

PUBLIC FINANCE MANAGEMENT (PFM) VILLAGE REPORT 2025

**FROM PUBLIC BUDGETS
TO
PUBLIC BENEFITS.**



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List of Acronyms

ADP	Annual Development Plan
BTG	Budget Talk Global
CEDC	Community Empowerment Development Centre
CEO	Chief Executive Officer
CIDP	County Integrated Development Plan
CMD-Kenya	Centre for Multiparty Democracy, Kenya
CRA	Commission on Revenue Allocation
CSOs	Civil Society Organizations
DCI	Directorate of Criminal Investigations – Kenya
FY	Financial Year
Gen Z	Generation Z
KANU	Kenya African National Union
KNBS	Kenya National Bureau of Statistics
KYMCA	Kenya Youth Members of the County Assemblies
MCA	Member of County Assembly
MCDAs	Ministries, Counties, Departments, and Agencies
MSMEs	Micro, Small, and Medium Enterprises
OAG	Office of the Auditor General
ODPP	Office of the Director of Public Prosecutions
OHCHR	Office of the United Nations High Commissioner for Human Rights
OSR	Own Source Revenue
PAC	Public Accounts Committee
PDF	People Dialogue Festival
PFM	Public Finance Management
PPF	Political Parties Fund
PPPs	Public Private Partnerships
PWD	Person with Disability
ROI	Return On Investment
SDGs	Sustainable Development Goals
SHA	Social Health Authority
SHIF	Social Health Insurance Fund
TISA	The Institute for Social Accountability
UDPK	United Disabled Persons of Kenya

Foreword

Budget Talk Global (BTG) is honoured to present the PFM Village 2025 Report, a product of collective passion, action, and dialogue. The PFM Village was more than a gathering; it was a bold step forward in reimagining how citizens engage with public finance in Kenya. This report is not merely a record of events but a resource for change-makers, a tool for reformers, and a platform for the voices that personalize public finance. *Guided by the theme “**From public budgets to public budgets**, ” the PFM Village is no longer just an event; It is a platform, a process, and a people-powered space for reimagining the future of public finance in Kenya.*

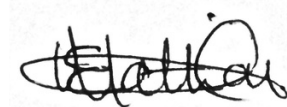
As Budget Talk Global, we sincerely extend our heartfelt gratitude to all individuals and organisations whose support made the PFM Village 2025 a resounding success. Our sincere appreciation goes to the speakers, moderators, participants, volunteers, partners, and service providers for their invaluable contributions in shaping meaningful discussions, fostering collaboration, and inspiring positive action. We acknowledge the generous support of our Strategic partners, CMD-Kenya, TISA, World Vision Kenya, Media Max Limited and its media stations, Mzalendo Trust, Bajeti Hub and its regional hubs, and all other partners whose financial and non-financial support made the PFM Village come to fruition. **A list of all partners has been annexed to this report.**

Our sincere gratitude goes to the Budget Talk Global Co-Founders, Ms. Evelyne Mathai and Ms. Josephine Nyamai, whose insightful leadership made BTG deliver the inaugural PFM village. Special thanks to the program lead, Mr. Isaac Kinyua, for conceptualizing the concept of the PFM Village and playing a significant role in successfully implementing the PFM Village concept.

We sincerely appreciate our program support staff, all the resource persons, including the rapporteur, sign language interpreters, masters of ceremony, ushers, security personnel, and artists, as well as the service providers, whose collective support made a lasting impact on the PFM Village. We look forward to building on this momentum and continuing to foster meaningful dialogue around public finance in Kenya.



Muthoki Nyamai J.W.
Co-Founder & Director Operations,
Budget Talk Global



Eve Mathai
Co-Founder & Director Advocacy,
Budget Talk Global

Executive Summary

Public budgets remain one of the most powerful tools through which citizens can shape public policy discourse and influence how their taxes are utilized to deliver essential services. Since the promulgation of the Constitution of Kenya in 2010, which enshrines principles of transparency, accountability, and public participation, there has been a growing civic interest in how public resources are mobilized, allocated, and utilized.

Like other developing economies, Kenya's public finance landscape is under increasing strain, marked by **rising public debt, constrained development spending, climate-related shocks, and a shrinking fiscal space**. These dynamics have challenged the government's ability to deliver services equitably, especially to marginalized and underserved communities. While devolution was meant to bring services closer to the people, persistent financing and systemic bottlenecks have hindered its full realization. The youth-led uprising in June 2024, triggered by discontent with the Finance Bill, further revealed the urgent need for responsive and citizen-centered fiscal policies. The evolving nature of public finance has been shaped by both internal governance weaknesses and external shocks, demanding urgent and responsive reforms. **Kenyans can and must address Kenya's development challenges through inclusive dialogue, democratic engagement, and accountable public finance systems.**

Given the above background, Budget Talk Global conceptualized the **PFM Village as a unique space within the People Dialogue Festival (PDF) to deepen public understanding of public finance, foster inclusive dialogue, and generate citizen-driven solutions that can shape national and county-level public budgets**, themed **"Public Budgets for public Benefits."**

Held between 5th and 7th March 2025, at Uhuru Park in Nairobi, the inaugural PFM Village convened more than **600 participants, including citizens, policymakers, civil society organisations, private sector actors, and high school students (14%), with a daily attendance exceeding 200 individuals. Gender representation was balanced, with 48% female and 52% male participants, while youth engagement stood out firmly, with 78.1% of attendees under 35.** Additionally, the Village welcomed the participation of Persons with Disabilities (PWDs), who comprised 3% of the attendees, demonstrating deliberate efforts toward accessibility and inclusion.

The Village also had a broad spectrum of stakeholders, including elected/nominated Members of county assembly, County Treasuries, eight representatives from national government institutions, two diplomatic missions, 62 civil society organizations, media Networks, professional bodies, the private sector, and seven secondary schools, whose students actively engaged in the sessions.

The Village featured **twelve curated sessions**, focusing on the following thematic areas:

- **fiscal policy, public expenditure, and service delivery, sustaining and financing devolution**
- **PFM accountability and oversight**
- **Technology and innovation in PFM**
- **The political economy & public budgeting,**
- **The private sector and PFM**
- **Children's inclusion and the future generations in Kenya's PFM.**

The sessions, co-created with partners and experts in PFM Space, were interactive, evidence-based, and forward-looking. They generated rich insights and recommendations that will be implemented after the festival.

Significant outcomes of the PFM Village included; the creation of a dedicated civic space for PFM dialogue within the People Dialogue Festival, active participation of high school students who made 14% of the participants and youth, with 78.1% of participants under age 35 and a strong showing by women (48%) and persons with disabilities (PWDs) (3%), Strengthened partnerships and collaboration, Knowledge generation and session briefs that will be co-developed into policy briefs to influence ongoing national and county budget cycles, Engagement of children and political parties, expanding PFM conversations to traditionally excluded groups and innovative Visual learning tools and props that simplified complex PFM concepts and encouraged meaningful public interaction.

Over 600 participants attended the sessions at the PFM village across the three days.



52 %
Male



48 %
Female



3 %
PWDs

Key messaging from the sessions

1

Public debt and taxation

Kenya's fiscal consolidation plan was seen as overly dependent on tax measures targeting formal wage earners. Citizens and experts advocated for balanced approaches that curb excessive borrowing, reform expenditures, and expand equitable revenue bases. Government fiscal and expenditure reforms, such as the Medium-Term Revenue Strategy (MTRS), Single Treasury Account (TSA), Accrual accounting, and zero-based budgeting, would be effective if well implemented.

2

Technology for budget transparency

Technology was emphasized as central to improving budget efficiency, service delivery, and citizen feedback loops. Counties that have embraced digital public infrastructure (DPI) showed enhanced revenue collection, transparency, and citizen engagement. However, gaps in infrastructure, data security, and human capacity remain key barriers.

3

Political parties as PFM drivers

Political parties were urged to go beyond rhetoric and play a sustained role in shaping public budgets. Manifestos should be grounded in financial realities, aligned with development plans, and developed with broad member input. Parties should institutionalize internal capacity-building on budget processes and advocate for citizen-centered allocations.

4

Social accountability and oversight

A strong message emerged around the need for preventive audits, citizen-led monitoring, and institutional collaboration. Tools like scorecards, public expenditure tracking, and social audits were showcased as effective in grassroots accountability.

5

Devolution financing

County fiscal health is in jeopardy due to declining equitable share, underperformance in own-source revenue, and ballooning pending bills. Speakers called for innovative revenue strategies, realistic revenue forecasting and targets, payment plans for pending bills, and improved data systems to enhance county-level financial resilience.

6

Private sector and PFM

The private sector is both an engine of growth and a key stakeholder in public finance. Speakers called for policy predictability, tax fairness, and the involvement of professional bodies, SMEs, and financial institutions in civic education, innovation, and sustainable growth.

7

Access to information and open data

Access to information was emphasized as foundational to meaningful civic engagement. While Kenya has made progress through laws like the Access to Information Act, challenges persist in data accessibility, usability, and overload. Citizens need structured, inclusive, and simplified information channels to hold governments accountable.

8

Engaging students in public finance

High school students strongly appealed for better school infrastructure, equitable education capitation, and child-friendly platforms to contribute to budget discussions affecting their lives and futures.

9

Right to food and climate justice

Speakers urged the government to align public funding with the National Agroecology Strategy and invest in climate-resilient food systems that include women, Indigenous communities, and persons with disabilities.

Challenges such as short planning timelines (50 days) and resource limitations were noted, but BTG's strategic partnerships with over 40 organizations, media houses, and development actors enabled broad participation and visibility. BTG will scale the impact of the PFM Village 2025 through **regional PFM Villages, school-based civic learning spaces, and digital budget participation platforms**, all aligned with its broader vision for inclusive and citizen-driven public finance in Kenya. Guided by the theme "From public budgets to public budgets, " the PFM Village is no longer just an event; It is a platform, a process, and a people-powered space for reimagining the future of public finance in Kenya.



"The PFM Village is no longer just an event; It is a platform, a process, and a people-powered space for reimagining the future of public finance in Kenya."

Background & Context

Kenya's public finance landscape is increasingly constrained, mirroring the fiscal pressures of many developing economies. Mounting public debt, persistent revenue shortfalls, climate change and constrained development spending have undermined the government's ability to deliver quality public services to the most vulnerable and underserved communities.

For instance, ordinary revenue collections have consistently fallen below projections in the past years, Kshs. 1.56 trillion against the target of Kshs. 1.59 trillion in FY 2020/21, Kshs. 1.92 trillion out of Kshs. 1.95 trillion in FY 2021/22, Kshs. 2.04 trillion as targeted in FY 2022/23, and Kshs. 2.29 trillion against Kshs. 2.46 trillion in FY 2023/24. In FY 2024/25, the projected revenue of Kshs. 2.92 trillion was revised downward to Kshs. 2.6 trillion, with a shortfall of Kshs. 93.2 billion recorded by December 2024 (Kshs. 1,157.8 billion against Kshs. 1,251.0 billion). For FY 2025/26, ordinary revenue is projected at Kshs. 2.84 trillion. **To address the revenue gaps, the government's Medium-Term Revenue Strategy (MTRS) 2024/25–2026/27 aims to increase the tax-to-GDP ratio from 14.1% to 20% by FY in the medium term through tax reforms to bolster revenue collection.**

Government expenditure has consistently exceeded revenue, resulting in an escalating budget deficit. The fiscal deficit reached Kshs. 770.3 billion in FY 2022/23, Kshs. 818.3 billion in FY 2023/24, and is projected at Kshs. 862.7 billion in FY 2024/25 before slightly decreasing to Kshs. 831 billion in FY 2025/26. From 2019 to 2024, the fiscal deficit averaged Kshs. 710 billion annually, equating to 6.2% of GDP, considerably above the medium-term target of 3%. This trend has exacerbated public debt vulnerabilities and reduced fiscal flexibility.

