

**PUBLIC ADMINISTRATION AND INTERNATIONAL
RELATIONS (PAIR) SECTOR**

**MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) FOR
THE
PERIOD 2025/26 – 2027/28**

21st November, 2024

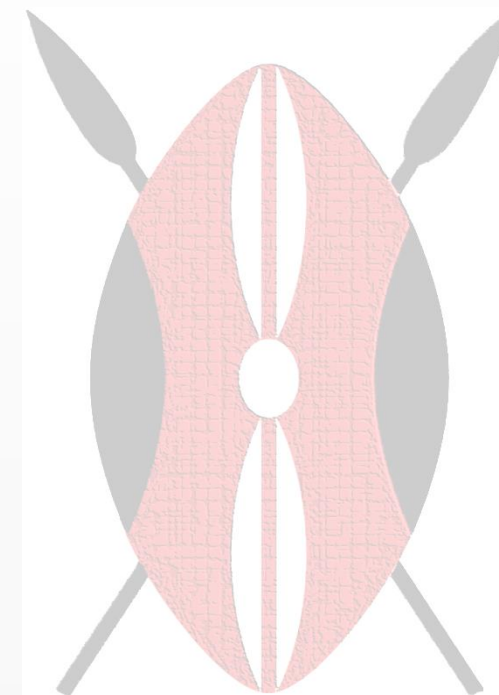
by

Mr. Amos Gathecha, EBS, 'ndc'(K)

Principal Secretary

State Department for Public Service

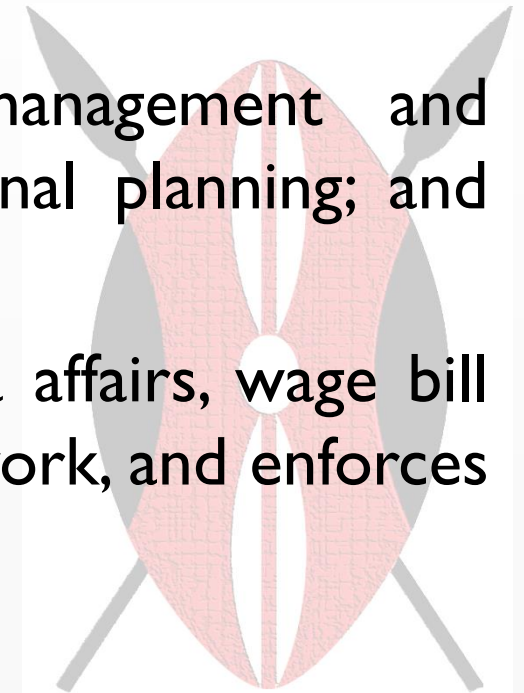
Sector Chairperson



BACKGROUND

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- The Public Administration and International Relations (PAIR) Sector is one of the ten (10) Sectors in the Medium-Term Budget Cycle;
- It provides national leadership, oversight and policy direction towards the realization of the country's development agenda;
- The Sector promotes prudent public finance management and accountability in the Public Sector; coordinates national planning; and oversees an efficient & effective Public Service; and
- It also coordinates Kenya's foreign policy and diaspora affairs, wage bill management, development of a sound legislative framework, and enforces administrative justice and the right to information.



PAIR SUB-SECTORS

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➔ The Sector comprises **24 Sub-Sectors** as follows:

1. Executive Office of the President	13. State Department for Public Service
2. Office of the Deputy President	14. Parliamentary Service Commission
3. Office of the Prime Cabinet Secretary	15. National Assembly
4. State Department for Parliamentary Affairs	16. Parliamentary Joint Services
5. State Department for Performance and Delivery Management	17. Senate
6. State Department for Cabinet Affairs	18. Commission on Revenue Allocation
7. State House	19. Public Service Commission
8. State Department for Devolution	20. Salaries and Remuneration Commission
9. State Department for Foreign Affairs	21. Office of the Auditor General
10. State Department for Diaspora Affairs	22. Office of the Controller of Budget
11. The National Treasury	23. Commission on Administrative Justice
12. State Department for Economic Planning	24. Consolidated Fund Services

SECTOR VISION AND MISSION

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Vision

Excellence in Public Policy Administration and International Relations.

Mission

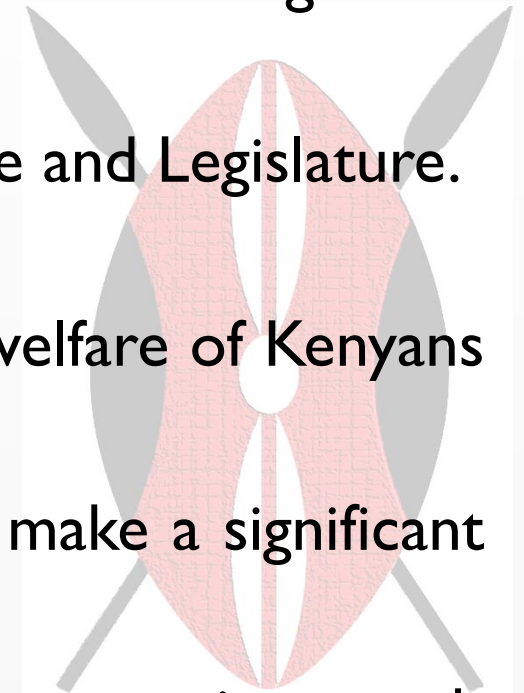
To provide overall leadership, policy direction and oversight in financial, economic and devolution management; public sector transformation and performance management in service delivery; resource mobilization and allocation; liaison with the Legislature; championing diaspora affairs; and management of Kenya's Foreign Policy for global competitiveness and national prosperity.



SECTOR STRATEGIC OBJECTIVES ...(1)

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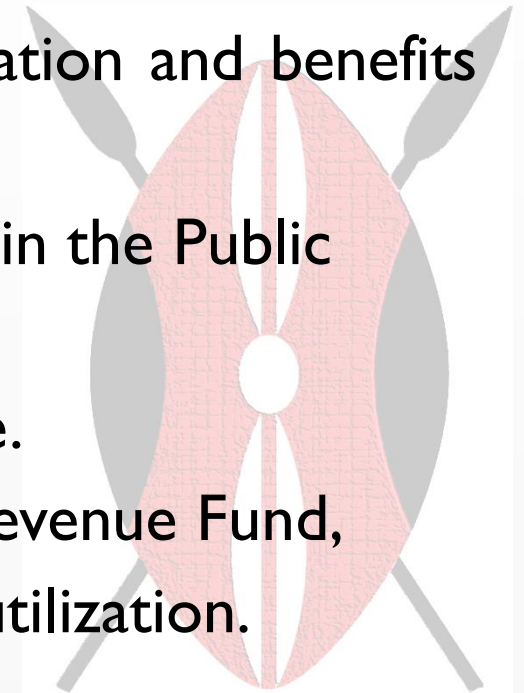
- The Strategic objectives of the Sector are to:
 1. Provide leadership, policy direction, oversight and coordination of Government for national prosperity.
 2. Strengthen capacity of National and County governments for management of devolution and enhance intergovernmental relations.
 3. Strengthen cooperation and liaison between the Executive and Legislature.
 4. Protect Kenya's sovereignty and territorial integrity.
 5. Promote and protect Kenya's national interests and the welfare of Kenyans in the diaspora.
 6. Mainstream and empower Kenyans abroad to effectively make a significant contribution to the country's development.
 7. Promote prudent financial, and fiscal management for economic growth and stability.



SECTOR STRATEGIC OBJECTIVES...(2)

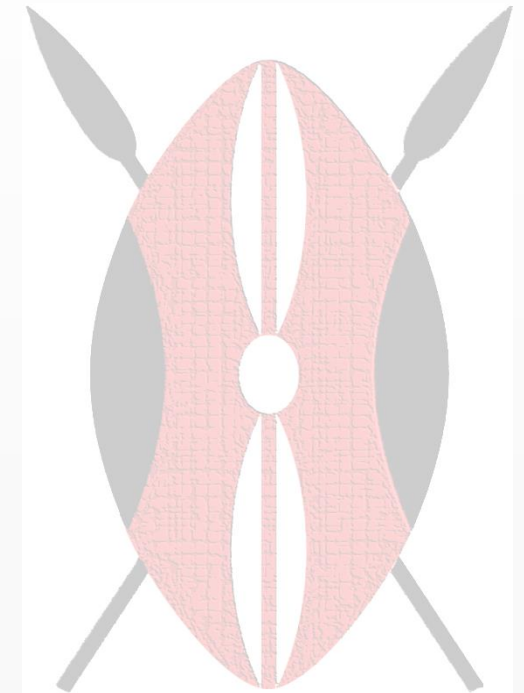
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8. Coordinate national planning and population policy, track national development programmes and manage statistics.
9. Transform the Public Service and enhance performance management.
10. Make recommendations on equitable sharing of revenue.
11. Develop a harmonized and a fiscally sustainable remuneration and benefits system in the Public Service.
12. Promote and support good governance and accountability in the Public Sector.
13. Manage and develop human resources in the Public Service.
14. Authorize withdrawals from Consolidated Fund, County Revenue Fund, Equalization Fund and other Public Funds and report on utilization.
15. Promote administrative justice and access to information.



PROGRAMME PERFORMANCE REVIEW

FOR THE PERIOD 2021/22 – 2023/24

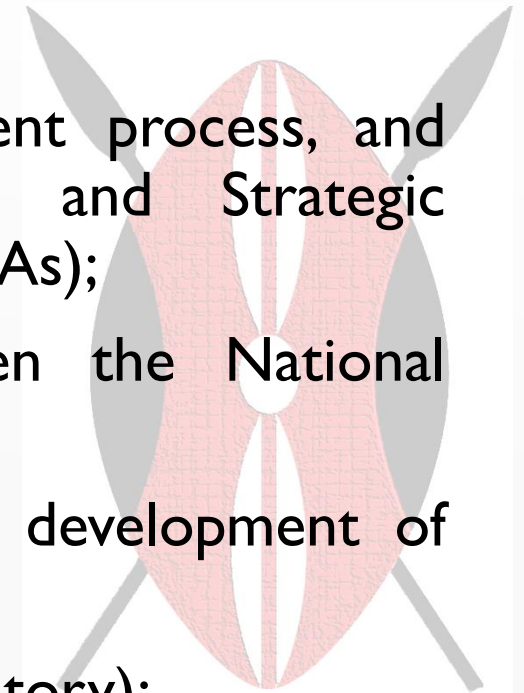


Key Sector Achievements 2021/22-2023/24 ...(I)

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Policy Direction and Leadership

- Provided overall policy direction, leadership, coordination, and supervision of government operations;
- Facilitated H.E. the President, H.E. the Deputy President, and Prime Cabinet Secretary to fulfill their constitutional mandate;
- Harmonized and enhanced the Executive Policy development process, and coordinated the implementation of Cabinet Decisions and Strategic Interventions across Ministries, Departments and Agencies (MDAs);
- Implemented the Deed of Transfer of Functions between the National Government and Nairobi City County Government;
- Developed Public Policy Handbook and Guidelines for the development of Government Policy and Legislation;
- Developed the Government Legislative Agenda schedule (repository);



Key Sector Achievements 2021/22-2023/24...(2)

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Devolution Support Services

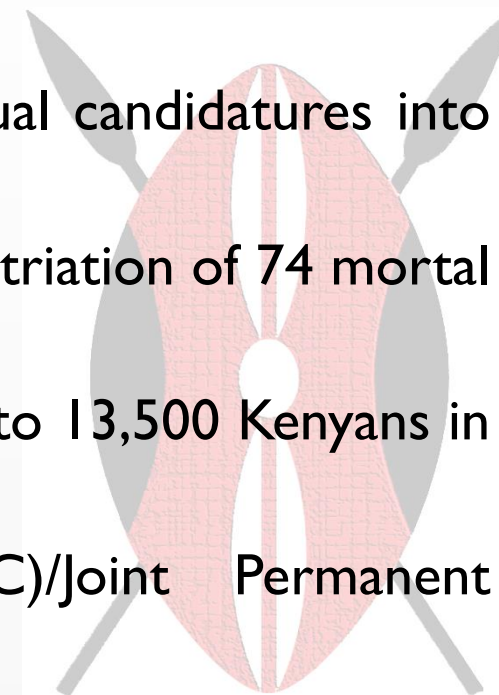
- Supported Local Economic Development (LED) in 15 counties with each county receiving approximately **KSh.115 million**;
- Provided capacity building and technical assistance to all counties at an estimated support of **KSh.5.6 billion** (targeting Public Finance Management, Planning, Monitoring & Evaluation, Human Resource & Performance Management, Civic Education, Public Participation and Environment & social safeguards);
- Facilitated implementation of 125 Investment Projects in 39 Counties in Health, Trade, Agriculture, Roads and Water Sectors at **KSh.11.4 billion**;
- Hosted the 9th Edition of Pan-African Conference for local authorities and sub-regional Governments (Affricates Summit) in Kisumu in May, 2022; and
- Completed identification, verification of Assets and Liabilities of Devolved functions in 29 Counties.



