

Report



**TWENDE MBELE**

SEPTEMBER 2023

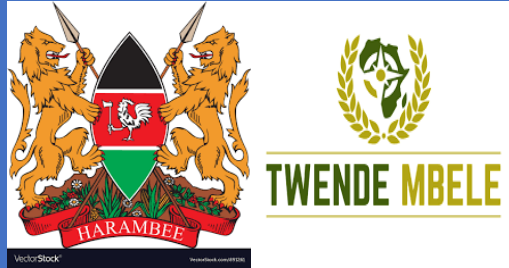
# THE CURRENT USE OF MONITORING AND EVALUATION EVIDENCE IN INFORMING DEVELOPMENT PLANNING AND BUDGETING PROCESSES OF THE GOVERNMENT OF KENYA

The purpose of this report is to strengthen awareness and create more interest in M&E, clarify what it entails and show M&E performance indicators and the logical framework approach which are important in the planning and budget development processes. The information helps in creating a link between planning and budgeting by providing understanding on how M&E data should be made more useful in the planning exercise to produce outputs to be incorporated in the budgeting process.

WANT TO KNOW MORE:

BY : DR. SAMSON MACHUKA

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**REPORT**

**ON**

**THE CURRENT USE OF MONITORING AND EVALUATION EVIDENCE IN  
INFORMING DEVELOPMENT PLANNING AND BUDGETING PROCESSES  
OF THE GOVERNMENT OF KENYA**

**DR. SAMSON MACHUKA**

**SEPTEMBER 2023**

## **ACKNOWLEDGEMENT**

The Monitoring and Evaluation Directorate (MED) of the State Department for Economic Planning, The National Treasury, in the Republic of Kenya would like to thank Dr Samson Machuka for his role in leading this national and country-level research study on use of M&E evidence-use in public sector planning and budgeting. This research report also benefitted from the expertise of a Steering Committee and validation workshop constituted by officials from across Kenya’s public institutions. Primary data collection was made possible through the interest and cooperation of our respondents from across sampled Ministries and counties of the Government of the Republic of Kenya. Likewise, the MED would like to acknowledge the technical and financial support provided by Twende Mbele throughout the life-cycle of this research report: conceptualisation, planning and facilitation.

**With technical and financial support from**



## **EXECUTIVE SUMMARY**

Monitoring and evaluation (M&E) of development activities provides government officials, development managers and civil society with better means of learning from past experiences, improving service delivery, planning and allocating resources and demonstrating results as part of accountability to key stakeholders. The purpose of this report is to strengthen awareness and create more interest in M&E, clarify what it entails and show M&E performance indicators and the logical framework approach which are important in the planning and budget development processes. The information helps in creating a link between planning and budgeting by providing understanding on how M&E data should be made more useful in the planning exercise to produce outputs to be incorporated in the budgeting process. Data collection for this research was done using the study of literature, official interviews, surveys, field worker reports from selected ministries and departments of the National government and a selected number of county governments.

Thematic analysis was used to analyze the qualitative data while descriptive statistical along with quantitative methods in Statistical Package for Social Sciences (SPSS) were applied to analyze the quantitative data. For the thematic analysis, findings above 70% were considered to have a positive or negative influence on the parameters being measured whereas for the descriptive statistics, responses were measured on the Likert scale on the range 1 to 5, where 5 indicated strongly agree:- 4 agreed:- 3 neutral:- 2 strongly disagree and 1:- disagree.

The findings of the study showed that most of the National government ministries have the M&E framework in place, as well as planning and budgeting structures but they are not robust enough to attain the intended results since many departments are faced with low budget allocations for M&E systems. At the same time, M&E is done as the last step in the entire process yet it should start at the same time as the planning and budgeting processes. A recommendation is made to develop a robust M&E framework in the national government ministries since it is only 60% of the ministries that have an M&E framework as per survey findings in their ministries.

The survey found out that many government ministries and departments embrace a Monitoring and Evaluation system in tracking the implementation of their programmes, but when asked if they have enough expertise to handle the same, 70% said they lack the required expertise to carry out the implementation of M&E, as indicated by a composite index of (Mean =3.667) and (STD

=1.041), showing a positive response on the role and use of Monitoring and Evolution systems in government institutions.

The study also found out that the county governments are impressing the M&E function in their operations, but more sensitization and regularization needs to be done to make it work better at the county level.

The study recommends the adoption of M&E processes, uniformity in reporting, adequacy in funding and a continuous M&E cycle at both the national and county government institutions. Additionally, county governments should align their reporting/monitoring cycle with the planning cycle. The processes and systems should be standardized and M&E information made use of in planning, programme and project performance in budgeting processes for county governments.

On the way forward, although M&E information has been used to inform planning and budget processes, much more remains to be accomplished to reach optimal levels. This calls for continuous capacity building programmes on M&E to various key public servants in charge of development as well as implementing provisions of the M&E policy. The M&E policy calls for adequate allocation of resources for M&E work as well as forming strong reporting structures and M&E committees both at National and County Governments to report on the progress of indicators that are used to track the implementation of both the Medium-Term Plan and the County Integrated Development Plan. The Survey findings show that M&E practices should be used at every level of planning as most of the respondents strongly agreed on the need to increase M&E evidence uptake and develop more well-planned budgets to promote sustainability. M&E is a continuous process and must be carried out at both National and County Government levels.

It also emerged that more M&E frameworks (M&E plans, evidence-use mechanisms etc.,) needed to be developed and actualized in the government ministries.

## **LIST OF ABBREVIATIONS**

<b>ADP</b>	Annual Development Plan
<b>APR</b>	Annual Progress Report
<b>AWP</b>	Annual Work Plan
<b>CIDP</b>	County Integrated Development Plan
<b>COK</b>	Constitution of Kenya
<b>CSOs</b>	Civil Society Organizations
<b>e-CIMES</b>	Electronic County Integrated Monitoring and Evaluation System
<b>ERS</b>	Economic Recovery Strategy
<b>ICT</b>	Information Communication Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MDGs</b>	Millennium Development Goals
<b>MDR</b>	Managing for Development Results
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MED</b>	Monitoring and Evaluation Directorate
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTP</b>	Medium Term Plan
<b>NGOs</b>	Non-Governmental Organizations
<b>NIMES</b>	National Integrated Monitoring and Evaluation System
<b>PBB</b>	Performance-Based Budgeting PCD Performance Contracting Department
<b>PFMA</b>	Public Finance Management Act

<b>QIP</b>	Quarterly Implementation Plan
<b>SP</b>	Strategic Planning
<b>STD</b>	Standard Deviation
<b>TMB</b>	Twende Mbele Programme
<b>TPI/M</b>	Third Party Inspection / Monitoring

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## **SECTION ONE: ABOUT TWENDE MBELE**

This chapter provides a background on Twende Mbele and its value proposition and mission. Thereafter, the chapter outlines the objectives of the research study and also outlines the rest of the study's chapters.

### **1.0 Background**

Twende Mbele is a multilateral peer-learning initiative between six (6) African governments (Benin, South Africa, Uganda, Kenya, Ghana and Niger) and two regional partners (The Centre for Learning on Evaluation and Results, Anglophone Africa (CLEAR-AA) and the Independent Evaluation Unit of the African Development Bank [IDEV]). The core aim of Twende Mbele is to develop, strengthen and sustain public sector performance monitoring and evaluation systems that improve development policy and programme performance.

### **1.1 Introduction**

Kenya is one of the six countries of Africa that is supported by the Twende Mbele program based at the University of Witwatersrand (Wits) in South Africa in strengthening Monitoring and evaluation systems as a critical tool that provides evidence to inform and influence policy decisions in development planning processes. More specifically, Twende Mbele promotes and implements Monitoring and Evaluation (M&E) programmes to assist governments in achieving their long and medium-term development agendas. The main focus is to use Monitoring & Evaluation (M&E) to strengthen government performance and accountability. The other countries are Niger, Benin, South Africa, Ghana, and Uganda.

In this regard, Twende Mbele has commissioned a research project whose purpose is to understand the current role and/or use of performance monitoring and evaluation evidence (data) in the planning and budgeting processes of the governments of Benin, South Africa, Uganda, Kenya, Niger and Ghana. From this research study, each country is required to develop a guideline on how to entrench the use of M&E evidence in the planning and budgeting processes of the government while ensuring that the information availed is informed by the best available performance data on existing development plans, policies, programmes and projects of governments.

The research project adopts a mixed method research design and methodology constituted by a review of official government documents (grey literature to be provided by the six governments), along with key informant interviews conducted with the relevant stakeholders engaged in public sector development planning and budgeting processes. A survey was also distributed to a broader range of national ministries to ensure triangulation of the research findings.