By January 2025, Kenya's public debt had reached Ksh 11.02 trillion (Ksh 5.93 trillion domestic and Ksh 5.09 trillion foreign), projected to hit 57.8% of GDP by 2028. Debt servicing now consumes over 60% of revenue, up from 53% in FY 2021/22, exacerbated by external debt pressures, including the 2024 Eurobond repayment. The reliance on short-term debt instruments has increased refinancing risks, further crowding out development spending in social service sectors such as health, education, and social protection, disproportionately affecting vulnerable populations.

According to the **Budget Policy Statement 2025**, the government has developed fiscal policies and expenditure reforms through the fiscal consolidation plan, which aims to control expenditures and enhance revenue collection to reduce public debt without sacrificing service delivery. The government is implementing the Treasury Single Account (TSA), accrual accounting, and zero-based budgeting in the medium term to manage expenditures.

The constrained fiscal environment has significantly affected basic services. In health care, the transition from the National Health Insurance Fund (NHIF) to the Social Health Insurance Fund (SHIF) in 2023 aimed to expand universal health coverage but has faced controversy due to limited public engagement, unclear costs, and concerns over sustainability and accessibility. In education, delays in school capitation disbursements have disrupted operations. Simultaneously, the new university funding model, designed to align costs with household incomes, has raised concerns about equity, affordability, and sustainability.

Kenya's vulnerability to climate risks- such as droughts, floods, and irregular rainfall, have continued to threaten livelihoods and macroeconomic stability. Yet, funding for climate adaptation and resilience is still insufficient. Agriculture employs over 70% of the rural population and falls significantly short of the 10% target set by the Maputo Declaration. Marginalized groups, including Indigenous communities, women, and persons with disabilities, are disproportionately affected by climate shocks and are often excluded from decision-making and budgeting processes.

Twelve years into devolution, county governments face ongoing challenges, including declining intergovernmental fiscal transfers, delays in disbursement, and the national government's retention of devolved functions. The total revenue allocated to counties has decreased from 12% to 8% between FY 2019/20 and FY 2023/24, within the total government expenditure of Kshs. 3.23 trillion to Kshs. 4.82 trillion (comprising county and debt service costs). Counties also contend with high personnel costs, overspending on non-essential items like travel, low absorption of development budgets, underperformance in own-source revenue, accumulating pending bills, and delays in financial reporting.

Despite these challenges, citizen awareness and demand for public financial management (PFM) transparency have grown. Civil society, youth movements, and digital platforms are increasingly mobilized to hold governments accountable and co-create solutions. **However, engagement remains fragmented and often excludes the most affected, children, youth, PWDs, and informal sector actors.**

Given the above background and context, Budget Talk Global conceptualised the **PFM Village as a unique space within the People Dialogue Festival (PDF) to deepen public understanding of PFM, foster inclusive dialogue, and generate citizen-driven solutions that can shape national and county-level public budgets policy.** The inaugural PFM Village was officially launched during the 7th Edition of the People's Dialogue Festival, from March 5th to 8th, 2025, at Uhuru Park in Nairobi.

Budget Talk Global (BTG) (formerly Ke Budget Talk) is a women-led, social enterprise working towards advancing citizen-centred and inclusive public budgets, through tech-driven and innovative solutions for improved, resilient, and sustainable livelihoods, in communities across Kenya and globally.



As a social enterprise, BTG aims to provide innovative, tech-enabled solutions to enhance public finance management through mutual value creation for governments and citizens.

About PFM Village

Since 2021, Budget Talk Global (**formerly Ke Budget Talk**) has actively participated in the People Dialogue Festival (PDF) through engagements at the SDGs Village, as part of the pioneers of the SDGs Village amongst other 23 Danida Fellows. In the 2022, 2023, and 2024 editions of the PDF, Budget Talk Global successfully integrated PFM conversations within the SDGs Village. However, these discussions were limited to one or two panel sessions, restricting the opportunity to address PFM issues at the national and county levels, impacting Kenyans' daily lives.

Recognising the need for a dedicated space to facilitate in-depth discussions on public finance, Budget Talk Global conceptualised the PFM Village as a unique area within the People Dialogue Festival (PDF) to enhance public understanding of PFM, foster inclusive dialogue, and co-create citizen-driven solutions that can shape national and county-level fiscal policy for sustainable development. The inaugural PFM Village was convened in PDF 2025 under the theme: "From Public Budgets to Public Benefits," with support from various partners, hosting cross-cutting thematic conversations that were educational, informative, and action-oriented.



A session on debt sustainability and SDGs financing at SDGs village, March 2024, hosted by Budget Talk Global



A session on the extent to which public budgets address the sustainable Development Goals, hosted by Budget Talk, at the SDGs Village, 2023

The PFM Village aimed to achieve the following objectives:



To enhance collaboration, partnerships, and networks among state and non-state actors in the (PFM) space.



To institutionalise PFM as a core thematic area at the People Dialogue Festival, ensuring it remains a consistent and impactful component of national discourse.



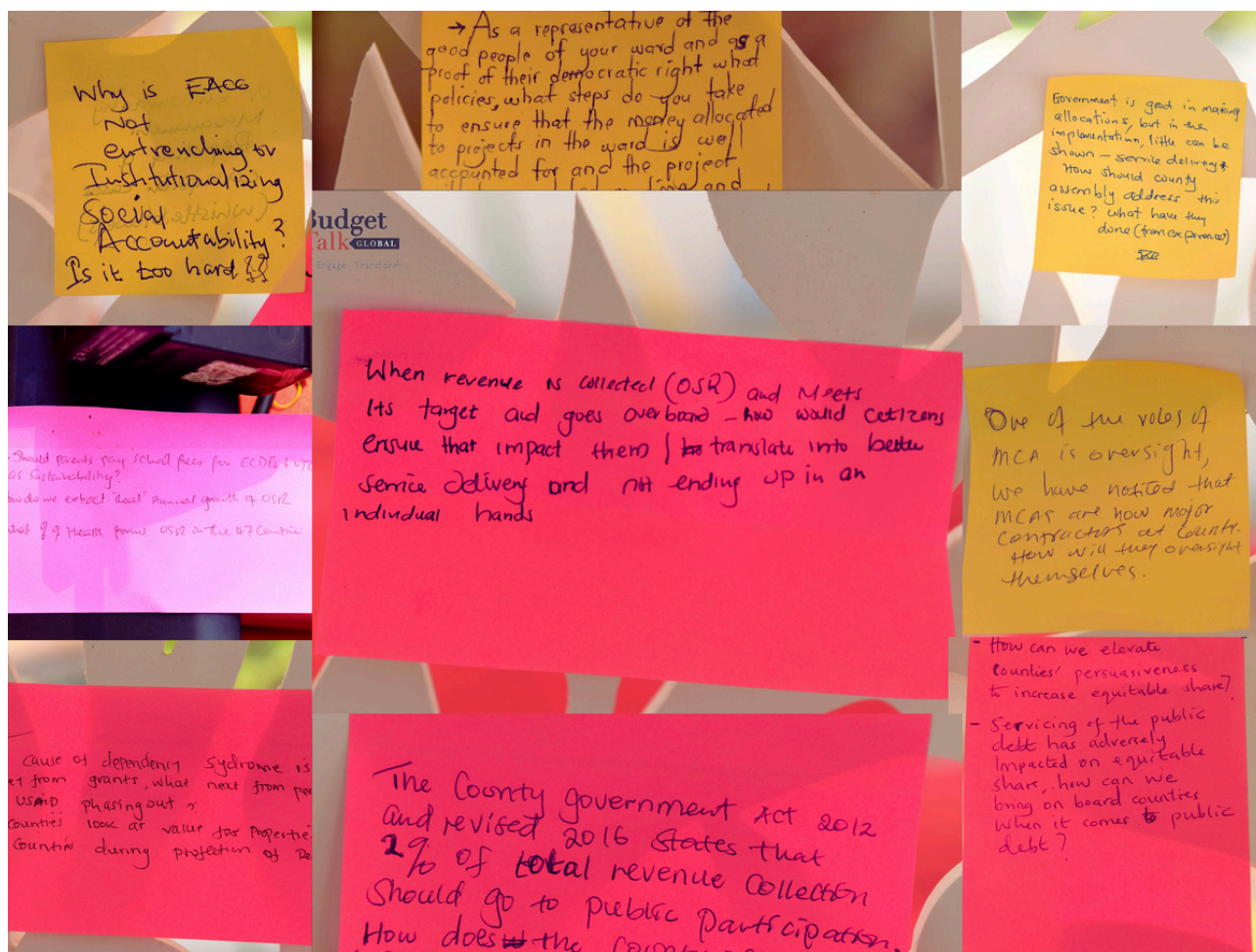
To raise awareness of the complexities of public finance, including its impact on governance, taxation, public spending, politics, and broader societal outcomes.



To Channel feedback and actionable insights from the PFM Village to shape the public budget discourse at the county and national levels.

The PFM Village hosted discussions over three well-curated days, focusing on the following thematic areas: **fiscal policy, public expenditure and service delivery, sustaining and financing devolution, PFM accountability and oversight, technology and innovation in PFM, the political economy of public budgeting, and finally, children's inclusion and the future generations in Kenya's PFM.**

Twelve sessions addressing these themes were conducted. The interactive, evidence-based, and forward-looking sessions generated rich insights and recommendations.

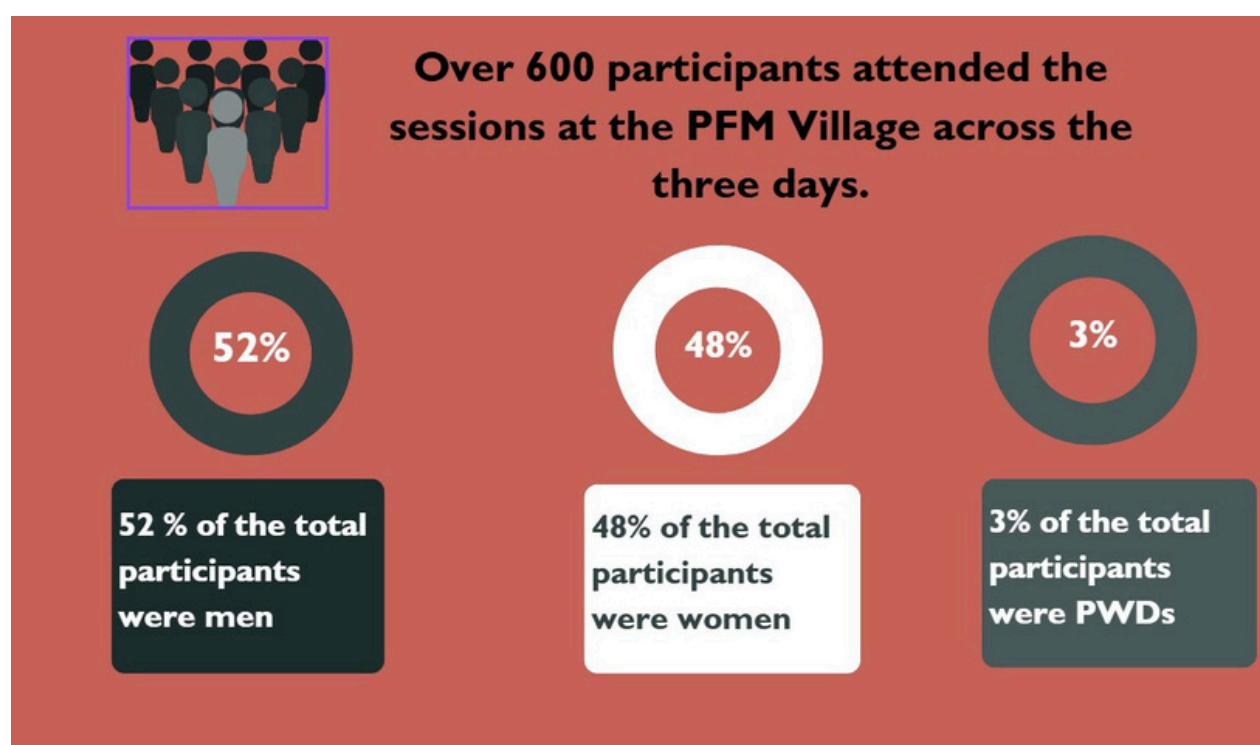


PFM tree utilized to collect participant's questions and input to the panel discussions.

