

DEVELOPMENT BUDGET **PREPARATION PROCESS AND EXECUTION**

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1. INTRODUCTION

Development Budget:

- It is a budget for public investment aimed to fund public infrastructure such as roads, schools, hospitals etc.

Importance

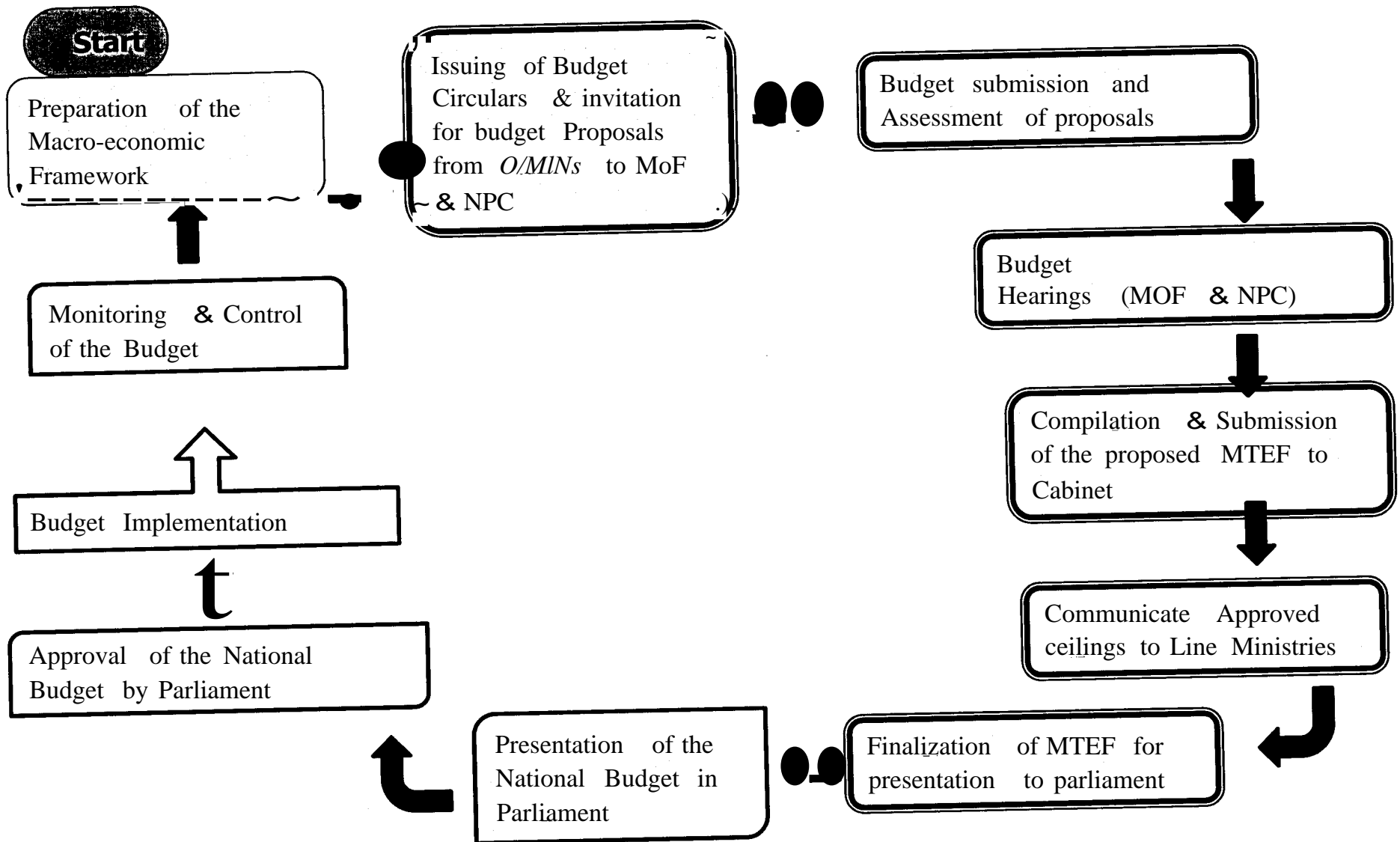
- It guides government's decisions on resource prioritization, allocation and management..
- It determines Government influence on the economy as an investor and as a provider of services.