It is recognized that Monitoring and Evaluation remains a key knowledge area in the global economy which is instrumental in ensuring that all countries achieve their development aspirations as envisaged in their medium and long-term plans. This approach embraces the use of M&E indicators that are trackable on a real time basis to ensure that scarce resources are used prudently to achieve set objectives as stipulated in the country's development plans.

Improving the use of M&E and other forms of evidence in development planning and budgeting is a key priority work area for Twende Mbele for the years 2022-2024. Development planning and budgeting are permanent core functions for governments worldwide, as these functions help governments to pursue their mandate of delivering a better life for their citizens.

It is against this backdrop that Twende Mbele has initiated a study in six African countries to establish how evidence generated through M&E informs public sector budgeting and planning processes in the said countries. The six countries in this study are; Benin, Niger, Uganda, South Africa, Ghana and Kenya. The findings from this study will help us to understand how to improve the use of M&E and other forms of evidence in development planning and budgeting.

### **1.1.2 This Specific Study is Focusing on the Kenyan Case**

In order to achieve the objective of the study, seven key National government ministries and three counties are shown in **Annexure 1** and the Council of Governors were selected for interviews which were considered an adequate sample to represent all Government institutions dealing with M&E, Planning and Budgeting processes in the Country.

It is worth noting that M&E functions in Line Ministries as well as Counties are anchored or coordinated by the Central Planning and Projects Monitoring units which in this case also coordinate Planning functions in the same organizations.

To answer the objective of the assignment, an appropriate questionnaire was designed to solicit responses which would then be used to address the purpose of the study. It is important to state at this stage that the central planning and monitoring units in ministries also play a key role in preparing ministerial budgets that are submitted to the Budget Department of the National Treasury for resource allocations. Hence in a sense, if all was to work well, it will be clear in this scenario, that all the three functions work together. This would be an ideal practice in Kenya. However, due to various constraints, including inadequate human capacity, finance resource constraints and enabling policy regimes, this ideal practice remains a pipe dream.

It is in view of the above situation that we will be examining how each of the three functions are executed in Kenya and based on the questionnaires herewith appended, to determine the actual practice as it is now and perhaps use it as a basis to develop guidelines on how it can be improved further.

## **1.2 Objectives of the Research Study**

- i. Understand the current use of performance monitoring and evaluation evidence (data) in the national and county government ministries and departments.
- ii. Examine the current use of monitoring and evaluation evidence in informing development planning in National and County governments.
- iii. Explore whether monitoring and evaluation or planning information evidence informs the process of budget making process for both County and National Government of Kenya.

## **1.3 Theoretical Framework**

The Monitoring and Evaluation culture is an organizational culture that deliberately seeks information about its performance to learn how to better manage and deliver its programmes and services, thereby improving its performance. Organizations that have this culture value empirical

evidence about the results they are aiming to achieve (Mayne, 2008: 4)<sup>1</sup>. This definition corresponds with the World Bank definition that the M&E culture comprises of a shared set of values, convictions, or social practices; with a positive M&E culture denoting a situation where M&E is accepted, welcomed, encouraged and valued by all members of the team as an essential part of successfully implementing projects.

Based on Performance, the M&E Culture in the Public Sector in Kenya in October 2019 shows that it should be endogenous to the system in which it is operating (State Department for Planning and Twende Mbele, 2019)<sup>2</sup>. Literature suggests that an endogenous demand for M&E systems exists when the following elements are present:-

- there are well-positioned individual and institutional champions across the M&E system;
- there are incentives that link performance data, monitoring information and evaluation recommendations to resource allocation that is results-orientated; and
- appropriate evaluations that promote the use of their recommendations are commissioned.

Inevitably, a demand for M&E calls for the supply of M&E to keep the system in equilibrium. Any disturbance to this equilibrium affects the functioning of the system. If, for instance, the capacity for supplying M&E information is high but the demand for quality evidence from decision makers is low, supply and demand will be mismatched. The implication here is that the performance of M&E systems depends largely on the relationship between demand for evidence-based decisions and the supply of evidence to support those decisions. The strength of this relationship is further dependent upon the organizational M&E culture, thus providing a link between organizational culture, performance and M&E.

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<sup>1</sup> Mayne, J. 2008. *Building an Evaluative Culture for Effective Evaluation and Results Management: ILAC Working Paper 8*. Institutional learning and Change Initiative, Rome.

<sup>2</sup> State Department for Planning and Twende Mbele. 2019. *Baseline on Performance M&E Culture in the Public Sector in Kenya*. Twende Mbele, Johannesburg.

#### **1.4 Evolution of Monitoring and Evaluation in Kenya**

Monitoring and Evaluation was first introduced in formal government development planning agenda in 1983 under the district focus for Rural Development. This had preceded the 1984-1988 development plans. The strategy sought to increase participation of citizens in the local development matters through decentralization. Various committees were formed through the provincial administration where the District Commissioners were the chairmen of the district Development Committees and the District Development Officers were the secretaries. M&E was however simply an *ad hoc* exercise.

M&E remained on the periphery in government until 2000 when it re-emerged in development planning during the *Kenya Interim Poverty Reduction Strategy Paper (2000-2003)*. However, M&E remained a function at the national level as the initiators and users of the system lacked coordination. With the introduction of the *Economic Recovery Strategy (2003-2007)*, M&E was thrust to the fore with specific structures that allowed the creation of the National Integrated Monitoring and Evaluation System (NIMES) in 2004. With the introduction of the *Kenya Vision 2030* economic blueprint, M&E was made more prominent in the tracking of the Vision (GoK, 2015).

The NIMES was institutionally placed under the then Ministry of State for Planning, National Development & Vision 2030, but is now under the National Treasury and Economic Planning, State Department for Economic Planning and specifically in the Monitoring and Evaluation Department.

NIMES has five strategic focus areas with five technical advisory groups aligned to these strategic areas:

- i. Quantitative and Qualitative data collection, storage and indicator construction: This allows for indicator development that assists with regular monitoring and data collection of policies and programmes by government, civil society and from private sector players at the central and devolved levels.
- ii. Research and Results Analysis: this focus area involves producing policy papers to inform the policy direction and budget allocations.
- iii. Dissemination for advocacy and sensitization is the fourth result area of the NIMES whose objective is to communicate national and global policies so that the Kenyan

- government and development partners are able to monitor progress achieved in implementing such national and global policies.
- iv. Project monitoring and evaluation: The Government of Kenya recognizes the importance of institutionalizing the monitoring and evaluation of projects funded and implemented by the government, development partners, civil society and the private sector.
  - v. Capacity development and policy coordination: effective implementation of the NIMES requires M&E capacity development at national and devolved levels, so that public servants have the capacity to carry out M&E. An M&E policy is important to create an enabling environment for the NIMES and for M&E information to flow seamlessly through the NIMES.

The Monitoring and Evaluation Directorate in the National Treasury is the custodian of the NIMES, tasked with the responsibility of coordinating the system. The Technical Oversight Committee (TOC) provides technical oversight of the NIMES while the National Steering Committee exists to ensure mobilization of resources for M&E functions and providing the policy direction for NIMES. Each of the focus areas of the NIMES is led by a technical advisory group (TAG). The advisory groups draw membership from select government departments, non-governmental organizations, civil society organizations, United Nations bodies, media houses other private sector representatives and Academia (Ministry of Devolution and Planning, 2003: 3-5)<sup>3</sup>.

For effectiveness of NIMES, line ministries were directed to transform their Central Planning Units (CPUs) to Central Planning and Project Monitoring Units (CPPMUs) to carry out among others the role of monitoring and evaluation at the ministries. Some officers in CPPMUs are deployed from the Ministry of Planning who are seconded to line ministries as part of efforts to ensure the integration of the NIMES (Anders, 2015). Similarly, subnational government has set up

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<sup>3</sup> Ministry of Devolution and Planning. 2003. *National Integrated Monitoring & Evaluation System (NIMES)*. The Presidency, Nairobi.

the County Integrated Monitoring and Evaluation system (CIMES) to operationalize monitoring and evaluation at the County levels.

### **1.5 Monitoring and Evaluation in Kenya**

The Government of Kenya is committed to effective public service delivery, strengthening government accountability to its citizens, ensuring that policy formulation and decision making are based on evidence and obtaining results in relation to its growth and development targets. To this end, the government has over the years committed significant resources to support a wide range of development interventions designed to improve the welfare of all its citizens. It is therefore, critical to know through monitoring and evaluation the extent of progress being made towards the objectives of interventions. M&E is the main instrument for assessing the extent to which the government has done what it pledged to do in its development policy framework and plans at the national, county and sub-county levels. It is widely recognized that M&E is an indispensable tool for measuring performance and development outcomes.