The PFM Village adopted various approaches to conduct the sessions, **primarily utilizing panel discussions, debates, and group activities specifically designed for school children, along with open mic events, and expert talks through keynote speeches.** In delivering these sessions, BTG co-created content with partner experts in thematic areas, resulting in session briefs, which were shared in advance with the audience to convey the context and discussion topics. Plenary sessions followed each to encourage participation and dialogue, allowing the audience to ask questions. The PFM tree complemented the session, where participants could submit questions and receive prompt responses. BTG utilised social media platforms to stream and provide updates throughout the three days, engaging a wider audience.

Demographic Overview at the PFM Village 2025

Over three days, the PFM Village convened more than 600 participants both onsite and online, including citizens, policymakers, civil society organisations, private sector actors, media networks and high school students, with a daily attendance exceeding 200 individuals. Gender representation was balanced, with 48% female and 52% male participants, while youth engagement stood out firmly, with 78.1% of attendees under 35 of age. Additionally, the Village welcomed the participation of Persons with Disabilities (PWDs), who constituted 3% of the attendees, reflecting a deliberate commitment to accessibility and inclusion. School students on the other hand, accounted for 14% of the participants, highlighting the PFM's Village focus on **intergenerational engagement and early civic education**.



The Village also had a broad spectrum of stakeholders, including **elected/nominated county leaders, eight representatives from national government institutions, two diplomatic missions, 62 civil society organizations, media networks, professional bodies, the private sector, and seven secondary schools, whose students** actively engaged in the sessions. The demographic profile at the PFM Village 2025 reflected a growing civic interest in public finance, especially among youth and traditionally underrepresented groups, and the need for an intergenerational, cross-sector platform. Notably, the engagement of high school children, in particular, signaled a shift toward early civic literacy on budget matters, as public budgets affect everyone in society.

Sessions Overview

This section has provided a consolidated summary of the key conversations and insights drawn from the PFM Village sessions held over the three days. Each session convened diverse stakeholders and generated valuable reflections, which highlighted both emerging challenges and actionable recommendations based on the five key thematic areas. While this report presents a synthesis of the most significant takeaways from Speakers, panelists and participants, full-length recordings of all sessions are available on Budget Talk Global's YouTube channel for a more in-depth understanding of the discussions.

Thematic Area	Session
Budget Financing, public expenditure and service delivery	• Session 2: <u>Balancing the books - The Nexus between taxation, public debt, and Service Delivery within Kenya's Fiscal consolidation Plan.</u> • Session 6: <u>Breaking free from dependency Syndrome" Enhancing Counties' Fiscal Resilience through Own Source Revenue, Equitable Share, and Pending Bills Management</u> • Session 10: <u>Health Reforms in Kenya: Bridging the Gap Between Policy and Practice</u> • Session 12: <u>Sustainable agricultural Financing and climate resilience</u>
PFM accountability and oversight	• Session 5: <u>Breaking the silos for accountability."</u> Bridging gaps in budget oversight and accountability for inclusive governance • Session 8: <u>Countering disinformation & misinformation in public finance</u> • Session 11: <u>Enhancing Civic Engagement through Open Data</u>
Technology and innovation in PFM,	• Session 3: <u>Harnessing digital public infrastructure for budget transparency and efficiency in delivering public services</u>
Political parties as PFM Actors	• Session 4: <u>How public budgets shape political parties' manifestos and how manifestos shape public budgets</u>
Private Sector as PFM Actors	• <u>An enabling business environment as a stimulant for economic growth</u>
Children's inclusion and the future generations in Kenya's PFM	• <u>Engaging children on budgets for a sustainable future</u>

The Opening Session and the Launch of the PFM Village 2025

Moderator: Ms. Josephine Nyamai W. Co-Founder, Budget Talk Global

Keynote address: Dr. Abraham Rugo – Executive Director, Bajeti Hub

Brief Remarks:

- 1. Ms. Eve Mathai - Co-founder, Budget Talk Global.**
- 2. Mr. Vincent Ogunyini - OHCHR Kenya**
- 3. Ms. Angela Wangeci - TISA**

Session overview

The opening session marked the official launch of the PFM Village 2025 at the People Dialogue Festival. It brought together key stakeholders and thought leaders in the PFM space to set the tone for three days of dialogue, learning, and action on public finance. The speakers' brief remarks and the keynote speech strongly reaffirmed the importance of placing people at the centre of public finance management (PFM), stressing that every social, economic, environmental, or political issue is ultimately a budget issue.

In a compelling keynote address at the launch of the PFM Village, Dr Rugo reflected on Kenya's journey toward greater budget transparency and citizen participation in public finance. He celebrated the significant progress the country has made, from the days of print-only budgets and hard copies to digital copies accessible online, citing that the gains that Kenya has made reflect not only a broader shift toward open governance and accountability but also a growing recognition that public budgets must work for the people.

Drawing on the symbolism of the PFM Village, Dr. Rugo reminded the audience of the shared origin that **“Each of us in the city today came from a village, whether by bus or by birth”**, and the PFM Village was being launched, stakeholders ought to determine the kind of village they wanted to create and reconnect public finance with people's everyday needs, struggles, and aspirations.



Caption: DR. Abraham Rugo, Bajeti Hub, during the key note speech at the PFM Village.

“As we launch the PFM village, some questions must be answered and observed. We must get individually and collectively angry about the state of things. As we get angry, we must celebrate progress and call out regression. We must act precisely right now, and finally, we must act together to bring the change we want towards making public budgets work for anyone.

Dr. Rugo

Key highlights from the Speakers

Youth civic awakening is a strategic opportunity that must be seized. The rise of Gen Z activism in June 2024, protesting against the Finance Bill 2024, presents a moment to deepen budget literacy and public participation, starting in schools. Early engagement on budget matters can build lifelong fiscal citizens.

People should be at the centre of budgeting- The Speakers reaffirmed that public finance is not just about numbers but real people, daily needs, and lived experiences. Every social, economic, or political issue is ultimately a budget issue.

Equity and rights-based budgeting: Public finance must be grounded in human rights, especially for marginalized groups such as women, persons with disabilities (PWDs), and low-income communities. Public budgets should not be about allocations and numbers, but a tool to realize dignity and justice.

Accountability must be mutual. Citizens are not just taxpayers; they are rights-holders. While the government must uphold transparency and service delivery, the public must remain engaged, vigilant, and informed.



Caption: Ms. Eve Mathai, Co- Founder Budget Talk Global, speaking during the opening session at the PFM Village



Caption: Mr. Vincent Omunyin - OHCHR Kenya, speaking during the opening session at the PFM Village



Caption: Ms. Angela Wangeci - TISA , speaking during the opening session at the PFM Village

Session 2: Balancing the books - The Nexus between taxation, public debt, and Service Delivery within Kenya's Fiscal consolidation Plan

Overview

Kenya has been grappling with persistent budget deficits, rising debt burdens, and tightening fiscal space, leaving few resources for providing basic public services such as health and education. By January 2025, Kenya's public debt stock had reached Ksh 11.02 trillion in absolute figures (Ksh 5.93 trillion domestic and Ksh 5.09 trillion foreign), projected to reduce to 57.8% of GDP by 2028. Between 2019/20 and 2023/2024, the budget deficit averaged Kshs. 710 billion, representing 6.2% of GDP, above the medium-term target of 3%.

The government has developed fiscal policies and expenditure reforms through the fiscal consolidation plan, which aims to control expenditures and enhance revenue collection to reduce public debt without sacrificing service delivery. To manage expenditures, the government is also implementing the Treasury Single Account (TSA), accrual accounting, and zero-based budgeting in the medium term.

Owing to the above, this panel session unpacked Kenya's consolidation plan and its implications for delivering essential public services. The panelists examined the tension between revenue generation, which is primarily driven by tax reforms, and the pressure to maintain public investments, particularly in healthcare, education, and water, sanitation, and hygiene (WASH). *The Panelists reflected on how government expenditures have consistently outpaced revenues, shrinking the fiscal space and fueling reliance on short-term borrowing instruments, which have driven up debt servicing costs and reduced allocations for development programs.*

Moderator: Mr. John Kinuthia, Senior Programs Officer, Bajeti Hub

Panelists:

1. Kwame Owino - **CEO, Institute for Economic Affairs (IEA)**
2. Leonard Wanyama - **Coordinator, East Africa Tax and Governance Network (EATGN)**
3. Cuba Houghton - **Budget Financing Lead, Bajeti Hub**
4. Hillary Onami - **Association of Professional Societies of East Africa (APSEA)**
5. Josephine Nyamai - **Co-Founder and Director Research, Budget Talk Global**



Caption: Panelists pose for a photo after the session

Key Reflections & Discussions

1 Unequal Tax Burdens

Panelists noted that the government has increased its tax demands on Kenyans by 10% year-on-year without a commensurate wage increase, making the situation untenable. **The government's attempts at fiscal consolidation were viewed as one-sided, leaning on collecting more revenue and never considering reducing expenditures, instead always focusing on raising taxes, especially on the salaried class.** There was a call for a nuanced understanding of the social contract between Kenyans and the duty bearers and the resultant relationship to ensure everyone plays their bit well with accountability baked in.

“

There's no truth in the phrase that a government with more money is a rich and good one. The government does not have its own money except what it collects from taxes. Fiscal consolidation plan, which has been leaning on the collection of more revenue; however, there's a certain limit of how much the government can squeeze out of Kenyan households and firms! Kwame Owino, Economist

”

3 Revenue Diversification

Kenya has the power to attract private credit from private actors to accelerate economic growth. Panelists underscored the **need for the government to reduce its reliance on payroll-based taxation and broaden the tax base through alternative measures.** The panelists called for adherence to the social contract by promoting equity and fairness in taxation, while supporting business productivity and growth to stimulate the economy and ensuring that businesses are able to realize a return on investment.

2 Pending Bills accumulation is more behavioral than technical

Panelists emphasized that the accumulation of pending bills is symptomatic of poor financial discipline, primarily behavioral, which largely stems from the continued reliance on cash-based accounting, where transactions are only recognized upon payment. While acknowledging that accrual accounting records obligations when they occur can improve the visibility of outstanding liabilities, **one of the panelists noted that simply changing accounting systems does not resolve the structural causes of payment delays.** Overall, panelists stressed the need for deeper reforms in public financial management practices, highlighting that accumulating pending bills seriously threatens debt sustainability and overall public financial credibility.

4 Public-Private Partnerships as a Financing Alternative

Speakers commiserated with the government, noting its inability to meet Kenya's developmental needs through the Exchequer, which then introduces public-private partnerships (PPPs) as a possible alternative. Speakers opined that the private sector is efficient, has low waste, and will add value in financing the PPP projects. **Given the business interest in return on investment and provision of services by the government, there is a need for a merger between the priorities of the government and private actors.**

5 Public debt and service delivery at the county level

There was a general agreement on how Kenya's financial system impacts service delivery when the country's debt obligations take priority, as the first charge. This arrangement was seen to limit the counties' ability to meet their constitutionally mandated obligations to the people, as they have limited resources. Counties were called upon to engage actively in national debt conversations and rethink their own budgeting practices to prioritize service delivery in the shrinking fiscal space.

“

Accumulation of pending bills is a behavioral issue, and accrual accounting will only help the government to see the extent of the pending bills- Cuba Houghton, Financing Lead, Bajeti Hub.