2. National Budget Cycle and Calendar

Stages of the Development Budget

- Budget Preparation (June - Early Feb) *June 2014 - Feb 2015*
- Approval (Mid Feb -April) *Feb 2015-April2015*
- Implementation (April- March) *April 2015 - March 2016*
- Monitoring and Control (April- March) *April 2015 - March 2016*

National Budget Cycle



Budget Preparation



Budget Approval



Budget Implementation



Budget Monitoring and Control

3. KEY DATES FOR THE NATIONAL BUDGET CYCLE

Budget Preparation Stage (June - Early Feb)

Month	Activity	Responsible Institution
June	Preparation of Macro Economic Framework	; NPC, MoF & BoN
July	Budget circular to D/M/As (Votes)	MoF & NPC
Early August	Budget workshop	NPC
September	Deadline of submission for project proposals (PIFs)	D/M/As
October	Appraisals and evaluation of documents (PIFs)	NPC

Budget Preparation Stage (June - Early Feb)

Month	Activity	Responsible Institution
October	Budget Hearings	NPC & MoF
November	Votes to incorporate comments and suggestions made during the budget hearings	O/M/As
December	Discussions between NPC and MoF on overall budget submissions	NPC and Ministry of Finance

Budget Preparation Stage (June - Early Feb)

Cont...

Month	Activity	Responsible Institution
Mid December/ Early January	Ministry of Finance communicate Development Budget ceilings to NPC	Ministry of Finance
Mid December/ Early January	Communication of ceilings to votes and adjustment of votes submissions to be within the set ceilings	NPC and D/M/A's
Mid January/ February	Submission of the final Development budget to the Ministry of Finance	NPC

Approval Stage (Mid Feb - April)

Month	Activity	Responsible Institution
Mid Februaryf Early March	Printing of the Development Budget books for Parliament	NPC

Approval Stage (Mid Feb - April) Cont

Month	Activity	Responsible Institution
Mid February/ Early March	Tabling of the National Budget	Hon. Minister of Finance
Mid February/ Early March	Approval National Budget by Parliament and Enactment	Parliament

Implementation Stage (April - March)

Month	Activity	Responsible Institution
April	<ul style="list-style-type: none"> • Printing and • distribution of the • Development budget books 	NPC
April - March next Year	Implementation of Projects	Line Ministries, Regional Councils, Local Authorities and State Owned Enterprises