Key Sector Achievements 2021/22-2023/24 ...(3)

Foreign Relations and Diplomacy

- Facilitated high-level visits (outbound 84 and 80 inbound);
- Operationalized five (5) fully-fledged diplomatic Missions in Abidjan, Rabat, Bern, Jakarta and Maputo; three (3) Consulates in Goma, Jeddah & Arusha and a Liaison Office in Hargeisa;
- Successfully lobbied for the election of 23 Country and 21 individual candidatures into international policy-making organs;
- Facilitated Evacuation of 1,329 Kenyans in distress as well as the repatriation of 74 mortal remains of deceased Kenyans abroad;
- Offered mobile consular services (I.Ds, Passports, Birth certificates) to 13,500 Kenyans in 46 countries around the world;
- Coordinated 57 Joint Commissions for Cooperation (JCC)/Joint Permanent Commissions for Cooperation (JPCC); and
- Coordinated processing to conclusion of 168 international agreements and MOUs.



Key Sector Achievements 2021/22-2023/24 ...(4)

Prudent financial and fiscal management for economic growth and stability

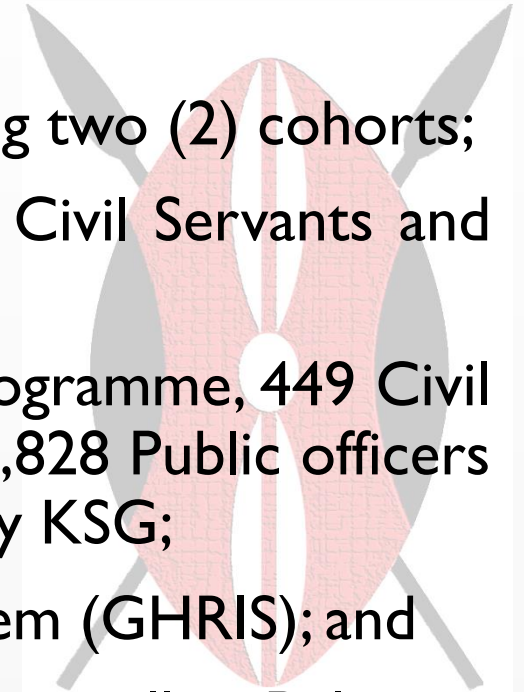
- Maintained a stable macroeconomic environment through sustaining the inflation band within the policy range of 5 +/-2.5%, strong foreign exchange reserve and sustained fiscal consolidation path to economic recovery;
- Mobilized resources amounting to **KSh.7.619 trillion** (**KSh.5.09 trillion** in ordinary revenue, **KSh.1.549 trillion** in domestic financing and **KSh.1 trillion** in external financing) to meet government expenditure needs;
- Leased 4,023 vehicles for enhanced security operations to facilitate a conducive environment for national development; and,
- Facilitated an annual average of 187,578 clients with agriculture loans under the microfinance sector support and development initiative.

Key Sector Achievements 2021/22-2023/24 ...(5)

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Public Service Transformation

- Served over 30 million Kenyans through the Huduma Kenya Service Delivery Platforms (Huduma Centres, Huduma Mashinani and Huduma Contact Centre);
- Re-engineered 150 public service delivery processes in 45 Ministries, Departments and Agencies;
- A total of 26,655 youths trained in paramilitary skills comprising two (2) cohorts;
- Provided comprehensive medical insurance cover to 140,433 Civil Servants and 178 public officers in CSG 3 and above;
- Trained 843 Civil Servants under the Development Partner Programme, 449 Civil Servants under In-Service Training Support Programme and 48,828 Public officers from National and County Government trained and certified by KSG;
- Upgraded the Government Human Resource Information System (GHRIS); and
- Sensitized 9,616 officers on the Public Service Guidance and Counselling Policy.

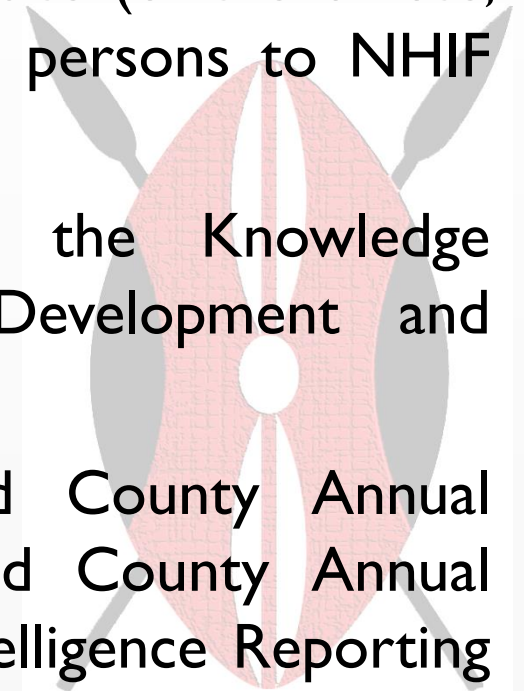


Key Sector Achievements 2021/22-2023/24 ...(6)

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Economic Policy and National Planning

- Conducted the 2022 Kenya Demographic and Health Survey;
- Constructed and renovated 28,712 institutional facilities, awarded bursary to 2,154,783 beneficiaries, developed 3,435 security sector facilities (chief's offices, police posts and housing), and enrolled over 64,000 elderly persons to NHIF under NG-CDF;
- Developed National Monitoring and Evaluation Policy, the Knowledge Management Policy, Population Policy for Sustainable Development and Population Health and Environment (PHE) Policy;
- Developed and disseminated County Sectoral Plans and County Annual Development Plans guidelines; CIDP Mid-Term Review and County Annual Progress Report (CAPR), and Social Budgeting and Social Intelligence Reporting (SB-SIR) reports;



Key Sector Achievements 2021/22-2023/24 ...(7)

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Economic Policy and National Planning...Cont..

- Prepared and disseminated Progress/Status Reports on government development plans including MTP III and Big Four Agenda;
- Finalized preparation of the MTP IV;
- Developed the National SDGs Indicator Framework, SDGs Recovery and Acceleration Framework, SDGs Multi-Stakeholders Engagement Framework and 2020 Voluntary National Review (VNR), Annual State of Kenya Population Reports, Population Policy briefs, and Advisory Papers on population; and
- Built planning capacity of staff through training on macro-economic modelling, county planning, public investment management, public policy making and analysis, SDGs mainstreaming, and operationalization of 18 national planning offices in the counties.



Key Sector Achievements 2021/22-2023/24 ...(8)

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Inter government revenue and financial matters

- Ensured equitable revenue sharing between National and County governments and among County governments;
- Made recommendation on County recurrent expenditure budget ceilings for County Governments; and
- Undertook own source revenue administration assessment for county governments.

Salaries and Remuneration Management

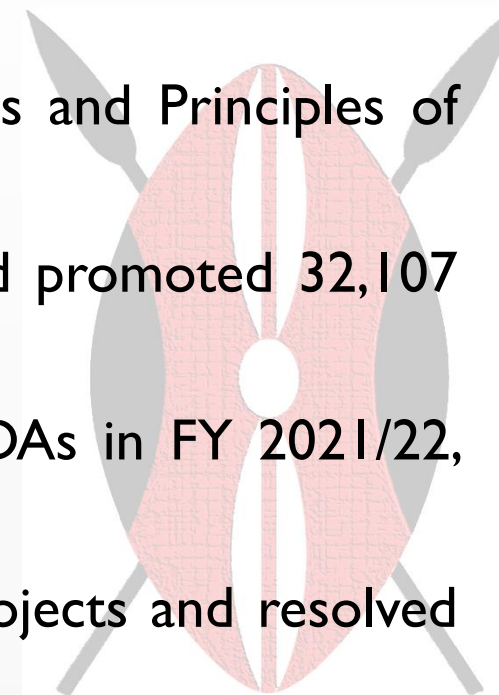
- Issued 737 advisories on remuneration and benefits to Ministries, Counties, Departments and Agencies (MCDAs);
- Undertook compliance checks in 176 public institutions on HRM Policies and procedures;
- Provided advisories on 71 collective Bargaining Agreements (CBAs);
- Developed the Allowances Policy Guidelines for the Public Service; and
- Conducted Job Evaluation on 47,533 jobs during the 3rd Remuneration cycle.



Key Sector Achievements 2021/22-2023/24 ...(9)

Human Resource Management and Development

- Recruited and placed 12,460 interns in Ministries, Departments and Agencies (MDAs);
- Developed Performance Management Regulations 2021 and Public Service Commission Regulations 2020;
- Evaluated and reported to the President and Parliament on Values and Principles of Public Service in 291 MDAs;
- Reviewed organizational structures and staffing levels in MDAs and promoted 32,107 officers;
- Evaluated the performance of 354 MDAs, 394 MDAs, and 418 MDAs in FY 2021/22, FY 2022/23, and FY 2023/24;
- Monitored 396 National Government Priority Programmes and Projects and resolved 96 projects bottle-necks; and
- Categorized 25 State Corporations.



Key Sector Achievements 2021/22-2023/24 ...(10)

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Audit Services

- Conducted audits and issued 5,349 reports;
- Conducted special audits among them county pending bills, audit of Covid-19 funds/vaccines, and National Education Management Information Management System (NEMIS) Capitation among others; and
- Strengthened audit human resource capacity through recruitment and training of 192 auditors.

Control and Management of Public Finances

- Prepared and published **21,100** and **30,414** Budget Implementation Review Reports for the National and County government respectively;
- Approved **KSh.8.06 trillion** and **KSh.1.09 trillion** grants of credit from Public Funds for the National and County governments respectively;
- Approved **15,704** public debt and **37,566** pension gratuity files; and
- Conducted monitoring and evaluation of **1,175** development projects under implementation at the National and County governments.



Key Sector Achievements 2021/22-2023/24 ...(11)

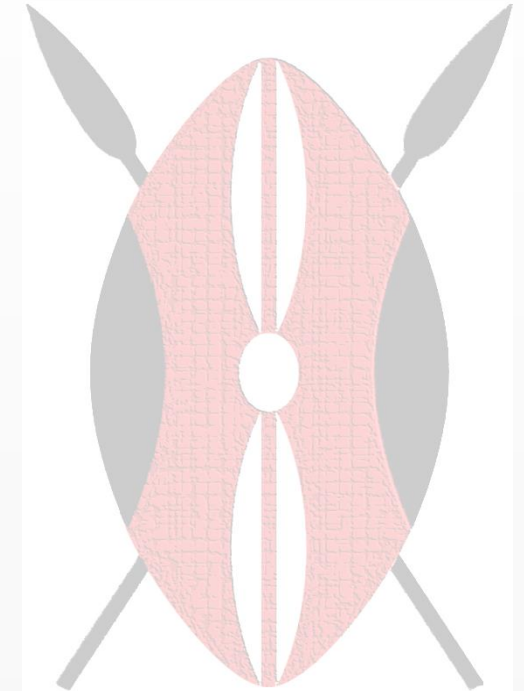
Administrative Justice

- Resolved 11,461 complaints on maladministration;
- Enhanced oversight on service delivery at the counties through establishment of Ombudsman offices in Laikipia, Garissa, Kwale, Makueni, Meru, and Taita-Taveta counties; and
- Strengthened the capacity of public institutions to manage public complaints for effective service delivery.