”

“

The business interest is return on investment, but the government interest is provision of services. For public-private partnerships to work, there ought to be assurance of returns from the joint projects undertaken through PPPs- Hillary Onami,

”

Key takeaways and recommendations

- **The government should get creative with its revenue-raising measures and investigate more non-tax revenue sources to avoid further burdening the salaried and avoid the occurrences from June 2024 during the passing of the 2024 finance bill.**
- The government should focus on areas where it has **a competitive advantage through prioritization and focusing on project viability in its decision-making, as its approach to service delivery is not Return On Investment-based**, to avoid crowding out the private sector, which accounts for 77% of Kenya's GDP.
- The government must **fix the agricultural value chain from the smallholder farmer to feed into the larger manufacturing sectors**, as it is imperative to transform Kenya's economy from mainly agricultural to a more manufacturing economy to support Kenya's needs.
- The government should uphold its **commitment to zero-based budgeting and involve the public through rigorous public participation and engagement** to ascertain prudent resource allocation and accountability through gauging performance based on the previous year.
- The government needs to **responsibly leverage Public-Private Partnerships (PPPs) to supplement limited public financing while ensuring transparency, accountability, and value for money, particularly in infrastructure and service delivery at the national and county levels.**

Session 3: Harnessing digital public infrastructure for budget transparency and efficiency in delivering public services

Overview

In an era where technology is reshaping governance globally, Digital Public Infrastructure (DPI) has emerged as a key element in enhancing public finance management (PFM) in Kenya. DPI allows for integrating innovative technologies that streamline budgeting processes, promote transparency, and facilitate citizen engagement. With the increasing expectation for responsive governance, applying digital tools in budgeting is essential to drive accountability and improve the efficiency of public service delivery.

Public finance management in Kenya is governed by several legal frameworks, including the Constitution of Kenya (2010) and the Public Finance Management Act (2012). These frameworks emphasize transparency, accountability, and public participation in governance. Over the years, Kenya has made commendable progress in adopting Digital Public Infrastructure to improve public finance systems.

The advent of technologies, such as e-procurement and integrated financial management systems, has significantly enhanced operational efficiency in budgetary processes. The session explored how technology can be harnessed to improve budget transparency, accountability, and delivery of public services, as well as highlighting real-life case studies of the successes and challenges of the use of technology in public finance.

Moderator: Esther Nyonje- Political Risk Analyst/ Policy Consultant- Nawiri Strategies Consulting.

Panelists:

1. Emilio Mucunu - **Director Budgets, Department of Finance and Economic Planning, County Government of Murang'a.**
2. Samuel Komu - **Transparency International Kenya.**
3. Tabitha Muthiru - **Prescott Data.**



Caption: Panelists during tech for budgets session

Key reflections & discussions

1 Muranga's Digital Success

The County government of Murang'a emerged as a case study for digitizing its services across Ministries, Departments, Counties, and Agencies to enhance service delivery and curb fraud and leakages in revenue collections. During the session, the efforts and changes instituted in Murang'a aligned with the digitization agenda were recounted, highlighting some successful interventions that have seen the county achieve 100% of its source revenue targets for the 2023/24 financial year. *The county has apps that allow the citizens to review policies and give feedback, business permits and licensing with 95% accuracy, making accurate budgeting possible, a hospital system that ensures adequate medicine is available at every institution on time, and a vehicle management system that limits the misuse of public vehicles by county officials.* The speaker noted that these interventions have reduced overall governing costs, improved public confidence, and enhanced public service delivery.

3 Digital Infrastructure and Innovation Readiness

Speakers emphasized that national and county governments must enhance data infrastructure and expand internet connectivity to all regions to ensure uninterrupted service delivery. Counties and national agencies were encouraged to phase out outdated systems and adopt newer, more efficient technologies. *It was recommended that pilot programs that are digital in nature in key sectors like health be tested with new technologies before full-scale, while learning from the lessons and addressing the gap. The Social Health Insurance Fund system migration from NHIF is a good case study.*

5 Digital Rights and Data Protection

Speakers highlighted the need for robust mechanisms to ensure data privacy by state actors, particularly as online/digital systems are increasingly used to deliver services to citizens.

2 Human Capacity and Bottom-Up Design

Panelists agreed that systems are only as effective as those operating them. There is a need to build institutional capacity, train public servants, and adopt a bottom-up approach to systems development that reflects local realities. They emphasized that digital tools should be intuitive, accessible, and co-created with users in mind. The public was urged to use the available laws and offices, such as the Access to Information Act and the Ombudsman, which stipulate how the public can access information. This is especially in line with the new Data Protection Act, which defines how and who can access which information.

4 Data Literacy and Collaboration

It was noted that stakeholders require training on effectively utilizing IFMIS and the Kenya National Bureau of Statistics (KNBS) data to inform impactful decision-making. County governments were encouraged to collaborate with KNBS in developing county data fact sheets with accurate and reliable data to support planning and resource monitoring. Counties and other stakeholders should adopt emerging technologies such as Artificial Intelligence (AI) to enhance data collection and dissemination. Additionally, speakers emphasized the importance of investing in technologies such as blockchain and machine learning, noting their potential to transform service delivery and improve efficiency in the public sector.

Key takeaways & recommendations

- County governments should allocate resources progressively to strengthen their systems and structures in response to emerging technological demands. **They are also encouraged to leverage local talent in developing and maintaining these systems to ensure sustainability and context-specific solutions.**
- Government agencies, including county governments, the Office of the Data Protection Commissioner, and the Kenya National Bureau of Statistics (KNBS), **should collaborate to ensure the availability of timely, accurate, and secure data to support evidence-based decision making (EBDM).**
- Ministries, Counties, Departments, and Agencies (MCDAs) should adopt piloting of projects and systems before full-scale implementation. **This approach would help avoid challenges such as those experienced during the Social Health Authority (SHA) rollout and allow for improvements based on real-time learning.**
- Counties were encouraged to collaborate with CSOs, which **have shown readiness to support county governments by investing in cloud-based systems.** These partnerships can enhance counties' capacity to store, manage, and secure data effectively.
- Counties were urged to strengthen their **data governance structures to ensure they are robust, transparent,** and aligned with international best practices and standards. This includes establishing clear data collection, storage, access, and protection protocols.



Caption: A participant asking questions to the panelists during plenary session for tech for public budgets.

Session 4: How public budgets shape political parties' manifestos and how manifestos shape public budgets

Moderator: Isaac Kinyua (Governance & Political Analyst)/ BTG.

Panelists:

1. Hon. Brian Osodo - **MCA, Migori County Assembly, Organizing Secretary of KYMCA.**
2. Hon. Rebecca Kiai - **MCA, Kiambu County Assembly, Member of KYMCA.**
3. Tony Mwititi - **Member, Policy and Research Committee – KANU Party.**
4. Marvin Wamukota - **Internal Auditor, United Democratic Alliance (UDA) party.**
5. Ruth Ambogo - **Lawyer and Policy Expert, member, DAP-Kenya.**
6. Joseph Kagai - **Administrator and Strategist, Jubilee Party.**

Overview

Political parties are fundamental to participatory democracy and policy implementation, yet their influence on public budget decisions in Kenya remain significantly underutilized. The session examined the dual relationship between political party manifestos and public budgets, arguing that manifestos are not merely campaign tools but potential policy blueprints that could guide national and county-level budget priorities.

The session further explored the structural and behavioral barriers, including limited capacity within party structures, overreliance on foreign funding, and the absence of permanent, policy-oriented secretariats. Panelists called for political parties to shift from symbolic to substantive participation in budgeting and policy formulation processes and to evolve into platforms of continuous engagement, education, and accountability.



Caption: Panelists during the panel session



Caption: Session's Moderator engaging audience in the panel session.



Reflections and discussions

1 Manifestos are Planning Tools, and not just Marketing

It was noted that political party manifestos play a double role as both a planning document and a marketing tool. However, political parties tend to focus more on marketing, neglecting planning. They usually abandon them after elections, negating them as a promise to the electorate. Secondly, most manifestos ignore, minimize, or misunderstand their budgetary limitations, unaware of their implications within prevailing circumstances.

3 Lack of PFM Knowledge Among Political Party Actors

Another concern was that many party members, including elected representatives, are unaware of planning documents such as the CIDP and ADP that define county priorities, which keeps them from including their priorities at the planning stage. This raises the need for continuous capacity building to build competence across the party, even to students, as parties should be knowledge-sharing agents.

4 Missed Opportunity for Influence

Panelists emphasized that political parties, especially the ruling parties, have a unique opportunity and responsibility to shape national and county budgets that align with their manifestos and meet citizens' real needs.

5 Equity and Access to Resources by Political Parties

Delays in political party fund disbursements were highlighted as a barrier for non-ruling parties, limiting their ability to participate in civic education, training, and budget engagement.

2 The Manifesto's Implementation Gap

Further, it was observed that many political parties failed to engage their members during manifesto development, hence missing out on what they considered important, which leads to a lack of continuity in meeting the people's needs. The big push projects are linked to the current administration's priorities that will be abandoned when a new one comes into office, leading to white elephants and wasted resources. *Speakers described manifestos as a product of mature leadership that appreciates the people's needs and the country's situation.*

Key takeaways and recommendations

- *Make political party secretariats permanent features regardless of the party's status in an administration to make them agents for continuous participation and public engagement.*
- *Political parties must take a lead role in crowdsourcing inputs and ideas from their members to ensure their contributions represent the members' will and adhere to the members' input.*
- *Parties need to view manifestos not as a public relations and marketing tool but as a policy document that guides long-term and short-term development plans.*
- *Political parties should commit part of their PPF towards strengthening their county structures to be formal spaces for engagement, lobbying & advocacy in the budget-making process.*
- *Parties and CSOs need to work together to enhance citizen engagement in the formulation & implementation of party manifestos, ensuring the prioritization of citizens' needs in allocating resources at both levels of government.*

Session 5: Breaking the silos for accountability- Bridging gaps in budget oversight and accountability for inclusive governance

Moderator: Janet Ngombalu – Executive Director, Christian Aid Kenya.

Panelists:

- 1. Hon. Kevin Mahelo – Chair, PAC, Kakamega County Assembly, Chief Whip, KYMCA.**
- 2. Marjory Githure - Head of Programs, Uraia Trust**
- 3. Francis Namunju - CEO of CEDC and Regional Coordinator, Lake Region Budget Hub**
- 4. Evans Kibet - Regional Coordinator, Rift-Valley Region Budget Hub**
- 5. Fredrick Mainda- Senior Education Officer, Ethics and Anti-Corruption Commission (EACC)**

Session overview

Accountability in public finance management is essential to ensure that every shilling collected through taxes, borrowed through loans, or received as grants is used to deliver meaningful public goods and services. Without accountability, the promise of improved livelihoods, better infrastructure, and quality public services remains unfulfilled, and the risk of resource wastage and mismanagement increases. However, accountability is not a responsibility that rests on the government alone, but rather a shared duty, requiring the active participation of various actors across society.

The session brought together practitioners from government, civic institutions, and anti-corruption agency to examine the intersections between budget oversight and social accountability. The Discussions focused on practical strategies to strengthen transparency, bridge institutional silos, and promote citizen-centered monitoring across the entire budget cycle. Case studies from counties like Baringo, Kisumu, and Busia illustrated how grassroots engagement, joint audits, and community-based oversight can make budget tracking more responsive, inclusive, and impactful.