The emphasis of the M&E system is to improve efficiency, transparency and accountability of activities implemented by the stakeholders in the country and to monitor and evaluate accomplishments on the set targets. The M&E system guides the process for M&E inputs, processes, outputs and outcomes. It gives a roadmap that guides the proper implementation of national, sectoral and county development activities at all levels by stipulating the tools and procedures. It also guides the development of the capacity of service providers in ensuring that quality services are provided.

Monitoring and evaluation help improve performance and achieve results. More precisely, the overall purpose of monitoring and evaluation is the measurement and assessment of performance in order to ascertain the impact, outcomes and outputs known as development results. Performance is defined as progress towards and achievement of results.

### **1.6 Purposes of Monitoring and Evaluation of Government Programmes**

Officials in the Government of Kenya are being asked to actively apply the information obtained through Monitoring and Evaluation to improve strategies, programmes and other activities. The main objectives of today's results-oriented Monitoring and Evaluation are to:

- Enhance organizational and development learning.
- Ensure informed decision-making.
- Support substantive accountability of county projects.
- Build the capacities in county offices in each of these areas and in monitoring.
- Evaluating government functions in general.

### **1.7 Challenges Facing Monitoring and Evaluation in Kenya**

Below are M&E challenges in Kenya;

- Inadequate human and financial resources to implement the M&E programs despite having M&E framework in Kenya.
- Inadequate dialogue and consultation around results, and a tendency to see M&E as a control and audit instrument, rather than as a useful management tool.
- The link between results and incentives is also in need of strengthening. At times the use of M&E data was skewed towards easy or "soft" targets with a focus on elements that were easy to measure, such as outputs rather than outcome and impact.
- Challenges at the devolved level, where the newly created counties are grappling with many aspects of development planning, budgeting, political and institutional set-up and communication lines etc., Counties need to continuously allocate adequate resources towards M&E, and to identify and recruit suitable staff for this work.
- Further limited situation analysis was conducted in 2015. This indicated that transitional challenges after the Constitution of Kenya 2010 (COK) changes have led to a need for enhanced capacity building at both national and county government level; a need for a guide to building M&E structures; and a need for budgets for M&E at both levels of Government. Leadership in steering M&E development is also aptly needed for effective use of M&E at both levels, with communication being used to enhance its use.

## SECTION 2: CONCEPTUAL FRAMEWORK

### 2.1 Introduction

A conceptual framework is primarily a conception or model of what is out there that you plan to study, what is going on with these things and why a tentative theory of the phenomena that you are investigating. (Tamene, 2016). It is a visual representation of the key variables, factors or concepts that are related to a particular phenomenon or problem. It is used to provide a clear understanding of the relationships between different components of a project or program.

Evaluation: An assessment undertaken in an objective and systematic manner to determine the degree to which a programme/project/operation has successfully met its objectives and the difference it has made to targeted beneficiaries. (World Health Organization, 2016). Importantly, an evaluation can be undertaken during the implementation of a development intervention or at the end of the development intervention. Thus, an evaluation can be defined as the systematic and objective assessment of an on-going or completed project, policy or programme, with a focus either on its design, implementation or results. It is a process of assessing the relevance, effectiveness, efficiency, impact and cost of activities based on specific programme/project objectives. This also includes forming an opinion with a view to determining the quality of one or more development interventions and drawing lessons for making improvements or adjustments, and future decision-making and planning (Allen, 2017: 1)<sup>4</sup>.

Monitoring: The process of continuously and closely checking/observing and keeping track over implementation of a programme/project/activity for a specific period of time or at specified intervals to assess its progress and performance. This entails collection and analysis of data and information as the project progresses to determine whether planned activities have been undertaken and set standards or requirements are being met and if the goal and objectives of the project are likely to be achieved. i.e 'What are we doing?' Regular tracking of inputs and outputs

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<sup>4</sup> Allen, P. 2017. *Evaluation*. International NGO Training and Research Centre, Oxford.

to assess whether programmes are performing according to plans (International NGO Training and Research Centre, 2017: 1)<sup>5</sup>.

Monitoring and Evaluation (M&E) is an essential component of project management that helps to ensure that projects are implemented effectively and efficiently. M&E provides information on the progress of the project, identifies areas for improvement and helps to ensure that the project is achieving its objectives.

Planning is the process of setting goals, objectives, and strategies for achieving them. It involves identifying the resources required for achieving these goals and developing a plan for how these resources will be used. The outcome of planning is often a development plan (Waterston, 1965: 85)<sup>6</sup>.

Budgeting is the process of allocating resources to different activities based on their priority and importance. It involves estimating the costs of different activities and developing a budget that ensures that these costs are covered. The Organization for Economic Co-operation and Development (2023)<sup>7</sup> defines budgeting as the process of allocating resources annually based on identified priorities and public goals.

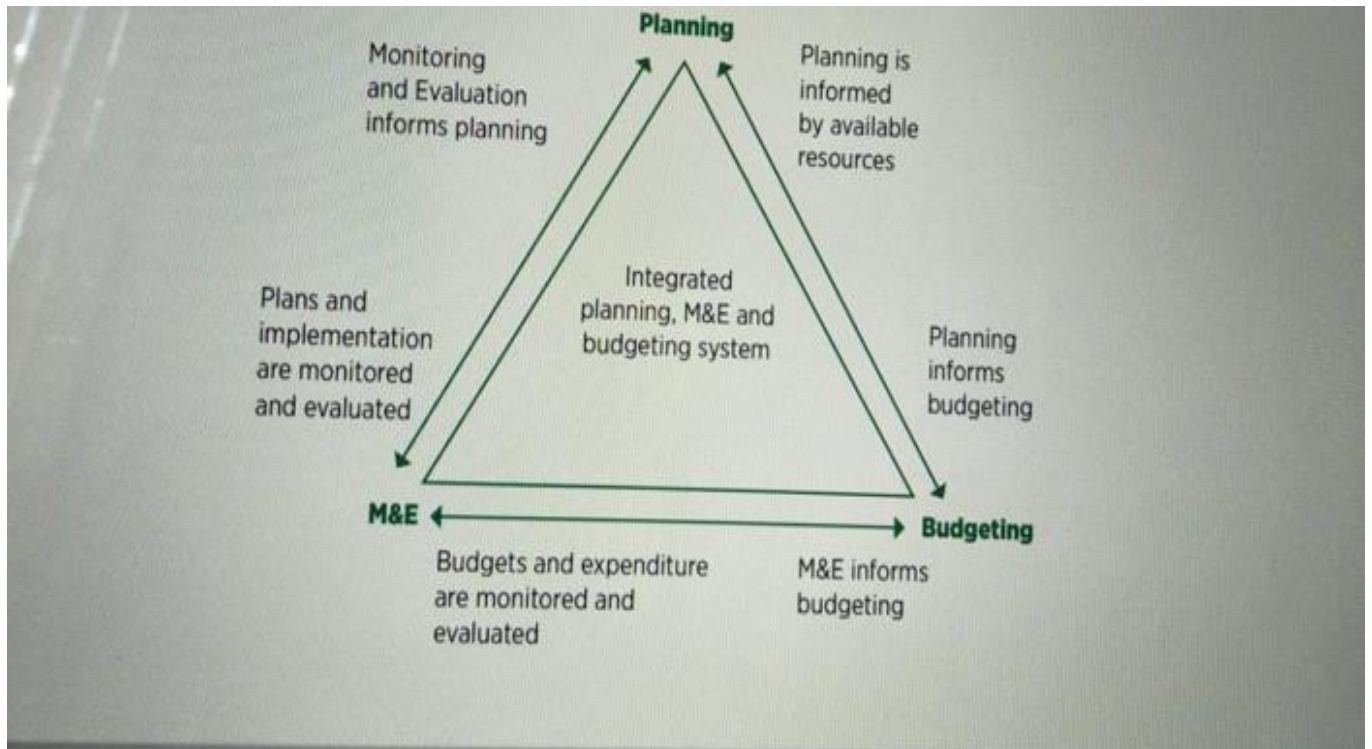
The conceptual framework between M&E, planning, and budgeting is an important one. M&E provides information on the progress of the project, which can be used to inform planning and budgeting decisions. Planning helps to identify the resources required for achieving project objectives which can be used to inform budgeting decisions. Budgeting ensures that resources are allocated effectively and efficiently to achieve project objectives.

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<sup>5</sup> International NGO Training and Research Centre. 2017. *Monitoring*. INTRAC, Oxford.

<sup>6</sup> Waterston, A. 1965. *Development Planning: Lessons of Experience*. IMF, Washington, D.C.

<sup>7</sup> Organisation for Economic Co-operation and Development. 2023. Principles of Budgetary Governance. <https://www.oecd.org/gov/budgeting/principles-budgetary-governance.htm> Accessed: 2023.07.10.