Analysis of Approved Budget Vs Actual Expenditure

FY 2021/22 – FY 2023/24



Expenditure Trends for the FY 2021/22 – FY 2023/24

Analysis of Total Budget Vs Actual Expenditure

- ▶ In the Financial Years **2021/22**, **2022/23** and **2023/24** the Sector's approved budget (Recurrent and Development) was **KSh.328.67 billion**, **KSh.299.93 billion** and **KSh. 264.41 billion** respectively;
- ▶ The actual expenditure was **KSh.288.33 billion**, **KSh.242.37 billion** and **KSh.211.40 billion** in the Financial Years **2021/22**, **2022/23** and **2023/23** respectively;
- ▶ The corresponding absorption rates stood at **88%**, **81%** and **80%** for the Financial Years **2021/22**, **2022/23** and **2023/24** respectively as summarised in the next slide



Analysis of Recurrent Expenditure...(I)

- The Sector's approved recurrent budget increased from **KSh.154.92 billion** in FY **2021/22** to **KSh.155.97 billion** in FY **2022/23** and **KSh.144.14 billion** in FY **2023/24**.
- Actual expenditure amounted to **KSh.144.55 billion**, **KSh.133.06 billion** and **KSh.128.23 billion** in the Financial Years **2021/22**, **2022/23** and **2023/24** respectively.
- The corresponding absorption rates were **93%**, **85.3%** and **89%** for the three financial years respectively as detailed in the tables in the next slides.

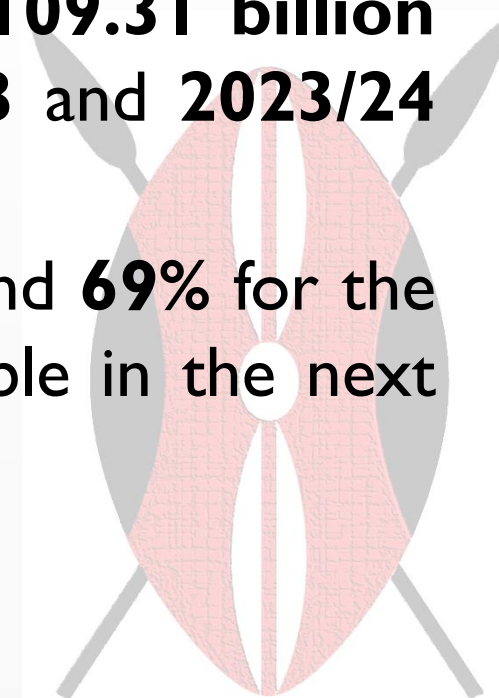


Analysis of Recurrent Expenditure...(2)

Economic Classification	Approved Budget (KSh.Millions)			Actual Expenditure(KSh.Millions)		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Gross	154,917.3	155,972.3	144,140.0	144,548.2	133,056.8	128,232.3
AIA	22,902.5	14,443.2	16,782.4	8,895.0	7,420.7	11,234.3
NET	132,012.8	141,493.1	127,327.5	135,652.1	125,610.2	116,979.4
Compensation of Employees	39,144.2	34,440.8	26,714.8	38,343.5	31,252.2	24,729.1
Transfers	58,154.9	65,874.6	75,628.3	55,907.0	50,799.7	64,000.8
Other Recurrent	56,602.3	58,901.0	39,575.7	50,433.3	52,839.9	38,729.6
Utilities	1,716.4	1,144.9	426.5	1,306.9	733.2	1,612.8
Rent	3,780.2	3,390.8	1,478.4	3,596.9	3,075.8	1,319.0
Insurance	5,615.1	4,655.5	987.3	4,858.7	3,865.2	952.2
Subsidies	-	-	-	-	-	-
Gratuity	504.2	888.3	183.2	516.8	3,444.8	166.1
Contacted Guards & Cleaning Services	3,580.7	3,323.8	639.3	2,811.5	3,067.1	605.1
Others	41,357.7	45,495.7	35,858.0	37,294.5	38,651.8	34,071.3
Absorption rate				93%	85.3%	89%

Analysis of Development Expenditure...(I)

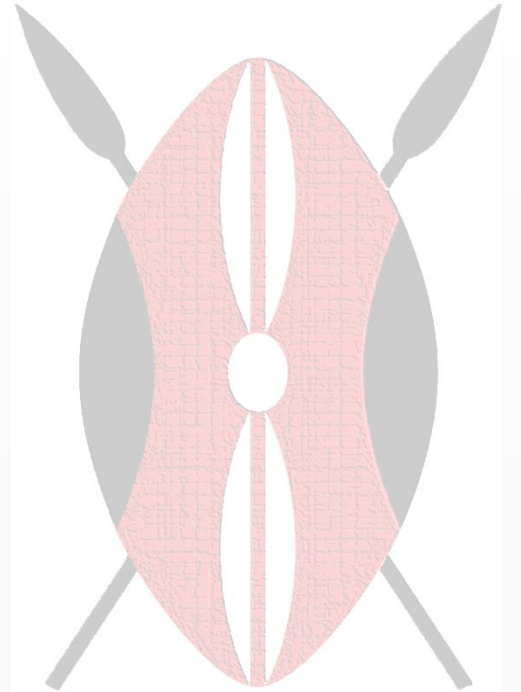
- Development Vote allocation was **KSh.173.75 billion** in FY 2021/22, **KSh.143.96 billion** in FY 2022/23 and **KSh.120.271 billion** in FY 2023/24
- The expenditure stood at **KSh.143.78 billion**, **KSh.109.31 billion** and **KSh.83.40 billion** for the FY 2021/22, 2022/23 and 2023/24 respectively.
- The corresponding absorption rates were **83%**, **76%** and **69%** for the three financial years respectively as detailed in the table in the next slide.



Analysis of Development Expenditure...(2)

Description	Approved Budget (KSh.Millions)			Actual Expenditure (KSh.Millions)		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Gross	173,758.48	143,960.81	120,271.04	143,787.27	109,315.42	83,173.65
GoK	104,125.41	121,366.91	87,236.32	99,171.65	95,200.55	59,234.79
Loans	12,044.00	8,205.00	19,359.00	10,456.00	6,678.00	16,346.49
Grants	12,918.00	1,612.33	3,872.72	9,745.00	1,208.87	3,015.37
Local AIA	44,671.07	12,776.57	9,803.00	24,413.62	6,228.00	4,578.00
Absorption rate				83%	76%	69%

FINANCIAL PLAN FOR THE FY 2025/26 AND THE MEDIUM-TERM



Sector Programmes For 2025/26 – 2027/28...(I)

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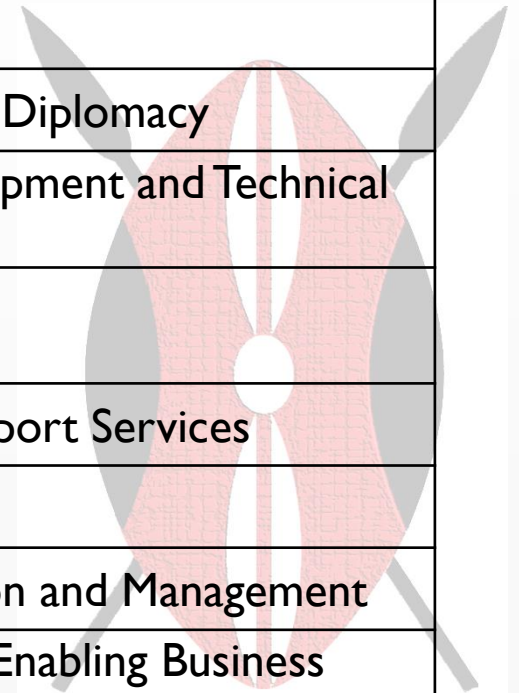
In the 2025/26-2027/28 MTEF Period, the Sector will implement **44 Programmes** as outlined below:

Sub-Sector	No.	Programme
Executive Office of the President	1	General Administration Planning and Support Service
	2	Government Advisory Services
	3	Government Printing Services
	4	Leadership and Coordination of Government Services
Office of the Deputy President	5	Deputy President Services
Office of the Prime Cabinet Secretary	6	Government Coordination and Supervision
State Department for Parliamentary Affairs	7	Parliamentary Liaison and Legislative Affairs
	8	Policy Coordination and Strategy
	9	General Administration Planning and Support Services
State Department for Performance and Delivery Management	10	Public Service Performance Management
	11	Service Delivery Management
	12	Coordination and Supervision of Government Services
	13	General Administration, Planning and Support Services

Sector Programmes For 2025/26 – 2027/28...(2)

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Sub-Sector	No.	Programme
State Department for Cabinet Affairs	14	Cabinet Delivery Services
State House	15	State House Affairs
State Department for Devolution	16	Devolution Support Services
State Department for Foreign Affairs	17	General Administration, Planning and Support Services
	18	Foreign Relations and Diplomacy
	19	Economic Cooperation and Commercial Diplomacy
	20	Foreign Policy Research, Capacity Development and Technical Cooperation
State Department for Diaspora Affairs	21	Management of Diaspora Affairs
The National Treasury	22	General Administration Planning and Support Services
	23	Public Financial Management
	24	Economic and Financial Policy Formulation and Management
	25	Market Competition and Creation of an Enabling Business Environment



Sector Programmes For 2025/26 – 2027/28...(3)

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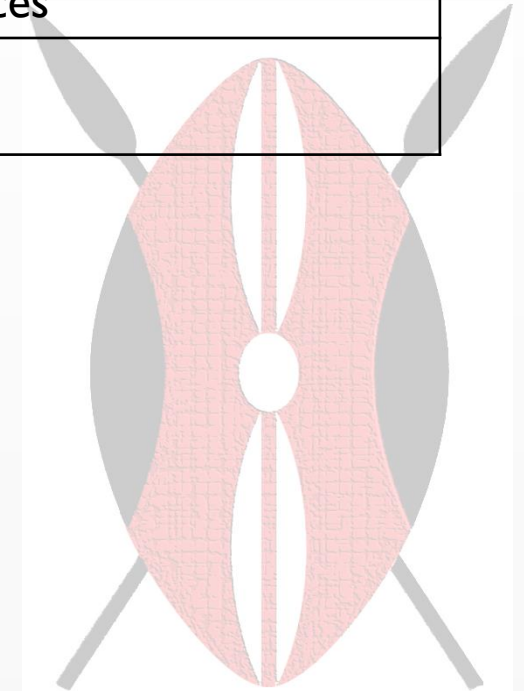
Sub-Sector	No.	Programme
State Department for Economic Planning	26	Macro-economic Policy, National Planning and Research
	27	Sectoral and Intergovernmental Development Planning
	28	National Statistical Information Services
	29	Monitoring and Evaluation Services
	30	General Administration, Planning and Support Services
State Department for Public Service	31	Public Service Human Resource Management and Development
	32	Public Service Transformation
	33	General Administration, Planning and Support Services
	34	National youth service
Commission on Revenue Allocation	35	Inter government revenue and financial matters
Public Service Commission	36	General Administration, Planning and Support Services
	37	Human resource management and development
	38	Governance and national values
	39	Performance and productivity management
	40	Administration of Quasi-Judicial Functions



Sector Programmes For 2025/26 – 2027/28...(4)