Caption: Panelists pose for a group photo after the panel session

Reflections and Discussions

1

Localized and Citizen-Driven Oversight

Panelists emphasized that social accountability is most impactful when grounded in local contexts and driven by citizens. It was noted that citizens' choice of oversight tools must align with the nature of the audit. *For example, scorecards were identified as particularly effective for monitoring service-based sectors such as education and health, where citizens can easily assess the extent and quality of services delivered. Social audits were seen as better suited for hardware or infrastructure projects, providing communities with a method to evaluate tangible outputs against public investment. Meanwhile, Public Expenditure Tracking Surveys (PETS) were highlighted as most effective for tracing financial flows from budget allocations to the point of actual service delivery, ensuring resources benefit intended beneficiaries.*

3 Case Studies Demonstrating the Impact of Social Accountability

Panelists agreed that social accountability should not be viewed as an end in itself but rather as a continuous process that depends on the capacity of grassroots communities to understand public projects, budget allocations, and actively participate throughout the project cycle, from design to handover and operationalization. ***An illustrative example was drawn from Busia County, where a proposed dispensary project had stalled. Civil society organizations (CSOs) and local community members took the initiative to investigate the issue, identifying the project engineer and the chair of the Project Implementation Committee (PIM). A public meeting was convened at the project site, and duty bearers from the county government were present. During the engagement, the contractor revealed that payment delays were due to his refusal to provide a kickback. Because the responsible officials were present and pressure came directly from the community, the matter was addressed, leading to the contractor being paid. As a result, construction was completed, and the project moved to the equipment procurement and operationalization stage.***

2

Shift from Postmortem to Preventive Auditing

Speakers called for continuous engagement with the OAG to resolve gaps before reports are published and to resolve audit queries through quarterly reports, avoiding the postmortem approach to audit reports. This should be done with collaboration and support from the public and CSOs.

4

Disrupting Corruption Through Systems Reviews and Public Accountability by the EACC

It was noted that anti-corruption efforts must go beyond mandates and policy declarations to deliver visible results. Institutions tasked with combating graft play a critical role in analyzing systems and identifying weaknesses in both procedures and personnel that enable corruption. However, these institutions cannot operate in isolation. A collective approach is essential, anchored in inter-agency collaboration and active citizen participation. The public was called upon to report corruption, hold institutions accountable for enforcement, and demonstrate how collected data is used. During the plenary, Participants emphasized that Kenyans expect more than routine statements; they want to see a tangible impact from anti-corruption work.

“

A patriot should not trust his government, and here is where social accountability fills the gap on auditing. Citizens are the best auditors of the utilization of public resources and service delivery.
Evans Kibet, Coordinator, Rift Valley Budget Hub

”

Reflections and Discussions

5 Exposing Budgeted Corruption and Systemic Misuse of Public Funds

The discussion highlighted budgeted corruption, where misuse of public resources is premeditated and embedded within formal budgeting, procurement, and project planning processes. Panelists noted that corruption often begins not at the implementation point but at the planning and allocation stage, where inflated budgets, duplicate project lines, and vague expenditure items are used to divert public funds. Both panelists and audience emphasized the need for transparency at every stage of the budget cycle, especially during formulation and approval, to prevent the institutionalization of corruption.

6 Building Trust through Transparency and Participation

Speakers called for continuous engagement with the OAG to resolve gaps before reports are published and to resolve audit queries through quarterly reports, avoiding the postmortem approach to audit reports. This should be done with collaboration and support from the public and CSOs.

Key Takeaways and Recommendations

- *There is a need to foster stronger collaboration between national and county governments to co-fund major infrastructure projects, reduce duplication, wind down agencies with overlapping or outdated mandates, and address budgeted corruption.*
- *Enhancing OAG's capacity in terms of financing and adequate staffing is needed to ensure timely reporting and audits. Significantly, the Office of the Auditor General's role in audits extends to submitting audit reports before the legislature, hence the need to expand the scope and mandate the OAG in the audit process.*
- *Enhance inter-agency collaboration and citizen involvement in anti-corruption efforts- The OAG, the EACC, the ODPP, the Parliament, and citizens need to collaborate and oversee, as accountability and oversight cannot be conducted by one institution in isolation. Citizens must use budget implementation performance as a political accountability tool to assess leaders based on tangible outcomes. Conversely, agencies should coordinate efforts, share data transparently, and actively involve citizens in tracking how complaints and corruption reports are resolved. The PIC/PAC committees must push the counties to address the recurring audit queries.*
- *To curb budgeted corruption in infrastructure and other capital-intensive projects, citizen-led accountability initiatives must continue to be supported and sustained through capacity building, access to information, and budget transparency. Non-financial information, including where the projects are being undertaken, the total location, the implementing agency, the project timelines, and the project status, is important for citizens and Project Implementation Committees to track and oversee projects accordingly.*

“

With the traditional approach of auditing, the concerned legislative committees at the county and national level do more of a post-mortem as they come at the tail end of the process.” Hon. Kevin Mahelo, Chairman PAC, Kakamega County Assembly.

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Session 6: Breaking free from dependency Syndrome Enhancing Counties' Fiscal Resilience through Own Source Revenue, Equitable Share, and Pending Bills Management

Moderator: FaithAnn Kinyanjui, Learning & Capacity Building Lead, Bajeti Hub.

Panelists:

1. FCPA. Stephen Masha - Deputy Director, Office of the Controller of Budget, Kenya.
2. Jane Githui - Director of Budgets & Economic Planning, County Government of Mombasa.
3. John Mutua - Programs coordinator, Institute of Economic Affairs.
4. Kipkorir Biegon - Program Officer, Research, Bajeti Hub
5. Elijah Bonyo - Director, Policy, Advocacy, and Government Relations, World Vision Kenya.
6. Eunice Kamau - Program Officer, Inuka Kenya, Ni Sisi.

Session overview

Twelve years into devolution, counties continue to face persistent structural, systemic, and financial challenges that threaten the promise of localized development and service delivery. This session explored the financial fragility of county governments, focusing on declining intergovernmental fiscal transfers, underperformance in own-source revenue (OSR), mounting pending bills, and the operational constraints resulting from delayed disbursements and weak financial planning.

From FY 2019/20 to FY 2023/24, county governments' share of national expenditure fell from **12% to 8%, with public debt servicing rising sharply from 27% to 47% over the same period.** Counties have also struggled with bloated wage bills, poor development budget absorption, unrealistic revenue targets, audit non-compliance, and overlapping mandates with national government agencies. The session brought together diverse actors across state and non-state sectors to explore solutions for strengthening the county governments' financial resilience and ensuring devolution delivers its intended development impact, while navigating the shrinking funding space. Two of the participants in this sessions, shared their input through recorded audios.



Caption: Panelists during the panel session

Key Reflections and Discussions

1 Reframing own source revenue and strengthening public participation in revenue discussions

Speakers observed that the term Own Source Revenue (OSR), was extensively used to refer to revenue counties collect, citing that even the revenue that the national government collects as ordinary revenue was part of OSR, as it is ultimately derived from taxpayers. *According to the speaker, the framing impacted how counties perceived their mandate in collecting, utilizing, and managing revenue and overall resource mobilization, and how citizens understood the accountability structure for resource mobilization.*

Further, speakers noted a growing public interest and awareness around how both levels of government raise revenue. Some counties were reported to have begun to innovate by decoupling revenue discussions from broader budget forums, allowing for more focused and informed citizen engagement on taxation, fees, and charges. In some cases, counties were seen to lead the way in inclusive revenue dialogue, even outpacing national government efforts in involving the public early in the revenue discussions through taxation.

2 Counties are yet to exploit their full potential in OSR collections

Speakers agreed that the constitutional and legal framework significantly limited county governments' ability to diversify revenue sources. With taxation powers restricted to property rates, entertainment taxes, and charges authorized by legislation, counties faced systemic constraints in expanding their revenue base. Nevertheless, it was observed that there is progress in county governments in that they are increasing revenue annually. However, the outturn does not compare well with the county's potential, which is estimated to be over Kshs. 260 billion according to the CRA report, 2022. The year ended June 2024, counties generated Kshs 59 billion, which was the highest amount ever against a target of Kshs.81 billion, representing 70%.

3 OCOB's role in supporting revenue optimization and fiscal discipline among counties

The Office of the Controller of Budget (OCOB) has played a key role in strengthening the county revenue systems by introducing the Tax Administration Diagnostic Assessment Tool (TADAT), in collaboration with UNCDF. TADAT is a globally recognized tool that helps assess countries' tax administration capabilities against international benchmarks. It was established that to date, 21 counties had adopted TADAT, with early evidence showing improved revenue performance. In FY 2023/24, county-generated revenue reached Ksh 59 billion, the highest to date, though still far below the estimated Ksh 260 billion potential.

4

Service delivery and revenue must be linked

Citizens are more likely to comply with tax and fee structures if they perceive value. The session emphasized that revenue should follow service quality, not vice versa. When services are poor, the public's willingness to pay declines, feeding into resistance and tax evasion. Counties were encouraged to shift the narrative from **"how much was collected"** to **"why it was collected"** and what it means for public wellbeing. For Instance, higher collections in health facilities should not be celebrated as a win but instead flagged as potential indicators of increased illness

“

Health Facilities should not be excited when they collect more revenues from the health service, it should bother them that more people are getting sick, and hence the demand for seeking health services.

Elijah Bonyo, World Vision Kenya

”

5

Pending bills has become a problem for the government and the communities.

According to the Budget Policy statement 2025, as of 30th June 2024, counties reported accumulated pending bills amounting to Ksh 181.98 billion, an increase of Ksh 17.22 billion from Ksh 164.76 billion reported in the previous period. Speakers attributed the rising backlog of pending bills to delayed disbursements, unrealistic revenue projections by counties that do not reflect historical performance and economic realities, late disbursement and procurement delays, bloated wage bills, and weak expenditure tracking. Pending bills have disproportionately hurt local contractors, SMEs, and service providers. In a quest to manage the pending bills, the OCOB had issued a directive to counties to put the pending Bills payment plans in place, which is slowly reducing the accumulating pending bills, while the National Treasury is initiating Accrual accounting from cash-basis accounting to help manage pending bills.

6

OSR innovation and performance varied from one county to another due to different contexts and dynamics.

Although the potential to collect revenue may differ, some counties were observed to have made significant OSR gains through automation, incentivizing collection staff, and establishing revenue boards, as in the case of Homabay County. For instance, Mombasa County, identified new revenue streams like the waste management at the port and the SGR terminal, put in place OSR laws, such as, The Hawkers Act, Enhancement of the Transport Act and the Mombasa County Markets management bill 2024 and operationalized the Mombasa County Multi-Year Projects Financing Act to enhance development in the county /raising revenue. Laikipia and Murang'a counties' revenue performance was linked to automation and staff training.

7 The role of data in influencing revenue decisions

Data and disaggregated data were cited as key factors that could help the counties collect and manage revenue better. Whereas the quarterly reports provide information on how much is collected from which revenue stream, counties could do more to give more details. For instance, the collections from the Facility Improvement Fund (FIF) could provide more information, such as how much was collected from which facility, and which market contributed which amount from the market fees. This data disintegration will help counties spot the sources whose potential is not exploited.

8 Equity in tax collection and administration

The Speakers noted that Tax collection is not neutral, as social factors like clanism, gender roles, and ethnicity influence who pays, how much, and for what. Equity in tax administration, through standardization and inclusive policy design, could increase compliance and rebuild public trust.

9 OSR collection barriers and impact on service delivery

The following were cited as factors impeding collection of revenue; lack of accurate data for rate payers, a dislink between service delivery and the fees imposed, Manual /cash collection, an inability to cost service against the fees set for collection, Fragmented revenue collection, Compliance with new rates/fees, and Corruption/misappropriation of funds as key challenges that counties face in revenue collection. It was observed that Several counties continue to set overly ambitious OSR targets that do not reflect historical performance or economic realities. When targets are missed, service delivery suffers, especially the development budget. On average between 2020/21 and 2023/24, county governments registered an average of 24% in absorption of the development budget, despite allocating at least 30 percent of their budgets to development during the budget formulation approval stages.