## 2.2 Methodology

### 2.2.1 Data Collection

Data collection methods for research such as the study of literature, official interviews, surveys and field worker reports were used to gather information from selected ministries and departments of the National government and a selected number of counties as indicated in **Annexure 1**.

### 2.2.2 Data Analysis and Interpretation

In general, quantitative/qualitative techniques for data analysis regarding the survey of different infrastructure sectors of the national and county government were used. Thematic analysis was used to analyze the qualitative data while descriptive statistical along with quantitative methods in Statistical Package for Social Sciences (SPSS) were applied to analyze the quantitative data available. Analysis work was supplemented by sufficient visual presentations using tables of percentage indices wherever possible and necessary.

For the thematic analysis, any findings above 70% were considered as having a positive or negative influence on the parameters being measured whereas for the descriptive statistics responses were

measured on a Likert scale of 1 to 5, where 5 indicated - strongly agree - 4 agreed - 3 neutral - 2 strongly disagree and 1 - disagree.

## **2.3 M&E Evidence in The Planning and Budgeting Processes of Government**

### **2.3.1 Introduction**

Monitoring and Evaluation remains a key knowledge area in the global economy which is instrumental in ensuring that all countries achieve their development aspirations as envisaged in their medium and long-term plans. This approach embraces the use of M&E indicators that are trackable on a real time basis to ensure that scarce resources are used prudently to achieve set objectives as stipulated in the country's development plans.

The emphasis of the M&E system is to improve efficiency, transparency and accountability of activities implemented by the stakeholders in the country and to monitor accomplishments on the set targets. The M&E system guides the process for M&E inputs, process, outputs and outcomes. It gives a roadmap that guides proper implementation of activities at all levels by stipulating the tools and procedures. It also guides the development of the capacity of service providers in ensuring that quality services are provided.

### **2.3.2 Advantages of M&E to Development Planning and Budgeting for an Economy**

In brief, there are numerous advantages of monitoring and evaluation to development planning and budgeting for any economy aspiring to achieve its development objectives. Some of the benefits include:

#### **i. Greater Transparency and Accountability**

One of the greatest benefits of M&E is helping Governments or organizations to track, analyze and report on relevant information and data throughout the life cycle of a project (Kusek, & Rist, 2004). This allows the project team to provide robust evidence for all their actions and decisions to stakeholders, donors and community members from day one. On the other hand, stakeholders and donors acquire the information and understanding they need to collaborate, communicate, provide inputs and make informed decisions about strategy improvements and project operations.

(Crawford & Bryce, 2003). Additionally, M&E helps donors to weigh the efficacy of their funds in a project, which influences their current and future funding plans.

## **ii. Improved Project Performance**

A well-planned M&E helps the project team to get a better understanding of the target population's needs. This helps to define the scope of the project and design objectives that are relevant, measurable and achievable. A well-defined M&E plan also clarifies the process and interventions that will lead to the project's outputs and deliverables. Moreover, M&E helps the team to plan an end-to-end indicator management system, identify effective tools and methodologies to measure, analyze and demonstrate every intervention and its impact on expected outcomes (Hussein Y. N., 2020). This enables Governments or organizations to see their progress and identify gaps as they arise and make timely amendments to achieve the desired results.

## **iii. Effective Resource Allocation**

All project operations are interwoven around project budgets. The amount of available cash dictates the duration and magnitude of interventions, choices of resources, number of employees etc., Monitoring and Evaluation is an effective tool for enhancing the efficiency and effectiveness of finances in project implementation. Monitoring and Evaluation facilitates with the estimation of the value, worth and impact of project components; and enables the team to verify what works and what does not and where more money should be invested or where a budget should be cut (Phiri, 2015). Monitoring and Evaluation allows the team to make appropriate changes to the financial plan on a regular basis to avoid unfavorable contingencies.

## **iv. Promotes Learning and Data-Driven Decision Making**

According to Mandinach 2012, monitoring and evaluation data provides quantifiable results to help the involved parties to learn from project successes and challenges and be more adaptive. The involved parties are better prepared to respond to the ever-evolving project situations, determine what worked and what did not and why it did not work and how it could be improved on and revisions made based on data evidence rather than assumptions. The team can establish links between past, present and future actions to improve project implementation and to identify what

could be replicated and scaled up for the sustainability of the current project and for future endeavors.

## **v. Systematic Management of Organizations**

Monitoring and Evaluation also functions as a performance management tool as it facilitates counties or organizations to gather, disseminate and utilize information and data to improve their internal operations and add value to their goals. Counties or organizations can therefore focus on their objectives such as enhancing performance, encouraging innovation, sharing and integrating lessons learned for continuous improvement. Monitoring and Evaluation also streamlines organizational procedures to achieve constructive coordination among different stakeholders and organizational units.

### **2.4.3 Purposes of Monitoring and Evaluation of Government Programmes**

Monitoring is the continuous tracking of progress in the implementation of government policies, programmes and projects through gathering of systematic information on delivery of targeted outputs and other variables of the programmes. Whereas evaluation is the systematic, rigorous and independent assessment of policies, programmes and projects to determine the extent to which it is achieving the desired objective, evaluation seeks to determine the relevance, efficiency, effectiveness, impact coherence and sustainability.

All line Ministries, Departments, Agencies and Counties in Kenya are required to actively apply the information obtained through Monitoring and Evaluation to improve on development strategies and achievements of set targets as per their quarterly and annual work plans to accomplish the Kenya Vision 2030 which is being implemented through the five-year medium-term plans.

Basically, the main objectives of today's results-oriented Monitoring and Evaluation are to:

- Enhance organizational and development learning.
- Ensure informed decision-making.
- Support substantive accountability of county projects.
- Build capacity in county offices in each of these areas and in monitoring.
- Evaluating government functions in general.

#### **2.4.4 Basis of Monitoring and Evaluation**

The M&E of a given plan, policy, programme and project can be carried out on the following basis:-

##### **2.4.4.1 Policy**

The Kenya National Monitoring and Evaluation Policy was approved by the Cabinet in May 2022. The M&E Policy is intended to entrench the practice of M&E in the Public Sector to enhance service delivery. The Policy shall also enhance provision of feedback on the Country's performance at the National and County level (Kenya National Monitoring and Evaluation Policy, August 2022). The National and County governments provide a wide range of services to the citizens. Plans, budgets and various government programmes are designed to deliver services aligned with respective policies. While implementing these Government policies, it is necessary to monitor the various activities underway and to evaluate the outcomes and impacts produced by such activities and outputs.

##### **2.4.4.2 Periodic Plan**

Periodic plans are formulated as a means to systematic development. Kenya mostly works with five-year integrated strategic plans. However, at different intervals one or two year plans have also been formulated. It is a good practice to perform mid-term reviews of all periodic plans being implemented. Numerous activities are carried out in various sectors to achieve the goals and objectives set out by the periodic plans. Regular monitoring of programmes and project activities can provide us with information on the extent of the progress made towards achieving the goals and objectives of the plan. Similarly, evaluation offers feedback on whether the programme and projects are adequately oriented towards achieving the goal of the plan. Accordingly, it is necessary that regular M&E of the periodic plan be carried out.

##### **2.4.4.3 National Evaluation Plan**

National evaluation plans are one year, two-year or five-year sectoral plans which are prepared in line with the assigned businesses or responsibilities of the concerned public agencies, as well as with goals and objectives set forth by the periodic plans. It is prepared as a management tool based on the principle of Managing for Development Results (MDR) to realize optimum outputs from the available resources.

#### **2.4.4.4 Medium-Term Expenditure Framework**

Medium-Term Expenditure Framework (MTEF) is the schema for prioritizing development programmes with a view to improve the process of programme/project formulation and implementation, improve the effectiveness of development programmes, and to ensure the budgets for the programmes and projects critical to the achievement of goals and objectives of the periodic plan (Zaman & Gebeily, 2014). In Kenya (MTEF) can be a crucial tool for ensuring that programmes are implemented and monitored by classifying them into three categories (Priority One-P1, Priority Two-P2, and Priority Three-P3) in order of priority, based on criteria set under MTEF. It is also meant to ensure availability of budget to the priority one (P1) programmes even in the face of fiscal deficits. Regular monitoring and evaluation is needed to ascertain and analyze whether the framework is complied with and the necessary budget is made available to priority projects.

#### **2.4.4.5 Budget Policy and Programme**

Every year, the government presents the details of revenue and expenditure. Generally, such details are presented before parliament in the form of a budget speech and then made public. The government, through the budget speech, brings out a new budget policy and programme each year as a part of its continuous efforts to address unfolding development needs. The policies and programmes thus initiated should be monitored and evaluated on a regular basis.