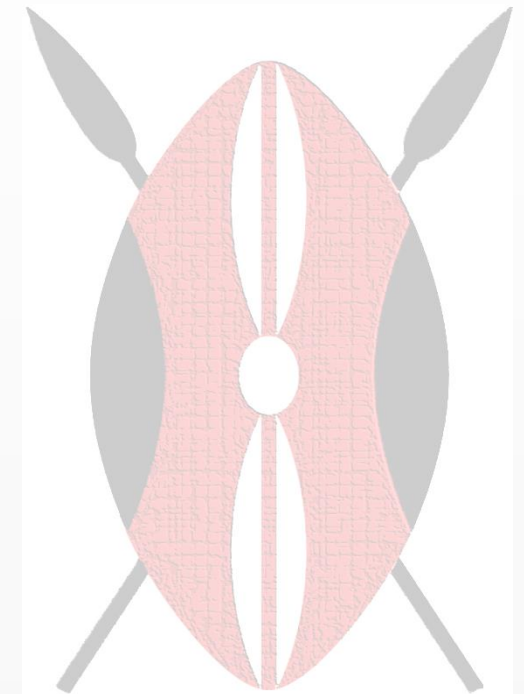
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Sub-Sector	No.	Programme
Salaries and Remuneration Commission	41	Salaries and Remuneration Management
Auditor General	42	Audit Services
Office of the Controller of Budget	43	Control and Management of Public finances
The Commission on Administrative Justice	44	Promotion of Administrative Justice



Sector Key Targets

FY 2025/26 - 2027/28

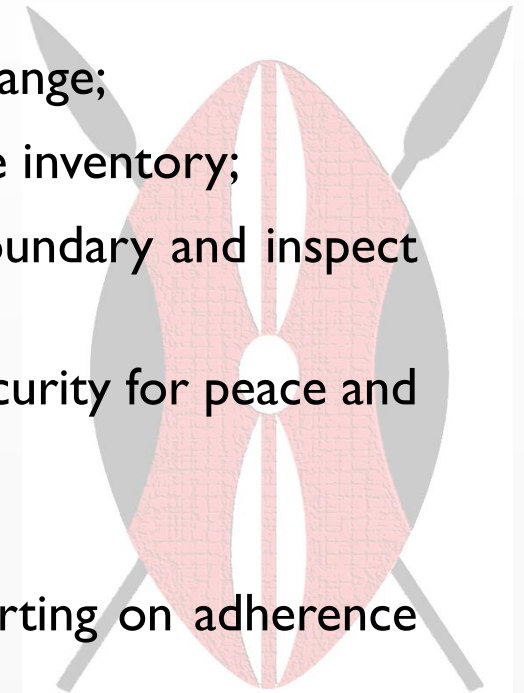


Sector Key Targets FY 2025/26 - 2027/28 ...(I)

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Policy Direction and Leadership

- i. Overall policy direction, leadership, coordination, and supervision of government operations;
- ii. Promote the Whole of Government Approach in the delivery of public services and implementation of BETA Priorities;
- iii. Provide Government Printing Services;
- iv. Grow 150 million trees to support mitigation and adaptation of climate change;
- v. Survey, map and monitor 300,000km² of ecosystem for rangeland resource inventory;
- vi. Reaffirm 300km of Kenya–Tanzania boundary, 150km of Kenya-Uganda boundary and inspect and maintain 205km of Kenya-Ethiopia boundary;
- vii. Spearhead the coordination of Inter-Agency Action to address national security for peace and stability in the country;
- viii. Coordinate implementation of Anti-Corruption Strategy;
- ix. Coordinate implementation of the Framework for Monitoring and Reporting on adherence to values and principles of Public Service;

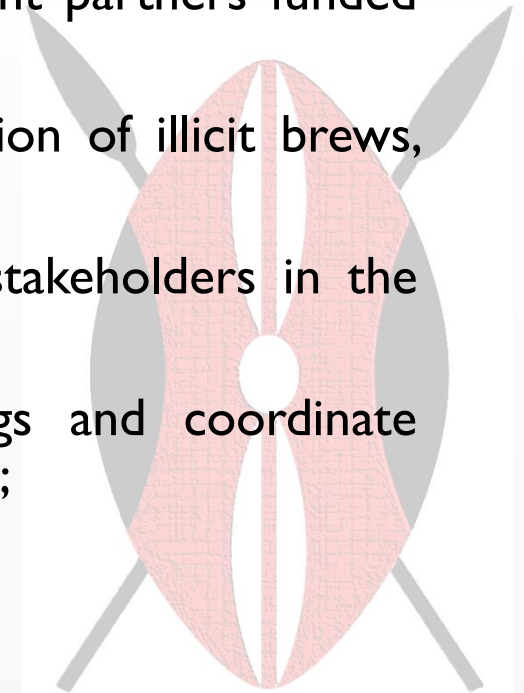


Sector Key Targets FY 2025/26 - 2027/28 ...(2)

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Policy Direction and Leadership

- x. Hold 12 IBEC meetings and Sectoral Working Committee meetings;
- xi. Hold 12 fora on liaison with Constitution Commissions and Independent Offices in matters that require interventions by the National Government;
- xii. Hold 6 fora to coordinate and supervise implementation of development partners funded projects;
- xiii. Convene 18 multi-sectoral stakeholder fora on prevention and mitigation of illicit brews, drugs and substance abuse;
- xiv. Convene 18 high level engagements with domestic and international stakeholders in the coffee sub-sector and its value chains;
- xv. Hold 12 National Development Implementation Committee meetings and coordinate Regional and County Management Implementation Oversight Committees;
- xvi. Hold 16 stakeholder and citizens engagements;
- xvii. Prepare 16 legal, economic and policy advisories;



Sector Key Targets FY 2025/26 - 2027/28 ...(3)

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Policy Direction and Leadership

- xviii. Coordinate implementation of the Government Legislative Agenda across all MDAs;
- xix. Operationalize Legislative Agenda Tracking Information System;
- xx. Develop and implement Parliamentary Liaison Framework;
- xxi. Monitor and evaluate implementation of Public Policy Handbook and Guidelines for development of National Government Policy and Legislation;
- xxii. Capacity build all MDAs on policy and legislation making process;
- xxiii. Coordinate and oversee development of executive policies, Cabinet decisions and Presidential directives;
- xxiv. Provide technical support to the Cabinet Committees;



Sector Key Targets FY 2025/26 - 2027/28 ...(4)

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Policy Direction and Leadership

- xxv. Develop and roll-out Government Delivery Monitoring Information System;
- xxvi. Review and map all on-going Public Sector Reforms, and prioritize to catalyze BETA aspirations;
- xxvii. Implement paperless Government through the Electronic Data Records Management System and Cabinet Memo System;
- xxviii. Facilitate the President to execute the Constitutional mandate;
- xxix. Hold 9 celebration functions;
- xxx. Facilitate policy advisory briefs on BETA strategic interventions and priorities;
- xxxi. Prepare 3 M&E reports on tracking of Presidential commitments on Women Rights Charter;
- xxxii. Hold 205 fora with multi-stakeholders on BETA Priorities; and
- xxxiii. Develop Presidential Library Policy and Legal Framework.

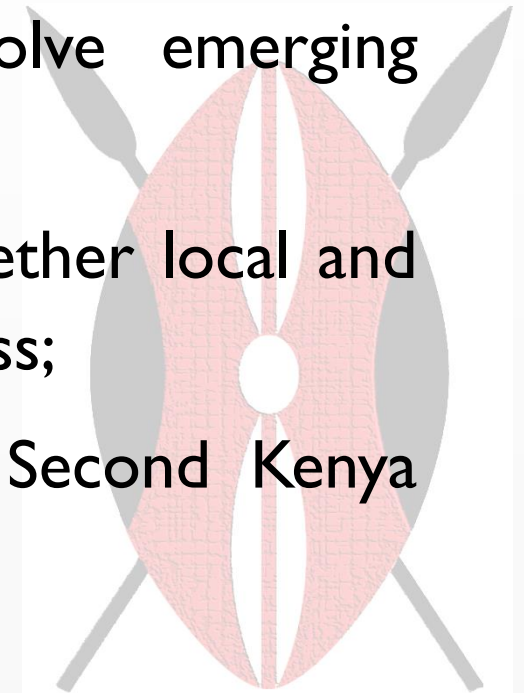


Sector Key Targets FY 2025/26 - 2027/28 ...(5)

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Devolution Support

- i. Review Regulations on County Assemblies Act 2017, Intergovernmental Relations Act and Devolution Policy;
- ii. Convene seven (7) Intergovernmental fora to resolve emerging intergovernmental emerging issues;
- iii. Host the biannual Devolution Conference to bring together local and international stakeholders to showcase devolution success;
- iv. Transfer level one grants to 47 counties under the Second Kenya Devolution Support Programme; and
- v. Undertake Annual County Performance Assessment.



Sector Key Targets FY 2025/26 - 2027/28 ...(6)

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Foreign Relations and Diaspora Affairs

- i. Facilitate 62 outbound and 55 inbound High Level State and Official Visits;
- ii. Operationalize the Kenya Foreign Service Academy (FSA) as a Semi-Autonomous Government Agency;
- iii. Promote Nairobi as a centre for international conferencing and multi-lateral diplomacy by hosting /co-hosting 6 high level conferences and events;
- iv. Establish and operationalize five (5) Missions in Bogota (Colombia), Mumbai(India), Dhaka (Bangladesh), Asmara (Eritrea) and Guangzhou (China);
- v. Deepen bilateral and multi-lateral relations by signing 30 MOUs/Joint Commissions for Cooperation with various countries;
- vi. Refurbish 15 Government owned properties in selected Missions abroad;
- vii. Articulate Kenya's Foreign Policy position in 150 High-Level Signature Events at the bilateral and multilateral levels;

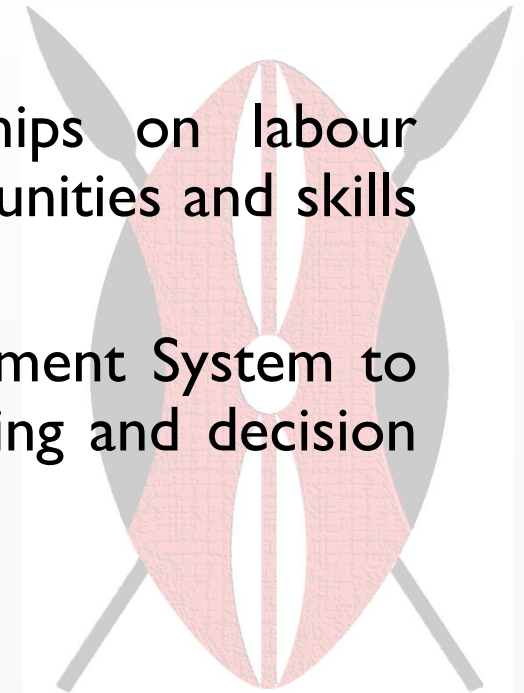


Sector Key Targets FY 2025/26 - 2027/28 ...(7)

37

Foreign Relations and Diaspora Affairs

- vii. Establish and operationalize diaspora offices in 11 Kenyan Missions abroad and post officers to enhance consular services;
- viii. Facilitate evacuation and repatriation of Kenyans in distress in the diaspora on request;
- ix. Initiate and facilitate negotiations of strategic partnerships on labour migration and mobility with various countries for job opportunities and skills transfer;
- x. Operationalize the Diaspora Integrated Information Management System to map the diaspora in various jurisdictions and assist in planning and decision making;
- xi. Organize eight (8) Diaspora Investment Forums; and
- xii. Establish a 24-hour Diaspora Emergency Response Centre.