“

*You cannot control
inadequately funded budgets!”*

*– FCPA Stephen Masha,
Deputy OCOB.*

”

Take aways and recommendations

- **The county and national governments should reframe and institutionalize revenue engagement as a participatory process distinct from expenditure planning.** Both levels of government should formally establish standalone forums for public participation in revenue generation processes, different from budget hearings, to increase transparency in how fees, levies, and charges are determined. This will help improve citizens' understanding of financial accountability and reinforce the link between revenue generation and service delivery expectations. It would also help the government avoid the events in 2024 on #RejectFinanceBill2024.
- **Expand the adoption of TADAT and standardize tax administration diagnostics across all counties. Building early success in the 21 counties that have adopted the Tax Administration Diagnostic Assessment Tool (TADAT),** the Office of the Controller of Budget (OCOB), the IBEC, and the National Treasury should support full national scale-up, requiring counties to conduct annual diagnostic assessments and publish findings to guide targeted tax system reforms.
- **Link OSR targets and revenue forecasting to service delivery performance and historical trends-** The counties should be required to align OSR targets with historical collection performance and real-time economic conditions, with technical justification included in annual budget estimates. Unrealistic target-setting should be flagged during budget approvals.
- **The Office of the Controller of Budgets should push the counties to structure pending bill repayment plans and link them to county budget approvals and disbursements.** The Counties should submit and adhere to structured pending bill payment plans tied to budget approvals and quarterly disbursements. The OCOB should track compliance, while the National Treasury should transition from cash-basis to accrual accounting and build the counties' capacity to do so.
- **The county governments should align revenue projections with realistic disbursement schedules to improve budget absorption.** Adherence to fiscal responsibilities at the county and national level should go beyond budget formulation and approval to implementation, even in supplementary budgets.

Session 7: Private sector actors as drivers of PFM-

An enabling business environment as a stimulant for economic growth.

Moderator: Duncan Mochama, INFOBIP, Africa Startups and Developers Lead

Panelists:

1. **Joseph Kimani - Program Manager, Royal Danish Embassy, Nairobi.**
2. **Faith Atiti - Head of Strategy, Monitoring & Research, Diamond Trust Bank.**
3. **Diana Sifuna - CEO, Jonathan Jackson Foundation.**
4. **Vincent Ogya - Lead, Research & Policy, Kenya Climate Innovation Center**
5. **Odeny Peter Kagia, MBA - Certified Financial Advisor – APSEA**

Kenya has a dynamic and diverse business environment, characterized by a mix of formal and informal enterprises, small and medium-sized enterprises (SMEs), and multinational corporations. The country is a regional economic hub, benefiting from its strategic location, robust financial sector, and a young, growing workforce. Kenya's economy is primarily driven by key sectors such as agriculture, manufacturing, trade, tourism, and financial services (KNBS 2024). Despite these advantages, businesses in Kenya face several challenges, including regulatory complexities, high costs of credit, infrastructure gaps, and frequent policy changes. While essential for revenue collection, the taxation regime is often cited as a key business concern due to its perceived complexity and high compliance costs.

Given the significance of domestic resource mobilization, fiscal policies must be adopted to balance revenue generation and foster a conducive business environment. However, within the past few years, the fiscal policies adopted by the Government have been detrimental to the survival of businesses. This has been due to tax administrative and compliance issues, or the rates chargeable on raw materials or intermediate goods. The session provided a platform for policy, business, finance, and development stakeholders to explore how a more enabling business environment can strengthen domestic resource mobilization and drive inclusive economic growth.

Key Reflections and Discussions

1 Business environment, investment, and regional competitiveness.

Kenya continues to attract significant foreign investment, particularly in the startup and innovation ecosystem, making it a regional leader in venture capital inflows. However, concerns were raised about the inconsistent nature of the business environment. Factors such as regulatory unpredictability, bureaucratic delays, and lack of policy coherence were said to have weakened confidence among investors and private sector actors. For Kenya to fully capitalize on its economic position, it needs to enhance the consistency, transparency, and responsiveness of its regulatory and trade frameworks.



Caption: Panelists pose for a group photo after the panel session

2 Lessons from international practice and institutional engagement.

Panelists' Comparative reflections highlighted how international models, particularly those with zero-tolerance policies on corruption, merit-based systems, and stable policy environments, could inspire reforms in Kenya's public-private engagement. Locally, it was noted that while Kenya has mechanisms for stakeholder engagement, they are not consistently leveraged due to institutional inefficiencies and fragmented dialogue.

3 Professional associations and policy advocacy.

The role of professional associations was discussed as vital in shaping fiscal and regulatory policies. These associations are well-positioned to influence debates on taxation, public service delivery, and capacity building. However, their involvement tends to be reactive rather than proactive; hence, there is a need for more structured and strategic participation in public discourse, particularly during early fiscal policy design and review stages.

4 Philanthropy, civic engagement, and youth empowerment.

Philanthropic organizations were recognized as key actors in supporting economic empowerment, youth development, and civic participation. However, their effectiveness depends on how well community-based organizations are structured to define their impact goals. Programs aimed at entrepreneurship and civic education are more successful when there is clear organization, targeted objectives, and demonstrable return on investment for partners. *A good case study is Jenga Bizna Mtaani, which JFF has been implementing in the informal settlements in Nairobi.*

5 Financial sector limitations and collaboration with citizens.

Financial institutions such as banks are limited by regulatory boundaries when participating directly in civic spaces. However, they continue to empower communities through financial literacy forums, customer seminars, and investment support. Panelists noted that working with organized groups, rather than individuals, enhanced these efforts' effectiveness and promoted economic empowerment, which can ultimately improve civic engagement and participation in governance.

6 Climate and innovation gaps.

Panelists stressed that the climate and environment are last-ditch considerations, whereas they primarily affect the business environment from production to consumption. Innovation comes before policy and regulations, which tend to impact business growth. This situation is worsened by the overall business environment, i.e., policy, legal, and tax regimes. Secondly, Kenya is mainly an informal economy that makes the space for structured dialogue problematic, thus the need for innovative ideas regarding business processes and models. There is a need for creative solutions to bring informality to the formal.

Key Takeaways and Recommendations

- **Enhance Policy and Regulatory Predictability to Strengthen Investor Confidence-** The government should prioritize consistency in tax, trade, and regulatory frameworks to reduce uncertainty and foster a stable environment for private sector investment and long-term business planning.
- **Integration of Global Best Practices into Public-Private Engagement Models-** Kenya should adopt governance principles from successful international models, such as zero tolerance for corruption, policy stability, and merit-based leadership, to strengthen trust and transparency in business and investments.
- **Rethinking diplomatic relations,** Kenya's diplomatic ties need to be reoriented to be more business-oriented, and capacity needs to be built to speak for Kenya and attract investors.
- **The private sector should consider incorporating sustainability and philanthropy into its operations and business strategy** to support CSOs and MSMEs in building their capacity in their economic and civic spaces. CSOs should also be proactive in looking for partnerships with the local private sector by presenting good proposals on investment and impact on the people.
- **Encourage Financial Institutions to Deepen Engagement with Organized Groups-** Banks and other financial institutions should expand partnerships with savings groups, cooperatives, and youth associations to deliver financial literacy, investment support, and public finance education within compliant civic spaces.
- **Promote Collaborative Innovation and Green Policy Integration in Economic Planning-** The Government and private sector actors must align innovation and climate resilience efforts within business strategies, formalize informal enterprises, and adapt regulatory frameworks to keep pace with evolving technologies and environmental challenges.

“

There are many lessons that Kenya and other countries can learn from the Danish Private sector, and this is not to say that Denmark is perfect; no country is ideal, but there are a few lessons that can be learnt from Danish Industries and the private sector. There is zero tolerance for corruption, a high-trust society meaning one can trust the word of a public servant, a business, or a citizen, predictability in policy, meritocracy over patronage, and a constant quest for innovation.

Joseph Kimani, Royal Danish Embassy, Kenya.

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Session 8: Countering disinformation & misinformation in public finance.

Moderator: Kelvin Njai, Communication Officer, Africa Youth Trust.

Panelists:

- 1. Emeka Mayaka - Managing Editor, People Daily**
- 2. Eric Mugendi - Senior Editor, Africa Uncensored.**
- 3. Ann Mercy - Emerging Leaders Foundation.**
- 4. Harrison Manga - Media Focus**
- 5. Keith Muhati - Project Officer, Africa Youth Trust**
- 6. Agnes Gachui - Director, Ustawi -Ke.**

Session overview

Public finance shapes governance, development outcomes, and public trust. However, misinformation and disinformation, whether intentional or unintentional, pose a growing threat to financial transparency and accountability. With the increasing influence of social media and fragmented information ecosystems, false or misleading narratives can distort public understanding of public budgets, policies, and resource allocation, ultimately weakening institutional legitimacy. The session brought together media, civil society, and development sector experts to explore how misinformation manifests within the public finance ecosystem, how it affects civic engagement, and what strategies can be employed to promote financial literacy, open data, and trust in public institutions.

Panelist's reflections

1 Defining Misinformation and Disinformation: Panelists defined the differences between disinformation (spreading falsehoods with the intent to deceive), misinformation (unintentionally spreading falsehoods without verification), and disinformation (spreading falsehoods and adding your falsehoods). The key distinguishing factors were the intent and whether the truth was being spread

2 Panelists emphasized that misinformation thrives when access to reliable information is limited or technical knowledge is lacking. The Public Finance Management (PFM) cycle remains poorly understood by citizens and media practitioners, making it challenging to counter false claims. Journalists cannot often interpret budgets or hold institutions accountable, leaving space for distorted narratives to flourish.

3 The Role of Youth and Emerging Movements: There is growing momentum among young people in demanding transparency and engaging in accountability efforts, particularly through social and digital platforms and fact-checking. The conversation around the 2024 Finance Bill was a recent example, where youth-led interventions countered political rhetoric and exposed misleading claims. However, most youths in the streets had no information on what was in the Finance Bill 2024.

4

Political narratives and disinformation as a distraction- Disinformation was identified as a tool frequently used to suppress public participation or divert attention from core governance issues. Often, political actors use side narratives, such as scandals or partisan drama, to deflect scrutiny from budgetary decisions and misuse of public resources. There is a growing need for media institutions to assert their role as impartial informers and stand firmly on verifiable truths.

5

Investigative journalism as a corrective force- The media was called upon to strengthen investigative reporting to spotlight key issues hidden in complex budget documents and political messaging. When information flows are manipulated, identifying and amplifying credible sources of truth becomes even more urgent, including through partnerships with civil society and open data platforms.

Key Takeaways and Recommendations.

- Media stakeholders should continuously train journalists on the Public Finance Management (PFM) cycle, budget interpretation, and fact-checking tools to enhance accurate and accessible public finance reporting to counter misinformation and disinformation.
- Public institutions should communicate clearly and jargon-free when explaining policies or budget processes and proactively address misinformation through verified public statements and civic dialogue.
- To harness the growing momentum among youth in governance, civic groups and educational institutions should integrate basic public finance and budget literacy into civic engagement programs to equip young people with the knowledge necessary to distinguish fact from misinformation.



Caption: Panelists and a sign language interpreter during the panel session

Session 9: Engaging children on budgets for a sustainable future

Session overview

The allocation of public funds directly affects nearly every aspect of society, impacting everything and everyone, including Children. For Example, according to the Kenya Poverty Report, 2022, at the national level, 33.1% or 7.5 million children aged 0-17 years of age, were food-poor, meaning that the children were unable to meet their daily food requirements to attain at least the minimum 2,250 kilocalories for their daily energy requirements. Second example, according to the Kenya Demographics and Health Survey, 2022, 18% of children under five are stunted (too short for their age), 5% are wasted (too thin for their height), and 10% are underweight. The statistics presented indicate the extent to which children are affected by budget decisions and require an urgent need for child-focused investments within public budgets to ensure equitable access to essential services and to secure the future of Kenya's young population.

The session brought together students from various secondary schools, including Chogoria School, Starehe Boys' Centre, Gaita Girls, Ikuu Girls, Giambambo High School, Nguruki High School, and Kiganguru Girls. The session was energized by the active participation of students who articulated their perspectives on public finance and its direct implications for their lives. The students emphasized that they would inherit the consequences of decisions made by current leaders, so their inclusion in public budgets and governance is not optional but essential.