#### **2.4.4.6 Project Document**

Projects are developed as the instruments of programmes which in turn are designed and implemented to realize the goals of policies and periodic plans. Such project documents elucidate goals, objectives, outputs, processes and inputs of the project. Regular monitoring facilitates the timely completion of projects by keeping track of the activities and inputs and by initiating timely corrective measures to resolve problems in implementation. In addition, evaluation can be helpful in realizing time-relevant outputs from the projects through timely corrections as well as in obtaining feedback to inform other similar project designs.

## **2.4.5 Methods the National and County Government Can Use in Monitoring and Evaluation**

### **2.4.5.1 Monitoring and Evaluation Forms**

This form is developed to systematize, simplify, and harmonize data collected through M&E initiatives at different levels. Based on the input and suggestions received from stakeholders, the forms and formats can be improved at different intervals so as to make them less complicated and more user-friendly.

Some of the forms that can be used in the monitoring and evaluation exercise are:

**1. Trimester/Annual Progress Report Form of Development Programme/Project:** are used to track the actual status of progress against its target in stipulated time. They are also used in the performance evaluation of relevant employees or in taking decisions on career opportunities as well as in the rewarding and disciplining of staff.

**2. Basic Statistics and Status Update Form of Development Programme/Project:** are used for stocktaking on the current situation while formulating periodic plans, annual development programmes and budgets.

**3. Monthly Progress Report Form for Development Programme/Project:** are used to inform the higher-level agencies on the performance of projects on regular basis.

**4. Trimester/Annual Progress Report Form for Sub-Projects of Programme/Project**

**5. Development Programme/Project site Inspection Form**

### **2.4.5.2 Technical Audit**

It is very important for MED to conduct technical audits of the selected infrastructure related projects every year. Such audits should be focused mainly on identifying underlying shortfalls and weaknesses in the projects and providing necessary input for improvement by carrying out technical analysis of cost estimation, design features as well as the technology and materials used.

### **2.4.5.3 Public Expenditure Tracking Survey**

Public Expenditure Tracking Survey is the system of tracking the course of budget through to the implementation mechanism to collect information to determine whether programme resources and budgets reached relevant agencies and target groups on time. It also helps track down the amount,

manner and timing of the fund flow from the issuance of authorization to actual release to different agencies. In cases where delays, leakages or other obstructions are detected, causes are analyzed and addressed immediately. In addition, such monitoring performs appraisals of the state of service delivery as well as the outputs of the programme under operation and provides suggestions for improvements (Sundet, G. (2007).

#### **2.4.5.4 Performance Based Budget Release System**

Performance Based Budget Release System is a system where budget releases are tied to project performance. For this purpose, performance indicators are identified and arrangements are made for performance-based budget releases to ensure that the set-out objectives and targets in priority one (P1) projects are achieved within stipulated timeframes. Provisions are made to release the amount equivalent to one-third of the total authorized or the amount needed to carry out the targeted activities of the first trimester (whichever amount is greater) in the beginning of the fiscal year. This is intended to ensure the availability of adequate financial resources for the respective office/projects.

#### **2.4.6 Finding from Primary Data Assessment of Monitoring & Evaluation and Feedback System in Kenya**

The main objective of the assessment here is to:

Understand the current use of performance monitoring and evaluation evidence (data) in the national and county government ministries and departments.

##### **2.4.6.1 Monitoring and Evaluation Situation in the Government**

The survey was carried out in the ministries/departments of the national and county governments.

### 2.4.6.2 Survey Findings on the use of M&E in Government Ministries

The data collected from government ministries/departments was analysed using thematic analysis (Caulfield, J. 2023, June 22). From the findings, any percentage above 70% was of a higher significance, 40% to 70% is significant and below 30% is an insignificant measure.

**Table 1: Responses on Role of M&E Situation in Government Ministries Kenya**

QUESTION	THEME	PROPORTION in %
i. Role of Monitoring and Evaluation Department	<ul style="list-style-type: none"> <li>- Continuous tracking of progress</li> <li>- Reporting on progress</li> </ul>	<ul style="list-style-type: none"> <li>- 62.5</li> <li>- 37.5</li> </ul>
ii. How best can M&E be resourced for effective contribution to development	<ul style="list-style-type: none"> <li>- Capacity building</li> <li>- Allocation of more resources</li> </ul>	<ul style="list-style-type: none"> <li>- 33.33</li> <li>- 66.67</li> </ul>
iii. How should M&E information be useful for budgetary allocation and policy formulation	<ul style="list-style-type: none"> <li>- Providing guidelines</li> <li>- Rationalizing the information</li> </ul>	<ul style="list-style-type: none"> <li>- 33.33</li> <li>- 66.67</li> </ul>
iv. Do we have any links between M&E and Medium-Term Sector development plans?	<ul style="list-style-type: none"> <li>- Yes</li> <li>- No</li> </ul>	<ul style="list-style-type: none"> <li>- 100</li> <li>- 00</li> </ul>
v. Suggestions for the improvement of M&E function	<ul style="list-style-type: none"> <li>- Framework creation</li> <li>- Strategy creation</li> <li>- Reviewing of M&amp;E regularly</li> </ul>	<ul style="list-style-type: none"> <li>- 28.57</li> <li>- 14.29</li> <li>- 57.14</li> </ul>

From **Table 1** above, 62.5% of respondents indicated that the monitoring and evaluation process in government ministries plays a major role in tracking the progress in government processes such as policy, programmes and project implementation as opposed to 37.5% who said that M&E helps in reporting of government progress.

On how best M&E can be resourced for effective contribution to the development of ministries, 33.33% responded that it can be achieved through capacity building while 66.67% responded that through more resource allocation.

On suggestions on what improvements can be done to M&E functions in ministries to achieve their goals, 57.14% suggested that regular reviewing of M&E functions would improve on their effectiveness.

The respondents were asked if there were M&E frameworks (policy, M&E plans, results framework/indicators) in their Ministries, 40% replied “No”, while 60% responded “Yes”. This implies that sensitization of the existence of M&E frameworks and its use in government ministries should be done on a regular basis until all government ministries and departments conform to the M&E policy.

On the issue of expertise, respondents were asked if their various ministries and departments have sufficient individual M&E expertise. 80% gave a negative response while 20% said yes. The survey found out that many government ministries and departments embrace a Monitoring and Evaluation system in tracking the implementation of their programmes. However, when asked if they had enough expertise to handle the same, about 80% said they lack the required expertise to carry out the implementation of M&E.

When respondents were further questioned on the relationship between M&E policy, National Strategic Plan and Budgeting, about 60% of them agreed with the existence of the relationship while 40% were not sure of the said relationship. This calls for more sensitization seminars to create more awareness of the relationships of the said documents.

From the survey, it was also realized that there is a mechanism for monitoring and evaluating the success of programmes, plans and budgeting efforts. For example, a performance monitoring process that tracks the implementation of plans, goals and objectives, but when asked to describe the same, 80% of the respondents from the ministries and counties were unable to explain those mechanisms.

**Recommendation:** The need for a well-structured M&E function in the ministries.

While dealing with the issue of linkage, the respondents were asked how the M&E policy and CIMES link with NIMES at national level. About 80% said that through informers the M&E policy is informed by CIMES and cascaded by NIMES.

**Table 2** below shows the analysis on the role of M&E in county governments. The role of M&E was measured using statements rated on a Likert scale of 1 to 5, where; 5- Strongly Agree (SA), 4- Agree (A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD). The data was analyzed using SPSS software and the descriptive statistics were tabulated to check the significance.

**Table 2: Analysis on role of M&E in county governments**

Statement	Mean	STD
i. Project indicators are linked to county budgets and annual county plans.	4.00	1.00
ii. How do you agree with the role of performance monitoring and evaluation reports in the county government plans.	4.67	0.577
iii. Could you attribute M&E as a tool for improved county governance and enhanced effectiveness of ministries and departments.	5.00	0.00
iv. Does M&E inform the decision-making process by the county government ministries.	4.00	1.00
v. M&E is very important in encouraging innovations.	4.67	0,577
vi. Performance monitoring and evaluation reports play a great role in the county budgeting process and medium-term expenditure framework development.	3.67	0.577
vii. I can recommend improvement on the current performance monitoring and evaluation evidence in annual county budgeting processes and the development of medium-term expenditure frameworks.	5.00	0.00
viii. The commitment to Monitoring and evaluation by the county government ministries is impressive.	2.33	1.155

ix. The county government/ministries benefitted from the implementation of Monitoring & Evaluation approaches through increased monitoring of projects.	3.33	1.155
<b>Composite Index Value</b>	<b>3.667</b>	<b>1.041</b>

From the table above the value of composite index (Mean =3.667) and (STD =1.041) implies that there is a positive response on the role and use of Monitoring and Evaluation system in government. The statement: The commitment to Monitoring and evaluation by the county government ministries is impressive (mean =2.33 and STD = 1.15) was the least agreed on. On whether M&E could be attributed to as a tool for improved county governance and enhanced effectiveness of ministries and departments and if the respondent could recommend improvement on the current performance monitoring and evaluation evidence in annual county budgeting processes and the development of medium-term expenditure frameworks (mean =5.00 and STD = 0.00) were the most agreed with statements.