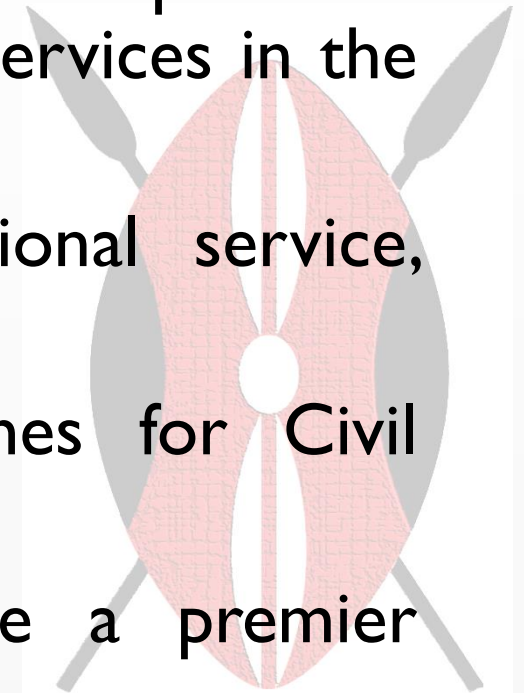


Sector Key Targets FY 2025/26 - 2027/28 ...(8)

38

Public Service Transformation

- i. Upgrade the ICT infrastructure for Huduma Service Delivery Platforms to support MDAs in offering digital services;
- ii. Establish a psychological assessment centre to promote effectiveness of the provision of the mental health services in the public service;
- iii. Train 40,000 youth annually in paramilitary, national service, technical and vocational skills;
- iv. Provide comprehensive Medical Insurance Schemes for Civil Servant, State Officers and Senior Public Servants;
- v. Strengthen Kenya School of Government to be a premier institution in the region;

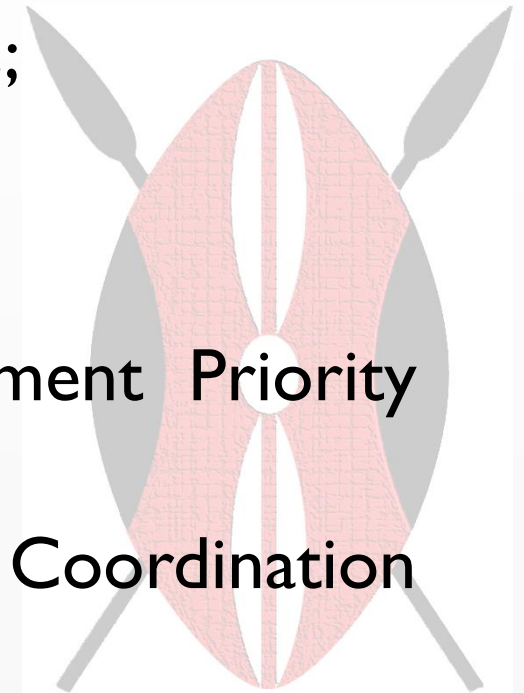


Sector Key Targets FY 2025/26 - 2027/28 ...(9)

39

Public Service Transformation

- i. Develop human capital systems that are consistent with merit-system principles, and modernizing policies and practices for recruitment, retention, training and development;
- ii. 80% automation of performance contracting services;
- iii. Align targets of 477 MDAs to Government Agenda;
- iv. Evaluate performance of 477 MDAs;
- v. Track and verify status of 460 National Government Priority Programmes and Projects; and
- vi. Implement 40% of Government Innovation Coordination Programme.



Sector Key Targets FY 2025/26 - 2027/28 ...(10)

40

Human Resource Management and Development

- i. Operationalize the regional interview centres;
- ii. Finalize and implement the HR Master Plan (2021-2030)
- iii. Undertake and review organizational structures and staffing levels for the public service;
- iv. Implement the Public Service Internship Program;
- v. Undertake the annual compliance and Ad hoc HR audits;
- vi. Undertake 3 annual Public Service Excellence Awards Scheme;
- vii. Hear and determine County Governments and State Corporations appeals;
- viii. Undertake digitization of bi-annual wealth declaration forms; and
- ix. Administer alternative dispute resolution mechanisms.



Sector Key Targets FY 2025/26-2027/28 ...(II)

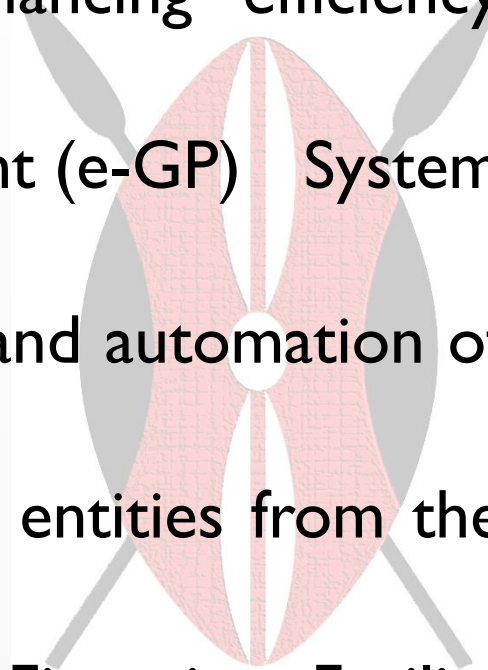
Public Finance Management, fiscal management for economic growth and stability and oversight

- i. Sustain macro-economic stability by maintaining inflation range within the policy range of 5 +/-2.5%, enhancing import cover to 6.1% and reducing fiscal deficit to GDP to 2.8% in the Medium-Term from 5.2% in the FY 2023/24;
- ii. Expand tax base aimed at raising revenue collected as % of GDP from 16.8% to 17.5% in the Medium-Term and increasing private capital to KSh.245 billion under the PPP Framework from KSh.4.3 billion mobilized in the FY 2023/24;
- iii. Operationalize the Treasury Single Account and Public Investment Management Information System;
- iv. Ensure 100% transition from cash accounting to accrual accounting in MDAs.

Sector Key Targets FY 2025/26-2027/28 ...(12)

Public Finance Management, fiscal management for economic growth and stability and oversight

- v. Digitize additional 5,000 Government Payments to the current 16,000 services aimed at streamlining service delivery, enhancing efficiency, transparency and accountability;
- vi. Develop and deploy Electronic-Government Procurement (e-GP) System in 34,421 Government Institutions;
- vii. Develop a leasing framework for Public Sector entities and automation of the National Assets and Liabilities in the IFMIS;
- viii. Increase the portfolio of registered Financial Reporting entities from the current 4,508 to 11,008 in the Medium-Term; and
- ix. Reach 29,000 farmers benefitting from the Green Financing Facility through the Rural Kenya Financial Inclusion Facility.

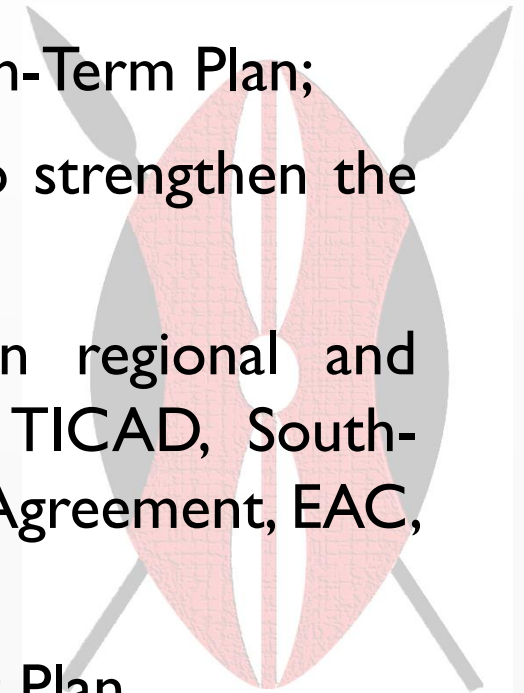


Sector Key Targets FY 2025/26 - 2027/28 ...(13)

43

Economic Policy and National Planning

- i. Undertake macro-economic research, modelling, forecasting, reporting of economic trends, statistics management and production of timely and quality data;
- ii. Coordinate implementation and monitoring of Fourth Medium-Term Plan;
- iii. Finalize development of Economic Planning Policy and Bill to strengthen the economic planning function at national and county levels;
- iv. Coordinate implementation, monitoring, and reporting on regional and international frameworks(Sustainable Development Goals, TICAD, South-South and Triangular Cooperation, APRM & CPRM, SAMOA Agreement, EAC, Africa Agenda 2063, and ICPD25); and
- v. Develop a framework for post-2030 Long-Term Development Plan.

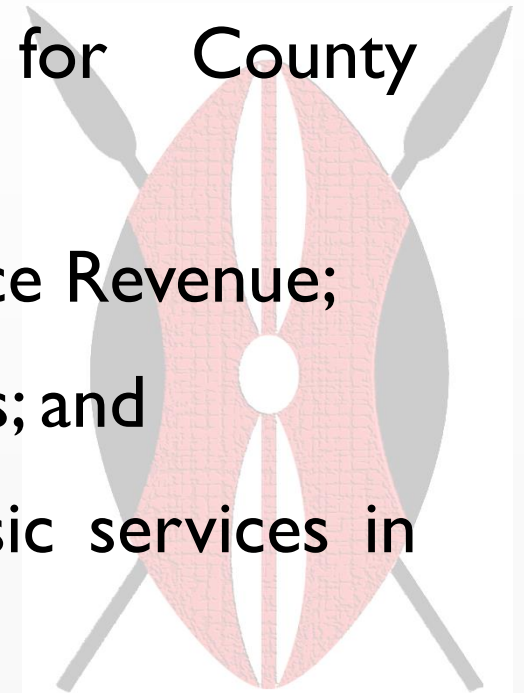


Sector Key Targets FY 2025/26 - 2027/28 ...(14)

44

Intergovernmental Revenue and Financial Matters

- i. Make recommendations on equitable sharing of revenue between the National Government and County Governments;
- ii. Make recommendations on budget ceilings for County Governments;
- iii. Support counties on the enhancement of Own Source Revenue;
- iv. Develop third Policy identifying marginalized counties; and
- v. Report on impact assessment on the status of basic services in areas identified as marginalized.



Sector Key Targets FY 2025/26 - 2027/28 ...(15)

45

Control and Management of Public Finances

- i. Efficient approval of withdrawals from Public Funds;
- ii. Report and disseminate quality Budget Implementation Reviews;
- iii. Prudent financial management and effective budget implementation;
- iv. Stakeholders engagement and collaborations;
- v. Build capacity and governance of institutions on public finance;
- vi. Monitor and evaluate implementation of budgets;
- vii. Hold public sensitization fora on budget implementation;
- viii. Migrate from cash to accrual basis of financial reporting.

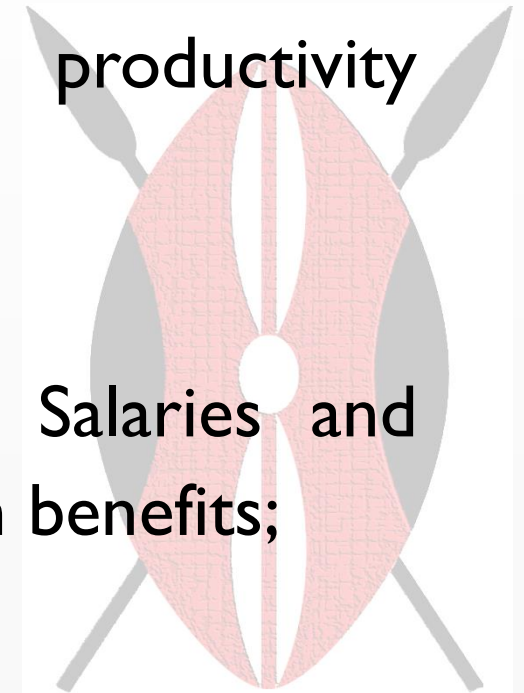


Sector Key Targets FY 2025/26 - 2027/28 ...(16)

46

Salaries and Remuneration Management

- i. Provide advice on remuneration and benefits to Ministries, Counties, Departments and Agencies (MCDAs);
- ii. Support 192 MCDAs in development of productivity measures/indices;
- iii. Harmonize grading structures for the public service;
- iv. Prepare a report on compliance by MCDAs to Salaries and Remuneration Commission's advice on remuneration benefits;
- v. Issue 12 quarterly wage bill bulletins.