Students' reflection and discussions

i. **We are equally affected by budget decisions-**

Students reflected on how public budget decisions, especially delays in capitation, directly impact their school experience, including access to food, quality learning materials, and safe environments. They stressed that their voices must be taken seriously in discussions on resource allocation.

ii. **Prioritize investment and domestic production over imports-**

Concerns were raised over Kenya's dependence on imported goods, particularly medical supplies, and the lack of local manufacturing capacity. Students called on the government to prioritize investments supporting domestic production and enhancing national infrastructure, such as electricity and road networks, to stimulate broader economic growth.

iii. **Unequal access to education-** Another major concern was inequality in access to education. Students pointed out that many of their peers remain excluded from the education system and urged the government to significantly increase educational budgetary allocations as a foundation for national development.

iv. **Political discourse and meaningful action-** There was shared frustration about the gap between political discourse and meaningful action. Students criticized the urban-centric development model, noting that resources and opportunities are overly concentrated in Nairobi, while rural areas remain underserved. Citing Sessional Paper No. 10 of 1965, students reminded the audience that Kenya's foundational challenges, illiteracy, disease, and poverty, have now been compounded by impunity and corruption, which continue to hinder the country's progress.

v. **United call-** In unison, the students voiced a powerful call: They must be heard, and the government must act in their best interest. They asserted that proper public finance management must include their needs, priorities, and aspirations.

Children's sessions in pictures



DISCLAIMER

The children's session was filmed and photographed with the informed consent of the accompanying teachers and the organizers of the People's Dialogue Festival. Budget Talk Global and Mtoto News made all the efforts to prioritize and protect the rights, safety, dignity, and privacy of the children throughout the filming process, while documenting their session.

Session 10: Financing Health Reforms in Kenya: Bridging the Gap Between Policy and Practice

Moderator: Nelson Maina, Coordinator, Nairobi Eastern and Central Region budget hub.

Panelists:

- 1. Alexander Riithi - Head of Programs, TISA**
- 2. Valentine Mueni - Policy research and budgeting officer, Haki Jamii**
- 3. Reena Atuma - Activity Manager, Population Reference Bureau**
- 4. Nellie Chepkemai - Policy & Advocacy Lead- WeCare Organization**
- 5. Joyce Mugure – Disability Inclusion Trainer and Advocate, UDPK**

Session overview

Launched in October 2024, the Social Health Authority (SHA) replaced the National Hospital Insurance Fund (NHIF), introducing a restructured health financing model built around three funds: the Primary Healthcare Fund, Social Health Insurance Fund (SHIF), and Emergency, Chronic, and Critical Illness Fund. The funds aimed to expand preventive and curative care access, including maternal, mental health, and chronic illness services. Despite the promise of more equitable coverage, the health sector continues to face significant challenges, including underfunding, limited public awareness, governance gaps, and systemic exclusion of vulnerable groups such as persons with disabilities.

The session explored the financing and implementation gaps in Kenya's health reforms, focusing on the SHA's rollout, budget allocations transparency, and service delivery inequities. Panelists examined how underfunding, lack of public participation, and weak governance hinder equitable access to quality healthcare, particularly for vulnerable populations.

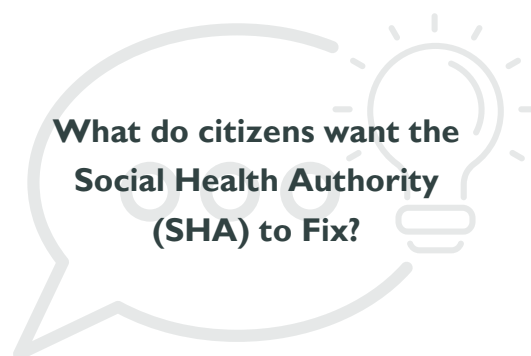
Panelist's Reflections.

SHA implementation and accessibility gaps

During the panel session, panelists emphasized that many healthcare facilities and community stakeholders were not adequately involved in the design or rollout of the new health insurance scheme. As a result, awareness of the SHA system remains low, leading to inconsistencies in service delivery. Some facilities are unaware of operational requirements, such as renewing registration under the scheme. In contrast, benefit limitations, such as access to only one assistive device per household for PWDs, reflect systemic oversight.

- **Women's health and structural gaps-** It was noted that the new scheme does not adequately address women's sexual and reproductive health needs. Inadequate provisions for cervical cancer screening, HPV vaccination, and maternal health services, which have not been sufficiently provided for in the SHA model, signaled a policy blind spot in a system that should prioritize vulnerable populations.
- **Trust, communication, and institutional weakness-** Distrust in government institutions was cited as a major obstacle to SHIF's uptake and sustainability. The panelists and the audience stressed the need for effective communication handled by trusted health professionals and community-based networks, rather than generic public relations campaigns. Restoring public confidence requires a transparent presentation of SHIF benefits, processes, and costs.
- **Health budgeting and implementation challenges-** The panelists acknowledged the resource gaps in the Ministry of Health, which are further compounded by delayed disbursements. For instance, in the 2023/2024 financial year, Kshs. 141.2 billion to the health sector, representing 11% of the total national budget and about 5% of GDP, falling short of the 15% Abuja target. This was a reduction from Ksh. 146.8 billion in 2022/2023, out of which Kshs. 116 billion for medical services and Kshs. 24.6 billion for public health standards. These challenges have continued to cripple service delivery, especially at county levels. Panelists also commended the value of zero-based budgeting, linking allocations to verifiable needs and improving accountability in planning and implementation

During the plenary session, participants were asked: ***"If you had the opportunity to meet the SHA implementation team, what is the one thing you would ask them to fix?"*** The audience provided a range of insightful and practical responses, reflecting real concerns and lived experiences with the healthcare system, as follows:



Ensure the availability and inclusivity of assistive devices for people with disabilities



Clear all pending claims and liabilities inherited from NHIF to enable a smoother transition to SHA and restore trust in the system.



Reinstate the Unified Payments Interface (UPI) for students to ensure continued access to school-based health services



Ensure equal treatment of public and private facilities under SHA to give citizens freedom to access care wherever quality is assured.



Make means testing more equitable and transparent, ensuring that assessments of eligibility and contributions are fair and reflect real income levels.



Safeguard SHA from political interference, urging the SHA team to act independently and in the public interest, free from undue directives or "orders from above."

Key Takeaways and Recommendations

- The government should follow the health sector's laws in implementing SHIF, including equity, accountability, and transparency.
- The government must adopt and leverage technological advancements to meet people's needs, make services available, and cut costs, including telemedicine and Artificial Intelligence (AI) in urban and rural health settings.
- The government must be accountable and avail itself of information about benefits, ownership, costs, etc., to rebuild trust and support for the scheme.
- Citizens should be supported to engage with and understand SHA packages, including their entitlements and how to access services effectively.
- The government should explore alternative health financing sources, including more domestic health financing, in the context of limited donor funding for the health sector.

“

“Why is SHA good for the public members but not parliamentarians and other public servants? The experts and the direct beneficiaries have told the government that SHA is not working, but for the government, SHA should work!”- Alexander Riithi, TISA.

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Caption: Panelists during the panel session

Session II: Enhancing Civic Engagement through Open Data

Moderator: Daniel Ndirangu - Country Lead & Head of Programs, Institute of Public Finance.

Panelists:

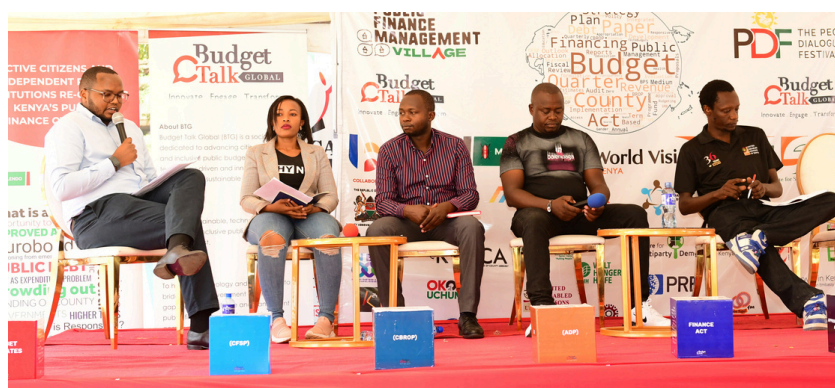
1. **Esther Nyonje** - Political Risk Analyst/Policy Consultant- Nawiri Strategies Consulting.
2. **Anthony Mugambi** – Senior Programs Manager, County Assemblies Forum
3. **Marcus Mburu** - Bunge Mashinani Initiative
4. **John Wambua** – United Disabled Persons of Kenya

Overview

Access to information is fundamental to democracy and sustainable development, empowering citizens to engage in governance and demand accountability. In Kenya, ensuring transparency in public finance management (PFM) is vital for building public trust and enhancing service delivery. While legal frameworks such as the Access to Information Act (2016) and the Public Finance Management Act (2012) provide a foundation, gaps remain in ensuring that government financial data is accessible, user-friendly, and proactively disclosed. Budget documents and audit reports are often published in non-machine-readable formats, making analysis difficult for civil society, media, and researchers. Additionally, national and county-level data inconsistencies limit oversight and weaken public participation.

Addressing these challenges requires a commitment to open data, stronger institutional support, and strategic collaboration. Kenya's initiatives, including the Kenya Open Data Initiative and digital budget-tracking tools, demonstrate potential but need sustained policy support, improved usability, and broader public awareness. Enhancing partnerships among government, civil society, media, and development actors is essential to fostering a robust open data ecosystem where financial transparency translates into accountability and inclusive governance.

The session explored how strengthening open data ecosystems and ensuring accessibility, especially for marginalized and disabled groups, can promote inclusive governance, counter misinformation, and improve service delivery outcomes.



Caption: Panelists during the panel session

Reflections and discussions

1 Access to information as a means, not an end.

Panelists noted that information is only meaningful when it enables citizens to demand better services. While there has been an increase in public demand for budget transparency, reflected in the citizens' widespread engagement with budget information, information-sharing by the government remains fragmented. Citizens must therefore be proactive in demanding relevant, timely, and usable budget and policy information to influence decisions that affect them.

2 Celebrating progress while strengthening partnerships.

Kenya's citizens are now more literate, empowered, and digitally connected than ever before. While much progress has been made in public access to budget documents and government data, panelists emphasized the need for a more coordinated, cohesive civic space. Partnerships between the government, CSOs, international actors, and the public must be deepened to sustain and scale impact.

3 Information availability versus overload.

Concerns were raised about the growing trend of information overload, where government agencies publish vast amounts of data without clear structures for public interpretation or action. While transparency is essential, the expectation that citizens will sift through large volumes of technical information without guidance can hinder meaningful engagement.

4 There is a correlation between access to information and quality of service delivery

Panelists opined that there is a direct correlation between access to information and quality of service delivery. For instance, without understanding SHA, it is difficult to demand services or know who to hold accountable. Further, information access should be possible even for those with disabilities in an easy-to-consume format, including those with intellectual disabilities, different languages (including Kenya Sign Language), and an abridged format.

Key takeaways and recommendations

- *Kenyans and CSOs must translate the available platforms and information into formats and languages that most individuals can consume. In cases where information is unavailable, they should ask the Ombudsman for information.*
- *Duty bearers should ensure access to information is a reality since you cannot separate access to public information and public participation using new tools such as the internet and artificial intelligence, even to combat misinformation and disinformation.*
- *The county should be supported as they develop their bills, since there are situations when they develop progressive bills that they cannot implement.*
- *The government should balance the lack of information and information overload, especially in key decisions such as taxation, resource allocation, and service delivery.*

Session 12: Sustainable agricultural financing and climate resilience.