**Table 3: Binary Analysis Response on the Role of M&E in Government Ministries**

<b>Statements</b>	<b>No %</b>	<b>Yes %</b>
i. Is there sufficient individual M&E expertise in your Ministry	75	25
ii. Are there M&E frameworks (policy, M&E plans, results framework/indicators) in your Ministry	25	75
iii. Are the programmes, objectives and intended results realistic and relevant	25	75
iv. Do you embrace a Monitoring and Evaluation system in tracking implementation of programmes? If so, give details citing challenges if any	00	100
v. Is your Ministry undertaking/commissioning evaluations	25	75
vi. Do evaluators work together with the intended users on the evaluation	75	25
v. Are evaluations sufficiently resourced	100	00

vii. Is the programme being implemented efficiently to meet the objectives and achieve the outputs effectively to create the impacts envisaged	100	00
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**Table 3** above shows the binary analysis on the role of M&E in national government ministries. The respondents agreed 100% on the statements; Do you embrace a Monitoring and Evaluation system in tracking the implementation of programmes but disagreed 100% that the evaluations are sufficiently resourced and that the programmes being implemented are not sufficient to meet the objectives and achieve the output envisaged.

**2.4.6.3 Survey Findings on the use of M&E in County Governments**

**Table 4** below shows the percentage proportions of respondents on the various statements on the role of M&E in the county governments where any response above 70% is considered to be having a higher significancy of 40% while 70% is significant and below 30% is an insignificant measure.

**Table 4: Thematic Analysis on the Role of M&E in County Governments**

Questions	Theme	Proportion In %
i. What role does the Monitoring and Evaluation Department play in the county’s development agenda	- Coordination	- 28.57
	- Progress tracking	- 28.57
	- Implementation	- 42.86
ii. How best can M&E be resourced to effectively carry out its functions in terms of both financial and human resources?	- Adequate staff	- 30
	- Adequate M&E system	- 40
	- Adequate equipment	- 30

From **Table 4** above, when respondents were asked on the role played by the Monitoring and Evaluation Department in the county development agenda, 43% of the respondents said M&E facilitates the implementation of development agenda because it is through the M&E analysis that

informed decisions are made while 28.6% said coordination and progress tracking respectively. The respondents were also queried on the best way through which M&E can be resourced effectively carry out its functions. 40% answered through developing adequate M&E systems.

### 2.4.6.3 Performance Targets and Monitoring and Evaluation

Performance target was measured against monitoring & evaluation using a Likert scale of 1 to 5 to test how likely any of the following statements are triggered. On the scale of 5 represented strongly agree or (**Almost always 81-100%**), 4 agree, (**Often 61-80%**), 3 neutral or (**Sometimes 41-60%**), 2 strongly disagree or (**Rarely 21-40%**) and 1 disagree or (**Almost never 0-20%**).

**Table 5: Analysis on performance targets and M&E in county governments**

Statement	Mean	STD
i. The programme is eliminated.	2.33	1.528
ii. There is more intense monitoring of the programme/activities in future.	3.00	1.00
iii. There are negative consequences for the size of the budget of the ministry responsible for delivering the target (i.e., the budget decreases).	2.00	0.00
iv. There are negative consequences for the pay of the head of the ministry/entity responsible for delivering the target.	1.67	1.155
v. There are negative consequences for future career opportunities of the heads of ministries/entities responsible for delivering the target.	2.00	1.00
<b>Composite Index Value</b>	2.167	0.58

The value of the composite index in the table above is (Mean = 2.17 and STD = 0.58). This implies that most of the performance targets' consequences are rarely triggered when the performance targets as a tool to measure the county governments' non-financial performance are not met. On the statement that: whether the programme should be eliminated when they do not meet the targets, majority of the respondents indicated rarely (mean 2.33 and Std 1.53) demonstrating that the programmes are rarely eliminated even if they do not meet the performance targets which is a great risk for the governance of county affairs.

On whether there is more intense monitoring of programme/activities in future, respondents responded sometimes or (mean =3.00 and STD =1.00), which is neutral on Likert scale.

## **SECTION 3: DEVELOPMENT PLANNING PROCESSES IN GOVERNMENT**

### **3.0 Introduction**

This chapter maps the current development planning processes of the government being studied and key legal and institutional frameworks that guide these processes as well as key stakeholders therein. The Chapter then examines the current role of M&E evidence in these planning processes.

### **3.1 Planning**

National planning efforts began in Kenya with the formation of committees charged by the British Colonial Development and Welfare Act of 1945 with preparing plans for post-war economic recovery. However, planning did not take hold until after independence in 1964 which marked the beginning of major economic mobilization and reorganization of resources to attain rapid economic growth for the benefit of its people.

In 1965, Sessional Paper number 1 of 1965 on “African Socialism and its application to Planning in Kenya” was produced as the main long-term policy paper. The paper contained policies on African socialism which aimed at reducing poverty, ignorance and disease.

Sessional Paper No. 10 of 1965 established the principle of state direction of development process while at the same time arguing for decentralized planning based on local input. The paper postulated that the Kenya Government should aim at achieving the following objectives: Political Equity, Social Justice and Human dignity.

Subsequently, the first National Development Plan was prepared for the period 1966-1970. The Plan helped to establish the administration structures for decentralized planning and development at the provincial and district levels in the form of developmental committees and technical personnel responsible for planning, coordination, developmental administration and extension at the provincial and district levels.

Kenya Vision 2030 was launched on 10th June, 2008 and passed by the 10th Parliament as Sessional Paper No: 10 of 2012. Sessional paper No. 10 of 2012 entrenches Kenya Vision 2030 as a long-term development strategy for the country.

Kenya Vision 2030 is implemented through a series of successive five-year Medium-Term Plans.

The First MTP was simultaneously launched with a vision covering the period 2008-2012. The Second Medium Term Plan covered the period 2013-2017 while the Third Medium Term Plan, which is currently under implementation covers the period 2018-2022. The Third Medium Term Plan (MTP III) outlines the main policies, legal and institutional reforms as well as programmes and projects prioritized for implementation by the Government during the period 2018-2022. It builds on the achievements of the first and second MTPs. MTP III prioritizes the implementation of the “Big Four” initiatives namely: Manufacturing; Affordable Housing; Food and Nutrition Security; and Universal Health Coverage.

### **3.2 Role of Planning in Kenya**

Planning plays a key role for the Government of Kenya. The Government’s strategic plan helps it to realize its long-term vision by setting goals and objectives in a systematic, incremental manner.

- Planning enables the Government to command the future rather than being swept away by the future. In a fast-changing environment, the need for planning is even more important because risk and uncertainty increase.
- Planning Makes Objectives Clear: It is through planning that government objectives become clean, clear, and specific. It also serves as a guide for deciding what action should be taken in present and future conditions.
- Planning Provides Direction: Planning helps the Government to keep on the right path. It provides definite direction to the respective authorities to decide what to do and when to do it.
- Planning Provides the Basis for Control: It is through planning that the Government can set standards against which the actual performance can be measured and evaluated.
- Planning Facilitates Decision Making: It enables the Government to make the best decisions based on the plans it puts in place.

#### **3.2.1 Review of Planning and Monitoring & Evaluation**

In the current dispensation, Monitoring and Evaluation (M&E) should be heavily dependent on good planning. If plans are properly developed at the start of a project or programme then M&E become much easier exercises to plan and implement. On the other hand, it can be very difficult to monitor and evaluate a project that has not been properly planned to start with.

Ngigi, (2020) in his study: Effects of Monitoring and Evaluation practices on project implementation in ACTED Kenya organization. The study found that M&E practices (Design and planning, capacity building and budgeting) affect project implementation in ACTED Kenya. 77% of the respondents agreed that ACTED Kenya organization always implements planning strategies on time, meaning that M&E is an integral part of planning.

Before implementing a project or programme there should normally be a planning process. This planning process should be based on a thorough understanding of what the project or programme is setting out to accomplish. At the very least this should clarify:

- What activities will be carried out as part of the development intervention;
- What it is hoped will change as a result; and
- Why that change is important.