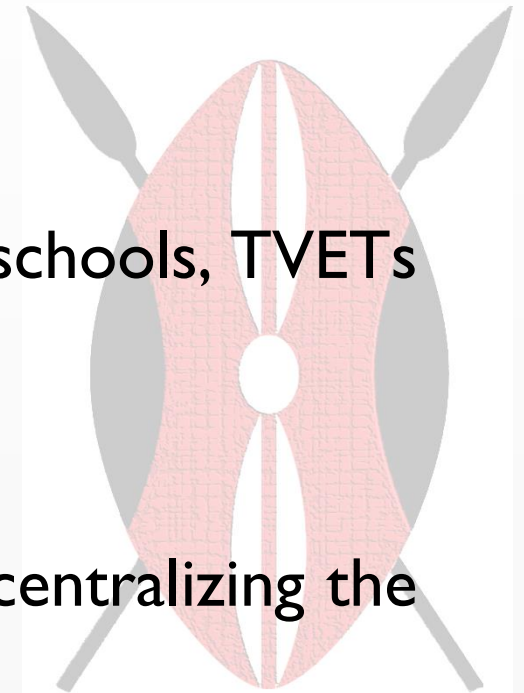


Sector Key Targets FY 2025/26 - 2027/28 ...(17)

47

Audit Services

- i. Carry out audit and issue 10,409 regularity audit reports comprising 5,300, 4,239 and 870 reports for National Government, County Governments and NG-CDF respectively;
- ii. Carry out audit and issue 120 special audit reports;
- iii. Carry out audit and issue 9,534 reports for secondary schools, TVETs and Levels IV and V hospitals;
- iv. Support 2,700 meetings of Parliament; and
- v. Construct Mombasa Regional Office Block as part of decentralizing the OAG services.

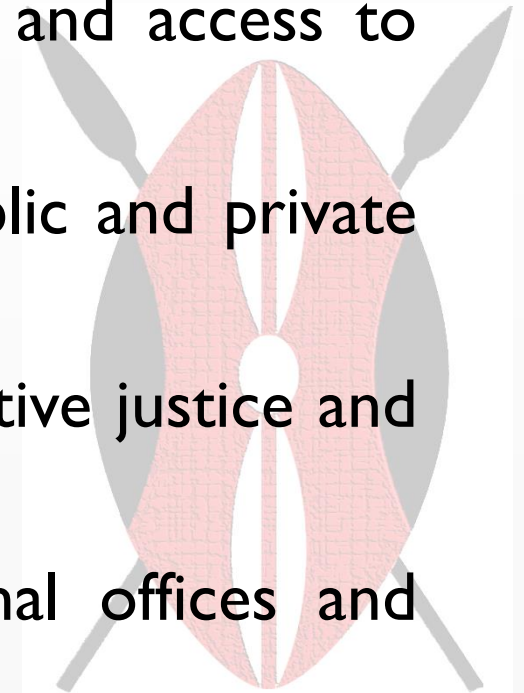


Sector Key Targets FY 2025/26 - 2027/28 ...(18)

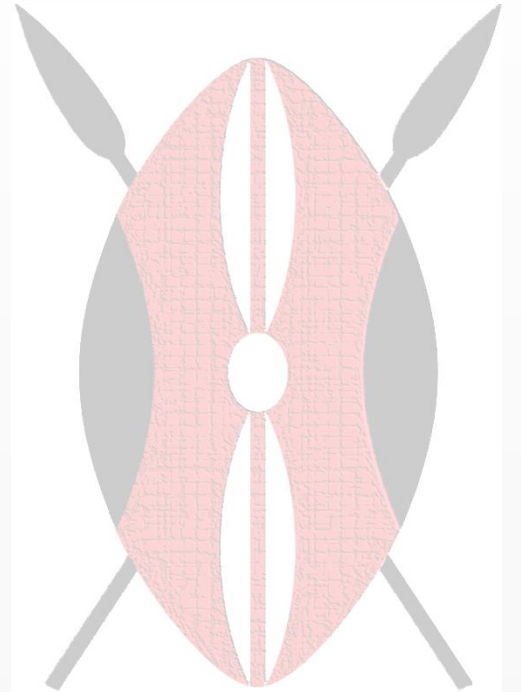
48

Administrative Justice

- i. Enforcement of administrative justice by providing redress on public complaints received on maladministration;
- ii. Provide 12 advisory opinions on administrative justice and access to information;
- iii. Enforcement of the right to information within the public and private sectors;
- iv. Sensitize and educate 6.8 million Kenyans on administrative justice and access to information;
- v. Decentralization of Ombudsman services to 6 regional offices and service delivery points.



**Sector Resource Requirements and
Allocations for
FY 2025/26 – FY 2027/28**

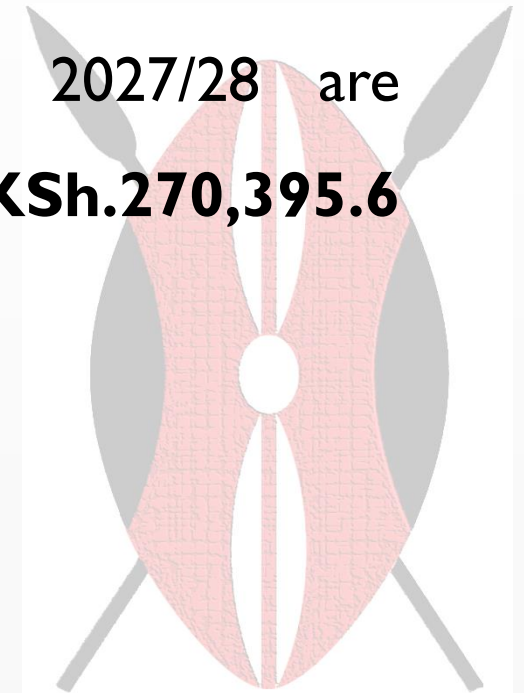


Sector Resource Requirements & Allocations...(I)

50

The Sector's resource requirements were **KSh.530,643.0 million**, **KSh.518,577.8 million** and **KSh.557,319.6 million** in the FY2025/26, FY2026/27 and FY2027/28 respectively.

- ▶ The allocations for the FY 2025/26, FY 2026/27 and 2027/28 are **KSh.326,023.6 million**, **KSh.261,881.6 million** and **KSh.270,395.6 million** respectively as shown in the next slide.



Sector Resource Requirements Vs Allocations for FY 2025/26 – FY 2027/28 ...(2)

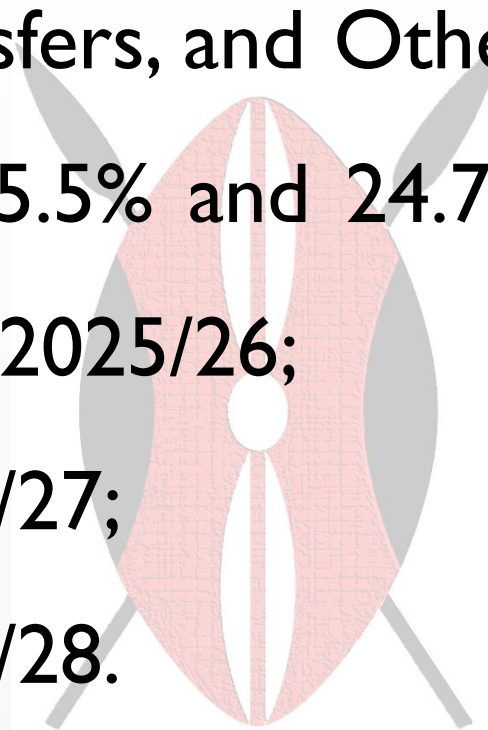
51

	Baseline	Requirements (KSh. Millions)			Allocations (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Recurrent	136,692.1	277,835.1	311,285.6	349,722.4	156,823.4	186,975.3	194,539.4
Development	124,223.9	252,807.9	207,292.2	207,597.2	169,200.2	74,906.3	75,856.2
Total	260,916.0	530,643.0	518,577.8	557,319.6	326,023.6	261,881.6	270,395.6



Sector Recurrent Resource Requirements and Allocations for FY 2025/26 – FY 2027/28

- On average, Compensation to Employees, Transfers, and Other Recurrent expenditures are allocated 29.8%, 45.5% and 24.7% of the recurrent expenditure respectively in FY 2025/26;
- 23.3%, 52.5% and 24.2% respectively in FY 2026/27;
- 22.7%, 52.0% and 25.3% respectively in FY 2027/28.



Recurrent Resource Requirements Vs Allocations by Economic Classification ...(I)

53

RECURRENT	Baseline	Requirement (KSh. Millions)			Allocation (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Gross	136,692.1	277,835.1	311,285.6	349,722.4	156,823.4	186,975.3	194,539.4
AIA	18,827.7	19,732.2	20,198.8	20,726.7	19,732.2	20,198.8	20,726.6
Net	117,864.4	258,102.9	291,086.8	328,995.7	137,091.2	166,776.5	173,812.8
Compensation to Employees	35,881.8	51,875.4	50,360.9	52,553.5	46,717.5	43,611.6	44,170.1
Transfers	68,038.7	115,935.3	147,672.2	175,521.5	71,421.5	98,204.6	101,180.7
Other Recurrent	32,771.7	110,024.4	113,252.5	121,647.4	38,684.4	45,159.0	49,188.6

Recurrent Resource Requirements Vs Allocations by Sub-Sector (Recurrent)...(2)

54

RECURRENT	Baseline	Requirement (KSh. Millions)			Allocation (KSh. Millions)		
	Baseline	Requirement (KSh. Millions)			Allocation (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Executive Office of the President	3,584.50	11,504.10	11,708.40	12,022.90	3,898.70	4,043.20	4,195.20
Office of the Deputy President	2,598.20	4,794.60	4,994.60	5,243.50	3,347.50	3,618.10	3,739.80
Office of the Prime Cabinet Secretary	721.7	2,622.70	2,579.00	2,627.80	930.9	963	995.4
State Department for Parliamentary Affairs	363.9	1,885.30	2,125.50	2,507.10	391	405.1	419.4
State Department for Performance & Delivery Management	507.9	1,426.90	1,463.20	1,533.60	599.2	621.6	644.3
State Department for Cabinet Affairs	228.7	738.2	817.7	907.2	274.2	291.5	301.3
State House Affairs	4,307.50	15,137.70	14,820.40	15,323.00	6,802.80	6,864.00	6,987.70
State Department for Devolution	1,442.90	3,489.90	3,627.40	4,304.20	1,518.90	1,593.00	1,676.70
State Department for Foreign Affairs	20,013.20	39,213.10	42,479.90	45,058.70	20,811.60	23,164.20	26,945.20
State Department for Diaspora Affairs	637.8	3,361.70	3,403.60	3,485.70	675.9	701.8	728.2

Recurrent Resource Requirements Vs Allocations by Sub-Sector (Recurrent)...(3)

55

RECURRENT	Baseline	Requirement (KSh. Millions)			Allocation (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
The National Treasury	66,721.70	120,809.30	138,071.30	152,525.00	79,902.80	106,631.10	108,432.70
State Department for Economic Planning	3,246.50	6,712.40	7,773.40	8,929.00	3,286.90	3,474.50	3,669.20
State Department for Public Service	18,658.40	45,277.70	55,087.90	71,104.60	20,176.20	19,988.70	20,765.80
Commission on Revenue Allocation	364.3	1,110.90	944.9	930.8	409	424.1	439.6
Public Service Commission	3,476.50	5,974.80	6,987.10	8,111.60	3,565.10	3,613.80	3,671.80
Salaries and Remuneration Commission	452.7	657	635.4	650.8	481.8	498.7	516
Office of the Auditor General	8,024.90	10,031.00	10,532.50	11,059.10	8,297.20	8,573.40	8,854.60
Office of the Controller of Budget	704.3	1,683.50	1,732.40	1,782.80	777.5	805.9	832.4
Commission on Administrative Justice	636.5	1,404.30	1,500.90	1,615.00	676.2	699.6	724.1
GRAND TOTAL	136,692.10	277,835.10	311,285.60	349,722.40	156,823.40	186,975.30	194,539.40

Sector Development Resource Requirements and Allocations for FY 2025/26 – FY 2027/28 ...(I)

The Sector's Development Resource Requirements were **KSh.252,807.9 million**, **KSh.207,292.2 million** and **KSh.207,597.2 million** in the FY2025/26, FY2026/27 and FY2027/28 respectively.