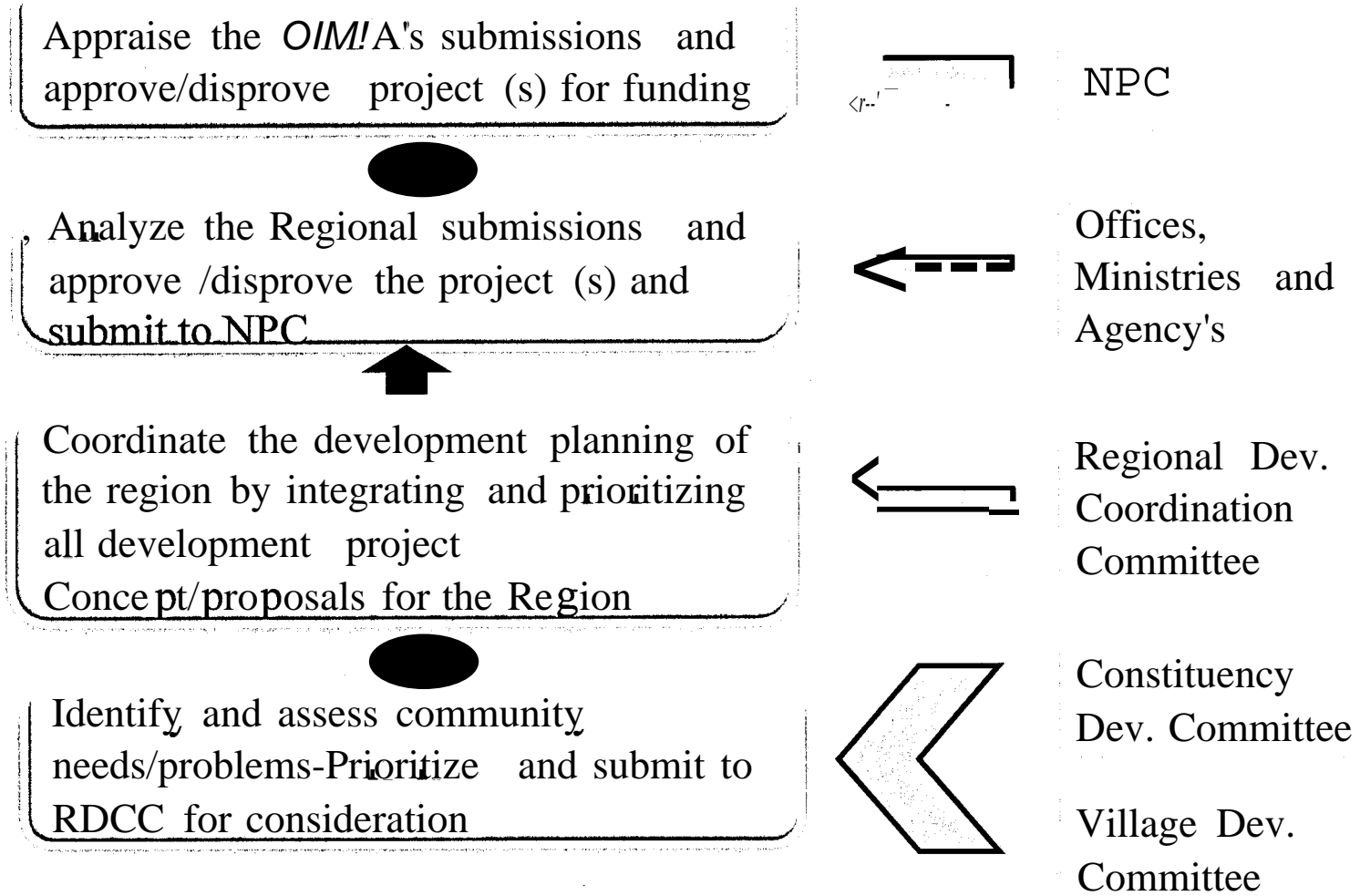
Monitoring & Control Stage (April-March)

Month	Activity	Responsible Institution
April - March next Year	Monitoring and Control of the Development Budget and project Execution through Quarterly and Annual Progress reports and physical project visits	Implementers, NPC, RCs, Parliament and the general public

