



Budget Brief No. 24

What We Can't Know from Reading Kenya's 2013/14 Budget: A Sector View

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Last year, Kenya shifted from its traditional budget format to a new Program-Based Budgeting (PBB) format. This shift was in line with international best practice, which recommends that budgets be organized around a series of programs with clear objectives that facilitate an understanding of how public spending relates to the goals of that spending.

While we applaud this shift, we nevertheless note with concern that the 2013/14 budget actually made it harder to see many of the areas of spending that ordinary Kenyans care about. We summarize here some of the challenges in finding information related to education, health, agriculture, water, energy, and lands/housing.

Education

- **There is no longer any information in the budget about teacher training.** The 2012/13 budget contained information about a number of training institutions, such as Primary Teachers Training Colleges.
- **It is no longer possible to find information about the School Feeding Program.** This program received over Ksh 2 billion (recurrent and development) in 2012/13, but there is no mention of it in the 2013/14 budget.
- **The budget contains two programs related to tertiary education (Secondary & Tertiary and University/Tertiary), making it difficult to know where to find information about specific items related to tertiary education, such as the budgets for major universities or the Higher Education Loans Board.** The program description for University/Tertiary implies that this program is to provide administrative support to the ministry. However, the indicators suggest it is focused on loans. Neither the program objectives nor the indicators clarify where money for major universities is located.

Health

- It is no longer possible to find budget information related to the major national referral hospitals (Kenyatta and Moi), even though this is now the primary function of the national government in health care.
- Information related to the supply of drugs, such as the budget for Kenya Medical Supplies Agency, is also no longer available in the 2013/14 budget.
- It is not clear where the spending for HIV services is located, now that all three programs within the Ministry of Health have indicators related to HIV.
- There is no longer any information available about Mental Health Services, which used to have a clearly delineated budget in 2012/13.
- Figures for the immunization program and for family and maternal health are also impossible to find, though together these accounted for nearly Ksh 10 billion in development funds in 2012/13. This is the case even though we know the government introduced a new, multibillion Ksh grant for free maternity care. While the service is mentioned in the PBB, no figures are actually provided for this flagship project.
- There is no longer any information about training and no mention of the Kenya Medical Training Centre, an agency that received over Ksh 2 billion (recurrent and development) in 2012/13.

Agriculture

- A number of core institutions in this sector are now invisible, such as the Kenya Agricultural Research Institute, which received over Ksh 3 billion (recurrent and development) in 2012/13.
- There is no information about transfers to state corporations, such as those involved in horticulture, tea, coffee, sugar, coconuts, or cotton, even though support for these corporations is a major aspect of what the government does in the agriculture sector.
- Agriculture extension officers are mentioned as an indicator under the Crop Development and Management Program. However, it is impossible to know how much is being allocated for this, and why national government is continuing to allocate funds for a devolved function. Both Provincial and District Extension Services were marked to be devolved in the 2012/13 budget and they were officially transferred in August 2013 by the Transition Authority.

Water

- **The key actors in this sector, the Water Service Boards, are not mentioned in the budget.** While they are likely to be covered under the Water Supply Services Program, there is no way to know if this is the case or how much each of these state corporations is now receiving from the budget, even though they accounted for almost Ksh 20 billion in development funds in 2012/13.
- **There is also no mention of the National Irrigation Board (NIB).** This seems likely to be captured under the Drainage Infrastructure Program, but it is not clear if this is so or how much has been allocated for it. NIB received over Ksh 3 billion (recurrent plus development) in 2012/13.
- **While District Water Services were presumably devolved to counties it is not clear from the budget how national government is coordinating with counties, rather than duplicating county functions in the water sector.**

Energy

- **The Rural Electrification Authority (REA) is not mentioned in the budget.** While the Rural Electrification Program is mentioned, it is not a separate program in the PBB classification. It is also not clear under which program it falls, nor how much is budgeted for it. It may be that REA is included in the National Electrification Program, along with the National Grid (given that one of the indicators for this program is number of rural connections). However, it is no longer possible to see how much is going specifically to expand rural access to electricity.
- **It is also no longer possible to know how much is being transferred to major state corporations, such as Kenya Power, Geothermal Development Corporation (GDC), or the Kenya Electricity Transmission Company (KETRACO).** This is where most of the money in the sector is allocated, so this is a major decrease in transparency. In 2012/13, GDC received Ksh 18 billion in development funds, Kenya Power received 5 billion, and KETRACO received almost 24 billion.

Lands/Housing

- **Although the National Land Commission is mentioned, it is not possible to know under which program it falls or how much is allocated to it.**
- **The Housing Development and Human Settlement Program appears to mix slum upgrading, rural housing, civil servant housing, and Alternative Building Technology Centers in a single program, making it impossible to identify funds for slum upgrading.** While it is not unreasonable to have one program for housing development, it is important to be able to assess the amounts being spent on different groups in society. It is therefore not helpful to mix civil servant housing and slum upgrading in a single program with no disaggregation.