- The allocations for the FY 2025/26, FY 2026/27 and FY 2027/28 are **KSh.169,200.2 million**, **KSh.74,906.3 million** and **KSh.75,856.2 million** respectively as shown in the slide that follows.



Development Resource Requirements Vs Allocations(2)

Development	Baseline	Requirement (KSh. Millions)			Allocation (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Gross	124,223.9	252,807.9	207,292.2	207,597.2	169,200.2	74,906.3	75,856.2
GOK	82,602.4	205,809.2	175,552.4	180,102.0	122,529.3	44,804.4	58,533.4
Loans	18,567.9	27,539.6	13,566.0	9,414.9	27,539.6	13,195.3	5,721.5
Grants	23,053.6	19,459.1	18,173.8	18,080.3	19,131.3	16,906.6	11,601.3
Local A.I.A	-	-	-	-	-	-	-

Development Resource Requirements Vs Allocations by Sub-Sector (KSh.Millions)...(3)

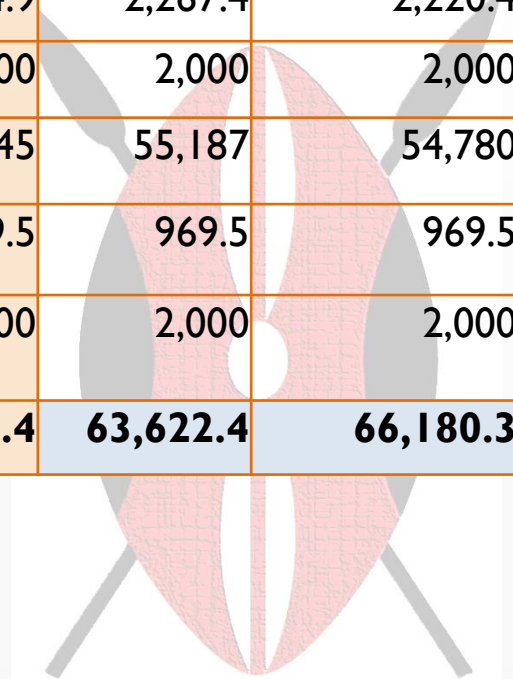
58

DEVELOPMENT	Baseline	Requirement (KSh. Million)			Allocation (KSh. Million)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Executive Office of the President	-	4,100.0	3,752.8	4,010.3	800.0	3,752.8	4,010.3
Office of the Deputy President	-	300.0	320.0	380.0	100.0	320.0	380.0
State Department for Performance & Delivery Management	-	504.3	310.2	181.9	10.0	78.0	138.7
State House Affairs	-	3,197.3	2,366.4	1,921.0	715.4	2,181.1	1,921.0
State Department for Devolution	2,653.0	16,834.0	6,661.5	4,397.0	16,084.0	6,545.3	4,335.2
State Department for Foreign Affairs	-	9,930.6	14,298.8	16,155.0	2,346.4	8,311.6	8,232.0
The National Treasury	52,504.4	143,710.7	100,594.7	96,383.3	89,301.3	48,281.7	47,182.8
State Department for Economic Planning	68,623.6	68,356.7	72,463.9	76,283.2	58,257.8	1,979.8	3,321.3
State Department for Public Service	363.9	5,374.0	5,984.0	6,971.3	1,195.0	2,966.5	5,420.7
Public Service Commission	-	45.3	64.4	71.2	35.3	64.4	71.2
Office of The Auditor General	79.0	455.0	475.5	843.0	355.0	425.1	843.0
Total	124,223.9	252,807.9	207,292.2	207,597.2	169,200.2	74,906.3	75,856.2

Recurrent Allocations to Strategic Interventions by Sub-Sector (KSh.Millions)

59

Recurrent	Baseline	Allocation		
	2024/25	2025/26	2026/27	2027/28
Executive Office of the President	-	180	180	180
Office of the Deputy President	-	707	868.5	880.4
Office of the Prime Cabinet Secretary	-	150	150	150
State House Affairs	-	2,374.9	2,267.4	2,220.4
State Department for Foreign Affairs	-	400	2,000	2,000
The National Treasury	17,725.2	30,445	55,187	54,780
State Department for Public Service	500	1,969.5	969.5	969.5
Public Service Commission	2,000	2,000	2,000	2,000
Total	20,225.2	38,226.4	63,622.4	66,180.3



Development Allocations to Strategic Interventions by Sub-Sector (KSh.Millions)

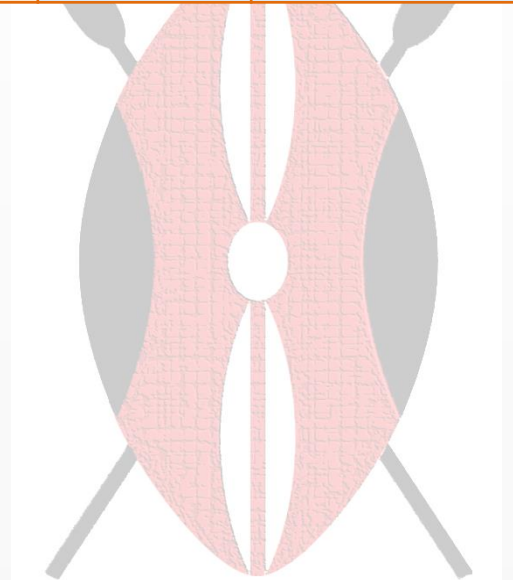
60

Development	Baseline	Allocation (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28
Executive Office of the President	-	500	1,000	1,000
Office of the Deputy President	-	-	-	-
Office of the Prime Cabinet Secretary	-	-	-	-
State House Affairs	-	500	500	500
State Department for Foreign Affairs	-	2,041.4	3,931.3	2,000
The National Treasury	13,150.2	58,323.2	19,240.2	19,240.2
State Department for Economic Planning	-	1,500	-	-
State Department for Public Service	-	500	-	-
Total	13,150.2	63,364.6	24,671.5	22,740.2
Total Recurrent and Development	33,375.4	101,591.0	88,293.9	88,920.5

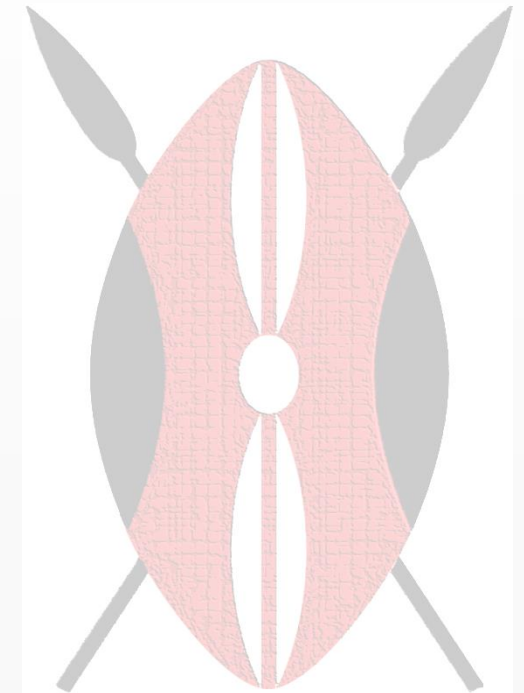
Allocations to BETA Priorities by Sub-Sector (KSh.Millions)

61

Development	Baseline	Allocation (KSh. Millions)		
	2024/25	2025/26	2026/27	2027/28
The National Treasury	46,329.2	41,748	33,333.5	27,979.4
State Department for Economic Planning	68,328.2	58,017	770	1,227.2
Total	114,657.4	99,765.0	34,103.5	29,206.6



Cross-Sector Linkages And Emerging Issues/Challenges



Cross-Sector Linkages

63

S/No.	Sector	Linkage to PAIR Sector
1.	Agriculture Rural and Urban Development	National Lands Policy and Management, Urban policy and Physical Planning for land use
2.	Energy, Infrastructure and ICT	Provides key technical input in the implementation of digital transformation strategies and the acquisition and leasing of offices and residential accommodation projects by the Sector both in Kenya and abroad
3	General Economic and Commercial Affairs	Provide technical support in the development of trade, enterprise, and industry development policy and services including the Buy Kenya Build Kenya Policy.
4	Health	Provide health services to improve the well-being of the citizens.
5	Education	Promotion and collaboration on capacity building, cultural and educational exchange to enhance productivity and provision of research for evidence -based decision making



Cross-Sector Linkages

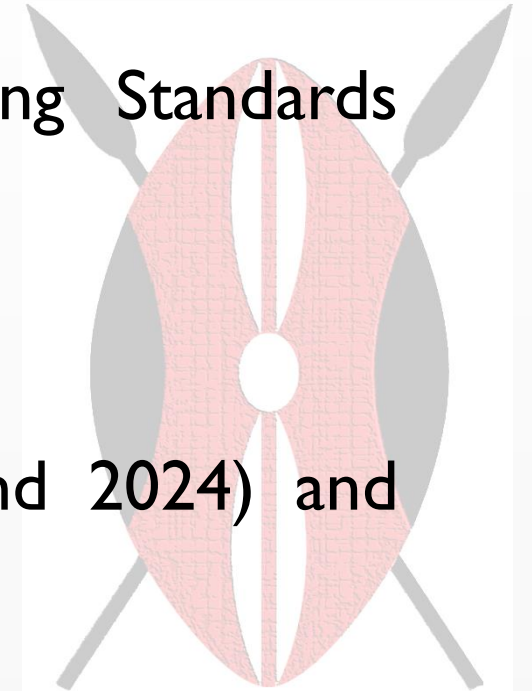
64

S/No.	Sector	Linkage to PAIR Sector
6	Governance Justice Law and Order	Development and review of bills and legislations, local and international instruments, MOUs, treaties, and agreements involving the Sector.
7	National Security	Liaise with the Sector on engagement in maintenance of peace and security and participation in conflict resolution and peace building initiatives within the region
8	Social Protection, Culture and Recreation	Support National Labour and employment policy management; industrial relations management and Social protection programs
9	Environment Protection, Water and Natural Resources	Provision of policy direction on the management of environment and natural resources and coordination of multilateral agreements relating to environment



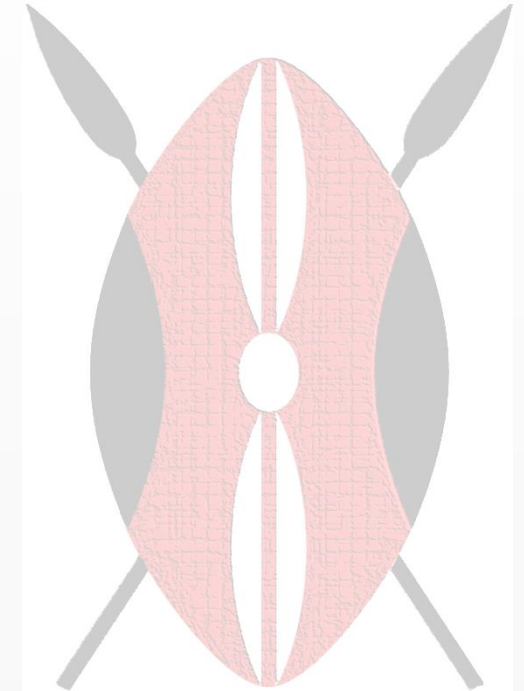
Emerging Issues

- Digital transformation and cyber security;
- Changing geo-political landscape;
- Transition from International Public Sector Accounting Standards (IPSAS) Cash Reporting to IPSAS Accrual Reporting;
- Climate change shocks;
- Contention on the legality of Finance Bills (2023 and 2024) and NG-CDF;