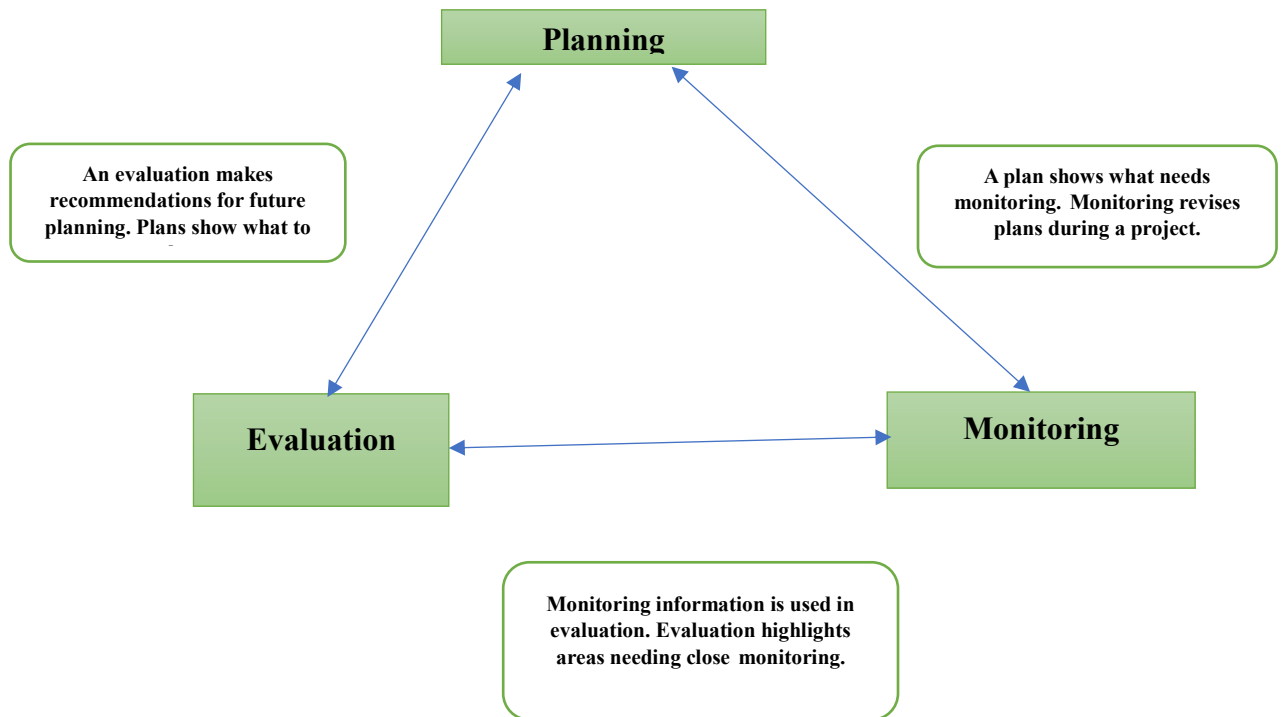
Wherever possible, it is important that M&E is considered at the planning stage, and not left to be discussed until after plans have begun to be implemented. Indeed, it is generally acknowledged in the M&E community that where M&E efforts fail, it can usually be traced back to weaknesses in the planning process. This can be attributed to:

1. Change of identification. It is important to know what the situation was like before a project or programme was implemented. This is known as the baseline.
2. Good planning allows for easier identification of objectives and indicators, the desired changes to which a project or programme hopes to contribute and the evidence that will help show whether those changes have happened.
3. The design of the M&E process may help to identify gaps or weaknesses in the planning process itself, thereby helping to further refine plans.
4. If it is intended that different stakeholders such as beneficiaries, be involved within M&E processes then it is also important to ensure their involvement at the planning stage.

It is important to note that it is still possible to carry out an effective M&E after a project or programme has been identified and planned, even if the M&E was not properly considered at the planning stage. Indeed, there are some M&E tools and techniques that are specifically designed to do this. However, it is harder and there may be fewer options. For example, it will not be easy

to compare changes at the end of a project or programme with the situation at the start if those desired changes were not previously identified and a baseline carried out.

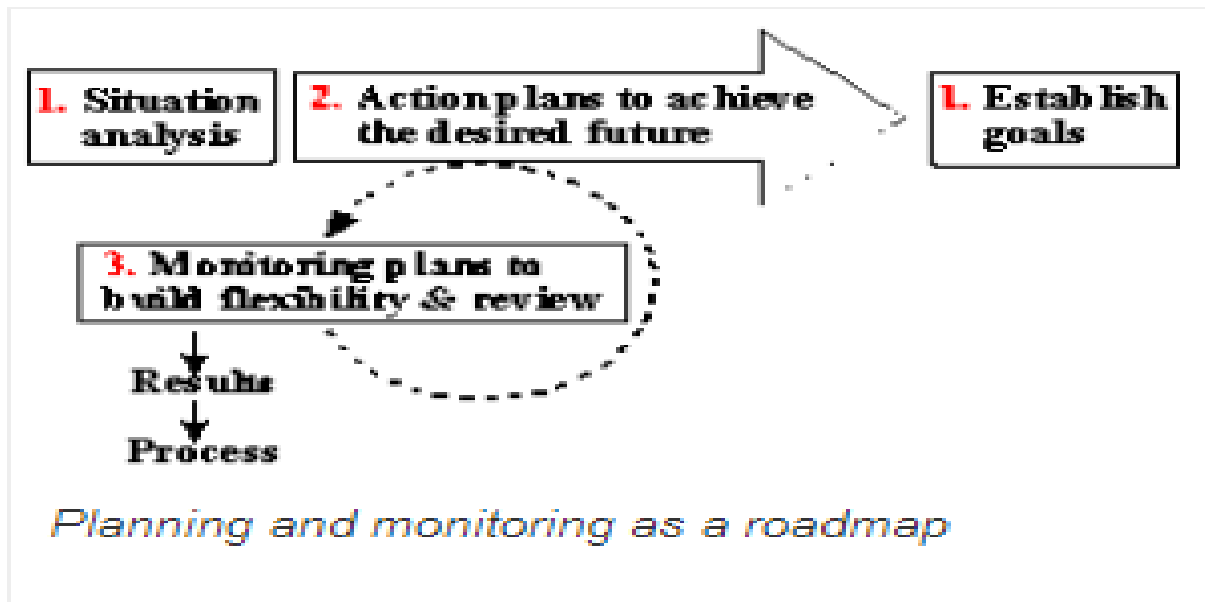
### 3.2.2 Link Between Planning, Monitoring and Evaluation



Working clockwise, a plan should show what needs to be monitored. The monitoring information gathered throughout the project will then be used at the evaluation stage. In turn, an evaluation may lead to the revision of future plans, either in a new phase of the project or programme or in future projects or programmes. Working anti-clockwise, a plan will normally identify what needs to be evaluated, and an evaluation might pick up areas that need further close monitoring in the future. Monitoring also plays an essential role in identifying how plans need to be revised throughout the lifetime of a project or programme.