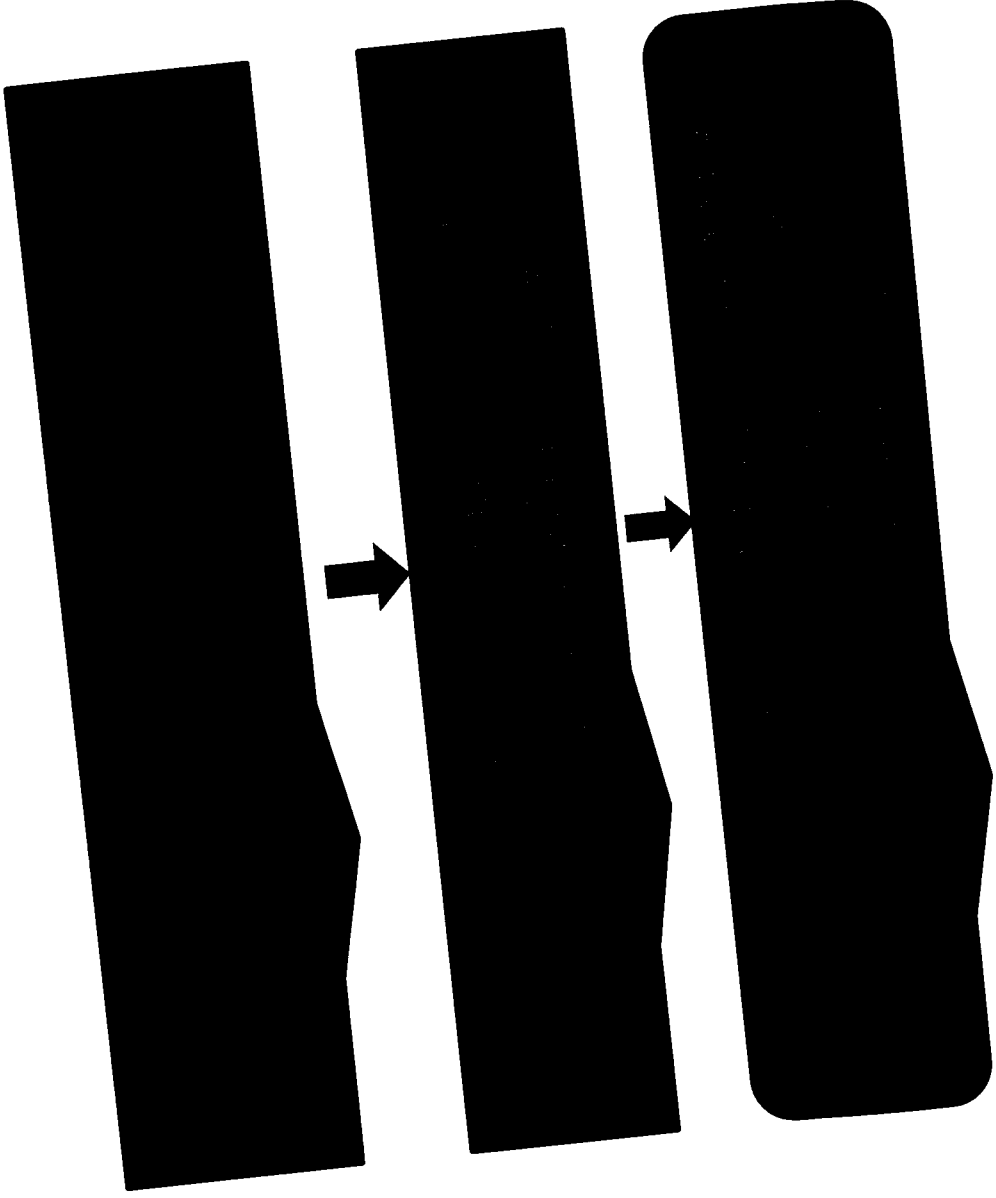
4. PROJECT IDENTIFICATION AND BUDGETING APPROACH

- Bottom Up Approach
- Top Down Approach

BOTTOM UP APPROACH



TOP DOWN APPROACH



5. DEVELOPMENT BUDGET AND PROJECT IMPLEMENTATION

- **Key stakeholders in project implementation**
 - _ Line Ministries, Res, Local Authorities
 - _ Department of Works
 - **MoF**
 - **NPC**

5. DEVELOPMENT BUDGET AND PROJECT IMPLEMENTATION

- Projects are implemented by line ministries, Regional Councils, Local Authorities and State Owned Enterprises
- As soon as the National Budget is approved, implementers can start the process of implementation i.e preparing the TOR and consultation with the Department of Works

THE ROLE OF THE IMPLEMENTERS

- Prepare the TOR
- Consult the DoW for the advertisement of the tender by the National Tender Board (Line Ministries)
- Projects for the Regional Councils and local **Authorities are advertised and awarded through the Regional and local Authority's Tender Boards**
- Oversee and monitor the day to day implementation of the projects

The Role of the Department of Works

- **Prepare Tender Documents, Drawings, Bills of Quantities and final cost estimates of the project and submitting the tender documents to the National Tender Board for advertisement**
- **Evaluate tender documents**

The Role of the Department of Works

- Check the Tenderers' Bills of Quantities for their rates and accuracy of calculations and verifying Tenderers' suitability for the project
- Identification and appointment of suitable Consultants to undertake the feasibility studies
- Evaluate the feasibility study reports

The Role of the Department of Works

- **Sign the Contracts**
- Approve the selected sub-contractors
- Monitor the performance of contractors

The Role of Ministry of Finance

- Release funds for the payment of contractors
- Monitor and control the National Budget Execution

The Role of National Planning Commission

- **Monitor the project implementation and Development Budget Execution**
- **Undertake physical project visits**

6. Conclusion

- The Development Budget is a tool to implement development projects and programmes and require concerted effort of all stakeholders to ensure national development and provision of services to our **citizens.**

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