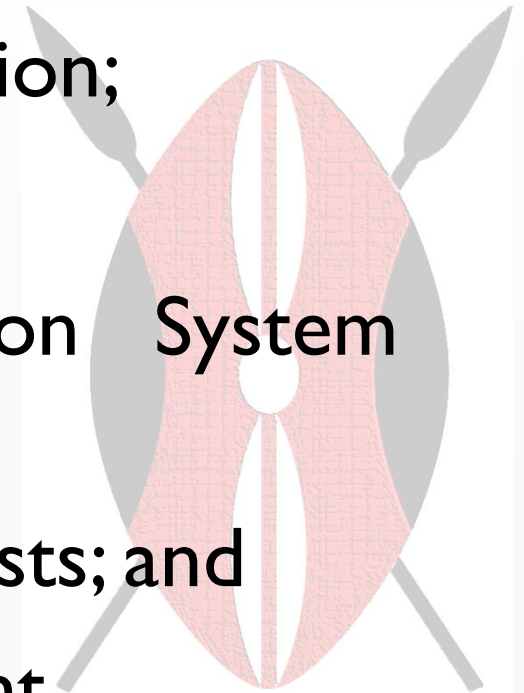
Challenges ...(I)

- Inadequate and fragmented data;
- Litigations;
- Inadequate policy and legal frameworks;
- Increasing public wage bill;
- Foreign exchange Losses;
- Public debt;
- Limited fiscal space;



Challenges ...(2)

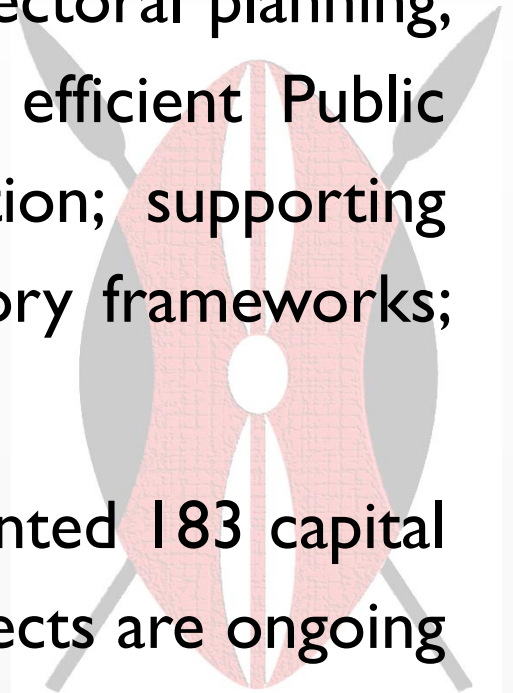
- Human trafficking and transnational crimes;
- Historical pending bills;
- Austerity measures during budget implementation;
- Delayed/non-release of exchequer;
- Integrated Financial Management Information System (IFMIS) downtime;
- Inadequate office space & high rental/leasing costs; and
- Inadequate human capital skills and development.



Conclusion

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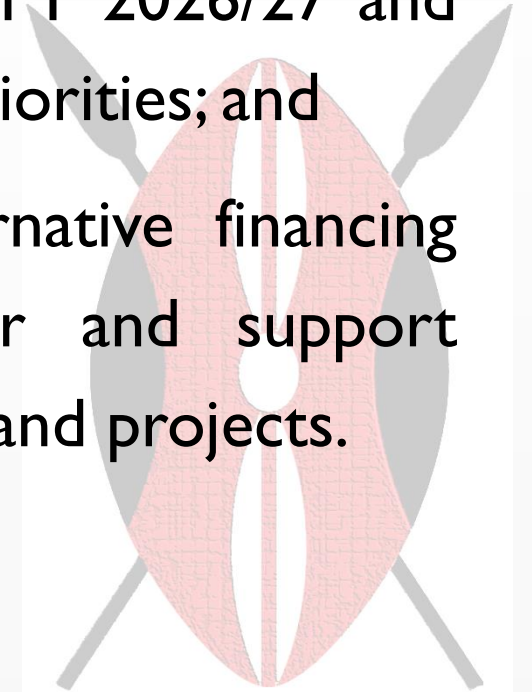
- The PAIR Sector contributes significantly to the country's economic growth through overall national leadership, coordination, oversight and policy direction; revenue and diaspora remittances mobilization; prudent economic and financial policy management; national and sectoral planning; foreign policy and commercial diplomacy; effective and efficient Public Service; youth empowerment and employment creation; supporting devolution; development of sound legislative and regulatory frameworks; and enforcement of administrative justice;
- During the FY 2021/22 - FY 2023/24, the Sector implemented 183 capital projects, out of which **23 were completed** and 159 projects are ongoing at various stages of completion;



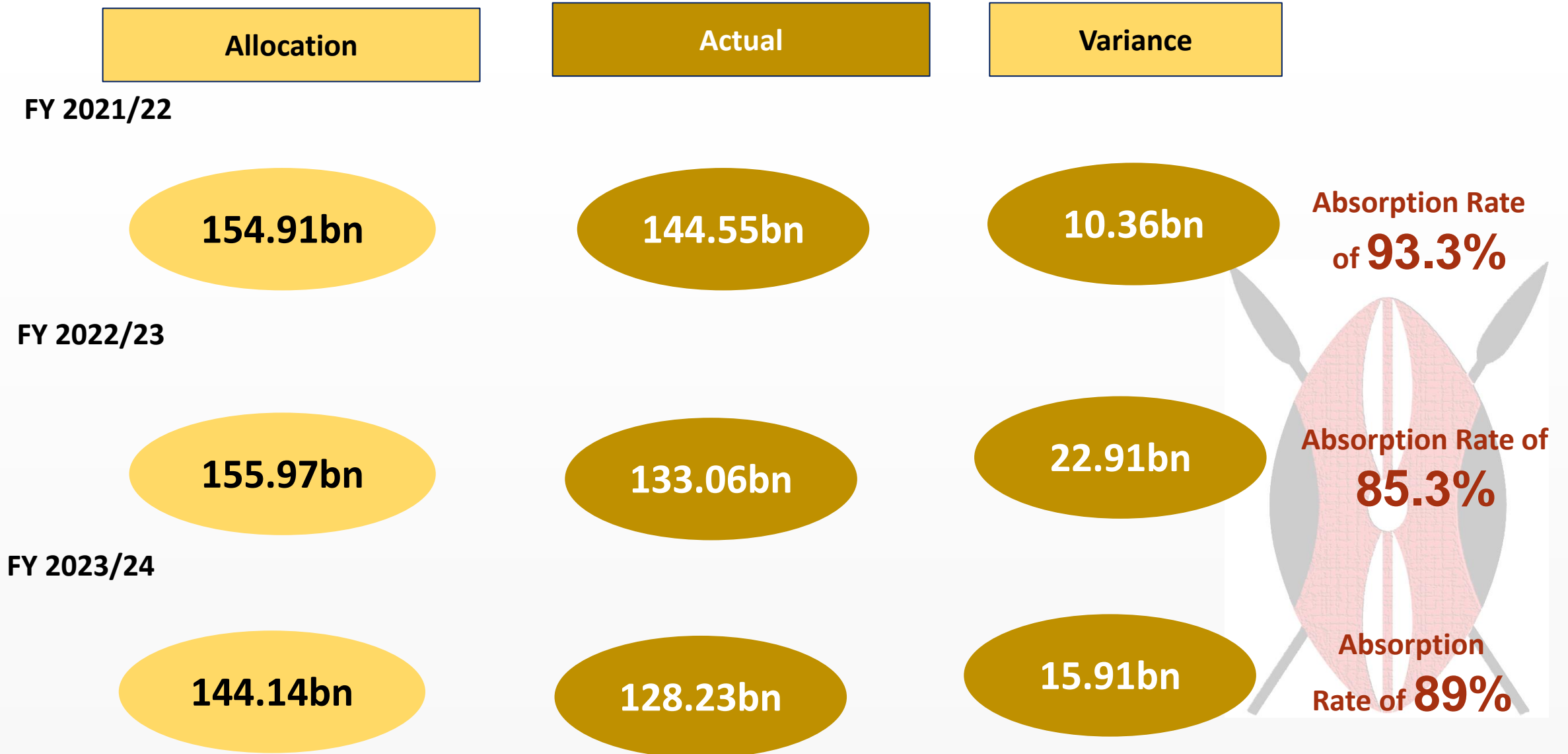
Conclusion

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- The Sector will utilize KSh.101.59 billion, KSh.88.29 billion and KSh.88.92 billion in the FY 2025/26, FY 2026/27 and FY 2027/28 respectively in implementation of the Strategic Interventions; and utilize KSh.99.77 billion, KSh.34.1 billion and KSh.29.21 billion in the FY 2025/26, FY 2026/27 and FY 2027/28 respectively in implementation of the BETA Priorities; and
- The Sector funding should be enhanced through alternative financing mechanisms such as PPPs to supplement exchequer and support expanded implementation of Sector priority programmes and projects.



Sector Recurrent Expenditure



Sector Development Expenditure

Allocation

Actual

Variance

FY 2021/22

173.76bn

143.79bn

29.97bn

Absorption
Rate of
82.8%

FY 2022/23

143.96bn

109.32bn

34.65bn

Absorption
Rate of
75.9%

FY 2023/24

120.27bn

83.17bn

37.08bn

Absorption
Rate of
69.2%



Sector Allocation for 2025/26, 2026/27 and 2027/28

Recurrent

Development

Total

FY 2025/26

156,823.4Mn

169,200.2Mn

326,023.6Mn

FY 2026/27

186,975.3Mn

74,906.3Mn

261,881.6Mn

FY 2027/28

194,539.4Mn

75,856.2Mn

270,395.6Mn

Base year

Percentage decrease
19.7%

Percentage Increase
3.3%



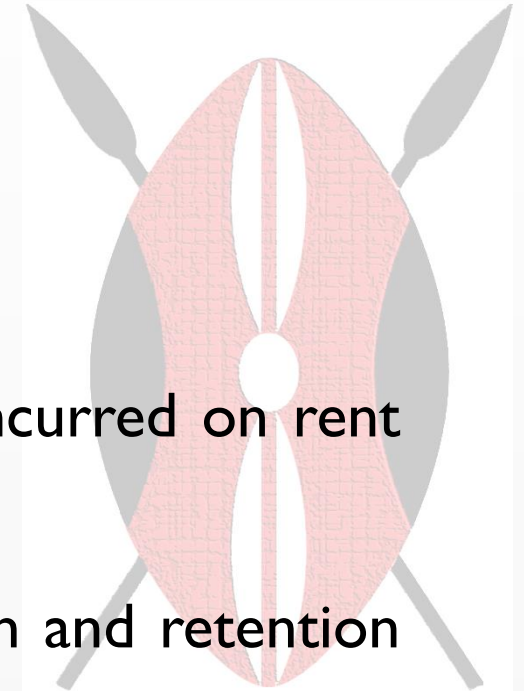
Recommendations

- Adequate and comprehensive data for decision making;
- Enhanced stakeholder consultations to reduce litigations;
- Fast-track development and review of Sector Policies, Laws and Legislation;
- Ensure that the public wage bill is affordable and fiscally sustainable;
- Operationalize the foreign exchange loss assumption facility;
- Revenue mobilization to diversify the sector financing resources;



Recommendations

- Development of a regulatory framework to mitigate the escalation of pending bills;
- Adoption of climate smart technologies in mitigating impacts of climate change;
- Sensitization on International Jobs Placement;
- Timely release of the exchequer;
- IFMIS Strengthening;
- Acquisition or construction of properties to curb high costs incurred on rent both locally and in foreign Missions; and
- Develop a talent management framework to enhance attraction and retention of staff.



Thank

you

