailed individual salaries and allowances by worker, as per the 2012/13 budget.

**We further recommend the strengthening of specific sector information:**

In the **health sector**, provide more information on the major national referral hospitals (Kenyatta and Moi). Additionally, we expect to see information related to the supply of drugs, such as the budget for Kenya Medical Supplies Agency, and specific allocations for HIV services in line with clear indicators across the three programmes within the Ministry of Health. The health sector budget will be much clearer once there is an approved Health Bill clarifying roles and responsibilities.

In **agriculture**, we expect to see allocations to a number of core institutions such as the Kenya Agricultural Research Institute; as well as transfers to state corporations, such as those involved in horticulture, tea, coffee, sugar, coconuts, or cotton.

In the **energy sector**, we want to see how much money is allocated to the different energy options, including on-grid and off-grid energy services; what is specifically going to expanding rural access to electricity; and how much is being transferred to major state corporations, such as Kenya Power, Geothermal Development Corporation, or the Kenya Electricity Transmission Company.

In **education**, restore information about the school feeding programme.

In the **water sector**, include spending information relating to the Water Service Boards and the National Irrigation Board, as well as narrative details about the coverage of these Boards, and how their mandates are changing in the devolved system, where they must work with county governments.

In **Lands and Housing** we want to see specific allocations to the National Land Commission. We also want to see further disaggregation of allocations to slum upgrading, separate from rural housing, civil servant housing, and Alternative Building Technology Centres.

**To improve overall budget transparency and accountability, Treasury should:**

- Spearhead public access to budget information by making the budget estimates, and all other relevant budget documents publicly available in a timely fashion at no cost and online, to facilitate public participation in legislative hearings.
- Improve the quality of public participation in budget-making by giving feedback and results on citizen input on the budget proposals. Adequate reasons and explanations should be given on why certain public views and proposals were rejected if any.
- Include allocation for government support in enhancing public participation budget processes- civic education Develop and publicize the Mid-year Review to provide justification for supplementary estimates.
- Consult the public on the types of information they would like to see and the ways in which they would prefer it be presented and disseminated

**CC: Principal Secretary, Dr. Kamau Thugge, EBS**

**: Budget Director, Onderi Otwenka**

**: Principal Economist, Samuel Kiiru**

**: Chief Economist, Francis Anyona**