Moderator: Sheila Lyona – TISA

Panelists:

1. **Eve Mathai- Director, BTG**
2. **Mary Karanu - Advocacy Advisor, Welt Hunger Hilfe, Kenya**
3. **Nyangori Ohenjo - Team Leader, CEMIRIDE**
4. **Sande O. Erick - Governance Expert, UDPK**
5. **Andrew Letting - Project Assistant, Climate Governance, TI-Kenya**

Overview

The right to food is a fundamental human right, explicitly stated in Article 43(1)(c) of the Constitution of Kenya. This provision guarantees every person freedom from hunger and access to adequate food of acceptable quality. However, despite this constitutional provision, millions of Kenyans experience food insecurity due to insufficient public investment, inefficient resource management, and weak accountability mechanisms within public finance management (PFM).

Effective PFM ensures that public resources are adequately allocated, transparently managed, and equitably distributed to enhance food security. Strengthening the governance of public funds can significantly improve food systems, boost agricultural productivity, and prioritize food security and nutrition, particularly for vulnerable populations. The session examined the current state of budget allocations to agriculture and food systems, the gaps in targeting and equity, and the role of civil society and communities in pushing for responsive, rights-based food policies.



Caption: Panelists pose for photo session after the panel session

Panelist's Reflections & Discussions

1 Decreasing allocation in the ARUD sector.

Panelists highlighted that while overall national budgets continue to grow, the share allocated to the agricultural sector has been consistently declining, falling well below the Maputo Declaration target of 10%. Budget Policy Statement 2025 revealed further reductions in exchequer allocations to agriculture, despite the sector being the backbone of Kenya's economy. It was emphasized that most resources are still directed toward crop production, which receives only around 4% of the national budget.

2 Role of research, data, and smallholder support.

The Speakers stressed the need for enhanced investment in agricultural research and development (R&D), more reliable data systems, and stronger linkages between national allocations and support to smallholder farmers. Delays in budget disbursements to counties were also flagged as a key reason for the postponement of food-related programs and missed impact opportunities.

3 Misalignment between policy and grassroots realities on agriculture.

The panelists emphasized a misalignment between high-level policy goals and grassroots realities. Reliance on generic solutions such as blanket fertilizer subsidies was said to have failed to address diverse grassroots needs or align with key policy frameworks like Vision 2030, the Malabo Declaration, or the Paris Climate Agreement. There were concerns about the exclusion of people with disabilities (PWDs) from budget planning and the lack of targeted measures within major programs like the National Agricultural Value Chain Development Project (NAVCDP).

4 Climate change, land rights, and gendered inequality.

Climate vulnerability remains a significant threat to Kenya's food security, yet mitigation and adaptation measures remain underfunded. Despite being the primary contributors to agricultural labor, women face significant barriers, such as limited land ownership, which limits their access to credit, extension services, and inputs. Moreover, the additional costs and diverse realities of disability further marginalize farmers with disabilities.



5 Community empowerment and policy participation.

Panelists reinforced the importance of engaging citizens in budgeting processes to ensure food and agriculture priorities are community-driven. Civil society organizations were recognized for their role in lobbying, policy dialogue, and capacity building, particularly through tools such as food manifestos and grassroots budget champions. Empowering local communities to cultivate their food was fundamental to dignity and sustainability.

“Relying on food aid represents the highest level of human indignity, making it imperative that we empower local communities to cultivate their food.”- Nyamori.

Key Takeaways and Recommendations

- *Agriculture is the backbone of Kenya's economy, but it's severely underfunded. We must rethink funding, combining the public and private sectors to revitalize the agricultural industry.*
- *Scale Up Inclusive School Feeding Programs: The government should expand school feeding beyond public schools to include learners in informal and private institutions, ensuring equitable nutrition for all school-going children.*
- *The government must implement the National Agroecology Strategy to enhance food productivity. Empowering local communities to produce food will reduce reliance on aid and build resilience.*
- *The impact of climate change heavily impacts women, children, and PWDs; the government must engage them in initiatives for climate change mitigation and adaptation.*



Caption: Participants following discussions in the sessions.

Closing session.

The closing ceremony of the PFM Village 2025 was marked by gratitude, reflection, and a strong sense of shared purpose. Speakers sincerely thanked all participants, stakeholders, and partners whose contributions led to the village's success. Building on this spirit, the leadership of Budget Talk Global presented the PFM Village 2025 Communique, which captured the wide-ranging discussions over three days, engaging more than 600 participants. The Communique highlighted key themes around citizen engagement in public finance, transparency, and collaboration.

Budget Talk Global reaffirmed its commitment to following up on the implementation of the key takeaways, working closely with both state and non-state actors. It also pledged to foster dialogue through relevant PFM-related spaces and networks at the county and national levels.

Nyamai's closing remarks.

Under the theme 'From Public Budgets to Public Benefits,' we did more than analyze figures and policies. We have reaffirmed that there are real people, real lives, and real needs behind every budget line. Public finance is not just a technical process managed by a select few, it is about ensuring that every shilling raised in taxes translates into tangible public benefits: Healthcare that heals, Roads that connect us, Schools that nurture our children, Water that sustains life, security system that protects All, Food security for all and social safety and welfare for everyone. Throughout the week, we have listened to stories from across the country of progress and pain. We confronted the hard truths about public debt, service delivery, devolution, citizen participation, and accountability through budget transparency and open data. One thing remains clear: public resources must serve the public good. I strongly believe that, collectively, we can move from paper promises to actual progress. Together, we can build a Kenya where public budgets truly deliver public benefits, no one is left behind, and every resource counts. We must continue asking the right and hard questions, even when the system resists, until it works for everyone. Until every shilling is accounted for and translates into real impact for every Kenyan.

Eve's closing remarks.

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As we conclude the PFM Village at the PDF Festival 2025, we reflect on the tremendous success of our sessions and the fruitful discussions that have taken place over the past few days. From exploring the budget cycle to understanding each stakeholder's roles in public finance management, our sessions have fostered meaningful dialogue and collaboration among participants. We are particularly grateful for the vibrant engagement from our youth attendees, whose enthusiasm and insights have brought a refreshing perspective to our conversations.

We extend our heartfelt appreciation to all our partners who contributed to this initiative's success and to CMD Kenya for their exemplary organization and support throughout the festival. A special thank you goes to our panelists and moderators for their expertise and guidance, which enriched the discussions and helped us dive deeper into essential topics. Finally, we acknowledge all participants for their active involvement; your questions and feedback greatly enhanced the learning experience for everyone.

Looking ahead, we are committed to making our sessions' key points and recommendations into actionable plans. We will prioritize mobilizing students and youths as PFM champions to ensure their voices are at the forefront of budget discussions. Furthermore, we will build on our established partnerships to enhance community participation and transparency in public finance management. We encourage everyone to stay engaged and use the insights gained here to advocate effective resource allocation in your respective communities. Together, we can make a lasting impact on public finance management and usher in a better future for all. Thank you once again for being part of this transformative experience.

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PFM Village 2025 outcomes / Results analysis

The PFM Village 2025 represented a significant milestone in advancing inclusive, citizen-centered dialogue on public finance management (PFM) in Kenya. The chapter presents a detailed analysis of the outcomes and impact of the PFM Village 2025, including the achievements across key areas, including inclusive participation, knowledge generation, policy advocacy, strategic partnerships, and the introduction of innovative engagement tools. Further, the section provides specific efforts to strengthen the voices of underrepresented groups in public finance discourse, particularly children and the key lessons and opportunities for improvement, with a forward-looking perspective on sustainability, resource mobilization, and deepening impact.

Key achievements.

- Launch of the first-ever dedicated PFM Village within the People Dialogue Festival.
- Over 600 participants from diverse sectors and backgrounds, both physically and online, were engaged.
- Increased partnerships and collaborations in resource mobilization for the PFM Village.
- Co-creation of the thematic sessions with multi-sectoral stakeholders and experts.
- Generation of session briefs with plans to convert them into policy briefs.
- Inclusion of children in public finance discussions.
- Successful use of innovative visual tools to enhance public understanding of PFM.
- Strategic media visibility through Media Max and partners.

Success factors.

- Strong collaboration with civil society, media, private sector and development partners.
- Diversity and inclusivity in participant selection, ensuring wide representation.
- Thoughtful session design and advance sharing of session briefs to foster informed engagement.
- Visual learning tools (e.g., PFM Tree, Prop Boxes) that simplified complex content.
- Active engagement of schools and young people, supported by thematic focus on future generations.
- A sense of shared ownership through joint resource mobilization.

What worked well?

- High participant engagement and strong attendance throughout all sessions, both on -site and online.
- Seamless moderation and participation flow in most discussions.
- Effective branding and visibility of the PFM Village as a distinct space.
- Positive reception of the visual tools and interactive learning methods.
- Effective coordination between partners despite short planning timeline.

Opportunities for strengthening future editions

- Expand planning window to 4–6 months to improve coordination and quality.
- Develop structured post-event engagement strategy, including regional feedback forums.
- Strengthen session follow-up with dedicated outcome trackers and partner engagement timelines.
- Broaden funding base to ensure sustainability and increased scale.
- Invest in capacity-building for participating youth and schools on PFM topics year-round.

Challenges and lessons learned

- Compressed planning timeline (50 days) limited outreach and session depth.
- Limited time per session restricted in-depth discussions and audience feedback.
- Need for stronger post-event amplification of outcomes and resolutions.
- Gaps in documentation and immediate follow-up mechanisms after sessions.
- Resource mobilization was effective but still heavily reliant on a few partners.

Financial outlook & sustainability

BTG has outlined a SMART resource mobilization strategy aimed at securing at least \$30,000 by end of 2025. Key steps include:

- Engaging five new financial partners by June 2025.
- Tailoring proposals for CSOs, NGOs, and the private sector.
- Hosting quarterly meetings with current partners.
- Building a collaborative, long-term funding model for the PFM Village.

Annexes

I. PFM VILLAGE 2025 PARTNERS

- . Africa Uncensored
- . Africa Youth Trust
- . APSEA
- . Bajeti Hub
- . Bunge Mashinani
- . Centre for Minority Rights Development (CEMIRIDE)
- . Chapter 6 Group
- . Christian Aid Kenya
- . CMD-Kenya
- . Coast Regional Budget Hub (CRBH)
- . Community Empowerment Development Centre (CEDC)
- . County Assemblies Forum (CAF)
- . Democratic Action Party – DAP-Kenya
- . Denmark in Kenya
- . Diamond Trust Bank
- . East African Tax and Governance Network
- . Emerging Leaders Foundation
- . Emoo FM
- . Ethics and Anti-Corruption Commission
- . Haki Jamii
- . Institute of Economic Affairs
- . Jonathan Jackson Foundation
- . Jubilee Party
- . KANU party
- . Kenya Climate Innovation Center
- . Kenya Private Sector Alliance (KEPSA)
- . Kenya Young Members of the County Assembly (KYMCA)
- . Lake Region Budget Hub
- . Makueni County Government
- . Media Focus
- . Media Max Limited Network
- . K-24
- . Kameme FM
- . Kameme TV
- . Mayian FM
- . Meru FM
- . Msenangu FM
- . Mombasa County Government
- . Mtoto News
- . Murang'a County Government
- . Mzalendo Trust
- . Nairobi Eastern and Central Regional Budget Hub (NEC)
- . Norway in Kenya
- . Office of the Controller of Budget, Kenya
- . Office of the United Nations High Commissioner for Human Rights
- . Okoa Uchumi Consortium
- . People Daily
- . People Dialogue Festival
- . Population Reference Bureau (PRB)
- . Prescott Data
- . Rift Valley Budget Hub
- . Right To Food Coalition
- . TISA
- . Transparency International (TI-Kenya)
- . UNICEF-Kenya
- . United Disabled Persons of Kenya (UDPK)
- . United Democratic Alliance (UDA)
- . Uraia Trust
- . Ustawi-KE
- . We Care Organization
- . Welt Hunger Hilfe
- . World Vision Kenya

Annexes

2. PFM Village Photo Section