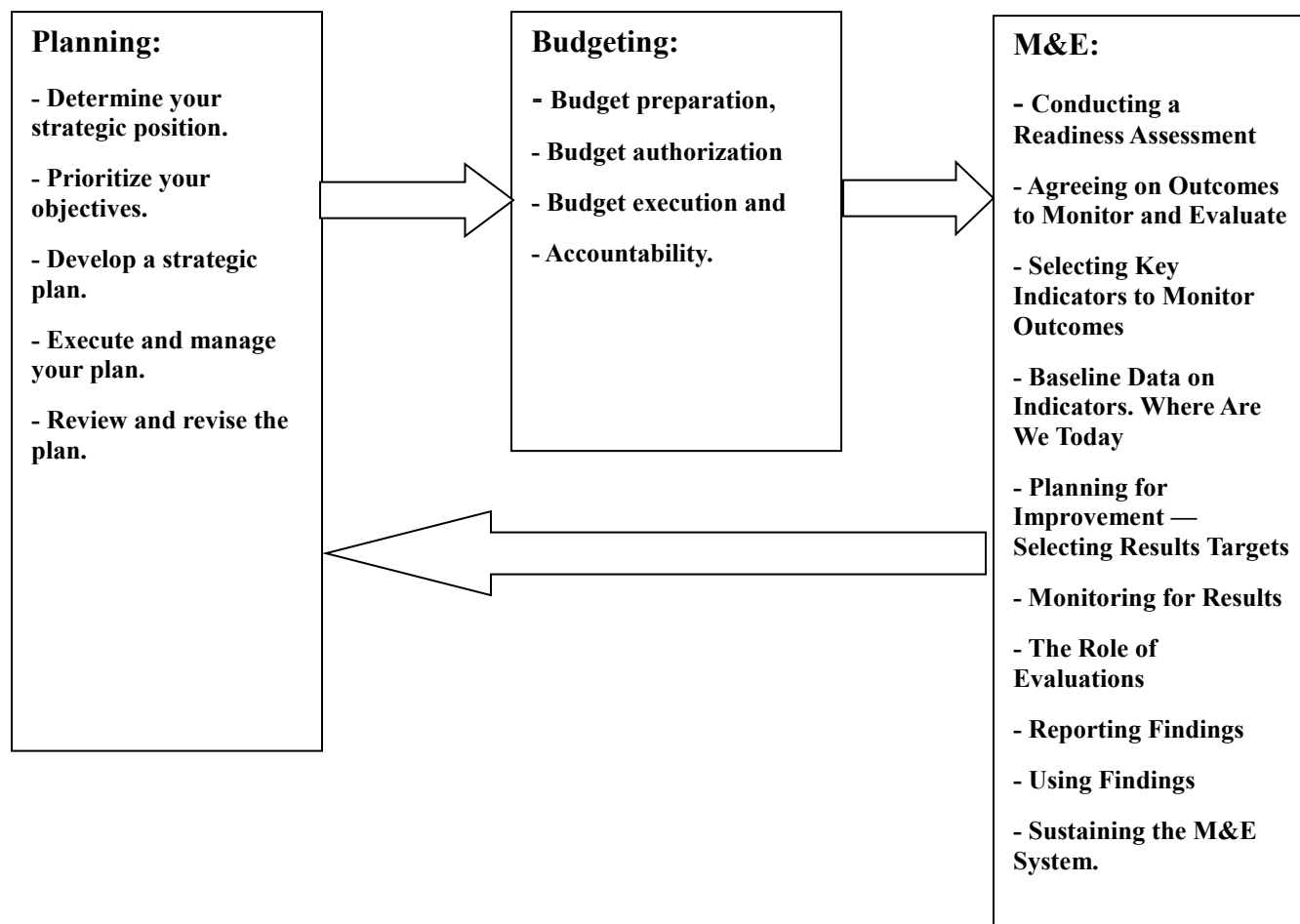
Planning, monitoring and evaluation are at the heart of a learning-based approach to management. They are important aspects of the economic growth of a country. Achieving collaborative, business/environmental or personal goals requires effective planning and follow-through. The plan is effectively a “route-map” from the present to the future. To plan a suitable route, you must know where you are (situation analysis) and where you want to go (establish goals and identify outcomes). Only then can appropriate action plans be developed to help achieve the desired future.

However, because the future is uncertain, our action plans must be adaptive and allow continually for “learning by doing”. To do this we need appropriate monitoring and evaluation (M&E) tools and processes, and information flows that help the different stakeholders involved check that their efforts are proceeding as planned, and to refine and guide their responses if changes are needed.



In their study “A systematic approach to the planning, implementation, monitoring, and evaluation of integrated health services”, Reynolds & Sutherland (2013) emphasized the need for an effective M&E to inform planning for effectiveness. They stressed that there is a risk of piling resources into integrated strategies without the necessary systems in place to monitor their progress adequately or to measure impact, and to learn from these efforts. The rush to intervene without adequate monitoring and evaluation will continue to result in a weak evidence base for decision making and resource allocation. Programme planning and implementation are inextricably linked to monitoring and evaluation. The study recommended improvement to the health information system and in the use of data to ensure that data is available to make informed decisions, because changes in the M&E function to make it more integrated will also facilitate integration in the service delivery, planning, and governance components.

**Figure 1: Link between M&E, Planning and Budgeting**



### **3.3 Key Legal and Institutional Frameworks that Guide Planning Processes in Kenya**

In Kenya, the State Department for Economic Planning is responsible for the formulation, coordination of implementation, monitoring and evaluation of economic development plans, policies and strategies towards achieving the national development agenda. The State Department provides leadership in preparation of the country’s long-term development blueprints, Medium-Term Plans and Sector Plans as well as Public Investment Policy and Oversight.

#### **Mandate and Functions of the State Department**

The State Department’s mandate and functions broadly cover issues of national and sectoral development planning. According to Executive Order No. 1 of January 2023 on Organization of the Government of the Republic of Kenya, the functions of the State Department are:

1. National and Sectoral Development Planning;
2. National Statistics Management;
3. National Census and Housing Surveys;
4. Population Policy Management;
5. Liaison with Economic Commission for Africa;
6. Monitoring and Evaluation of Economic Trends; and
7. Coordination of Implementation, Monitoring and Evaluation of Sustainable Development Goals (SDGs)

### **3.4 Survey on the Role of Monitoring and Evaluation in the Development Planning Process in Government ministries in Kenya**

The main objective here is to: Understand the current use of monitoring and evaluation evidence in informing development planning in National and County governments.

Monitoring and Evaluation (M&E) is heavily dependent on good planning. If plans are properly developed at the start of a project or programme then M&E becomes a much easier exercise to plan and implement. On the other hand, it can be very difficult to monitor and evaluate a project that has not been properly planned to start with.

A survey was carried out to assess the role of monitoring and evaluation in the planning process of the Kenya government and to ascertain the truth in the statement that “Monitoring and Evaluation (M&E) is heavily dependent on good planning”. The findings from responses given by various respondents from selected government ministries and county government were as shown by the table 6 below.

### **3.5 Survey Findings on whether Monitoring and Evaluation informs Development Planning Process in Government ministries**

**Table 6** below shows the percentage proportions of respondent on the various statements on the role of M&E development planning process in government departments where any response above

70% is considered to have a higher significance; 40% to 70% is significant and below 30% is an insignificant measure.

**Table 6: Thematic responses on the role of M&E in the development planning process by Government ministries**

<b>Question</b>	<b>Theme</b>	<b>Proportion in %</b>
Frequency of undertaking planning	<ul style="list-style-type: none"> <li>- Five years</li> <li>- Annual</li> <li>- Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>- 80</li> <li>- 15</li> <li>- 5</li> </ul>
Time period (in years) covered by the planning	<ul style="list-style-type: none"> <li>- Five</li> <li>- Annual</li> <li>- Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>- 50</li> <li>- 37.50</li> <li>- 12.50</li> </ul>
Drivers for creating government planning process	<ul style="list-style-type: none"> <li>- Constitution</li> <li>- Vision</li> <li>- Development goals</li> <li>- Various Interventions of government</li> </ul>	<ul style="list-style-type: none"> <li>- 8.33</li> <li>- 25</li> <li>- 16.67</li> <li>- 50.00</li> </ul>
Is there an External requirement that requires government planning to be performed	<ul style="list-style-type: none"> <li>- Constitution</li> <li>- Orders</li> <li>- Acts</li> <li>- Legislations</li> </ul>	<ul style="list-style-type: none"> <li>- 20</li> <li>- 10</li> <li>- 10</li> <li>- 60</li> </ul>
Who is involved in the government planning process	<ul style="list-style-type: none"> <li>- Government</li> <li>- Stakeholders</li> <li>- Public</li> <li>- Departmental heads</li> </ul>	<ul style="list-style-type: none"> <li>- 25</li> <li>- 18.75</li> <li>- 25</li> <li>- 31.25</li> </ul>
The roles of those involved in the government planning process	<ul style="list-style-type: none"> <li>- Planning</li> <li>- coordinating and validation</li> <li>- Budgeting</li> <li>- Implementation</li> </ul>	<ul style="list-style-type: none"> <li>- 42.11</li> <li>- 36.84</li> <li>- 5.26</li> <li>- 15.79</li> </ul>

Keys to a successful planning process	<ul style="list-style-type: none"> <li>- Resource allocation</li> <li>- Planning</li> <li>- Coordination</li> <li>- M&amp;E</li> <li>- Goodwill</li> </ul>	<ul style="list-style-type: none"> <li>- 10</li> <li>- 30</li> <li>- 10</li> <li>- 30</li> <li>- 20</li> </ul>
Obstacles encountered in the government planning process	<ul style="list-style-type: none"> <li>- Lack of resources</li> <li>- Lack of goodwill</li> <li>- Corruption/diversion of funds</li> <li>- Antiquated staff</li> </ul>	<ul style="list-style-type: none"> <li>- 20</li> <li>- 10</li> <li>- 40</li> <li>- 30</li> </ul>
Lessons for making the government planning process more successful	<ul style="list-style-type: none"> <li>- Planning</li> <li>- M&amp;E</li> <li>- Stakeholder involvement</li> </ul>	<ul style="list-style-type: none"> <li>- 60</li> <li>- 10</li> <li>- 40</li> </ul>

**Table 6** above shows the thematic responses on the role of M&E in the development planning process by Government ministries. The analysis was done to know the Frequency of undertaking planning in the National and County government institutions. The findings showed that 80% indicated a frequency of 5 years, annually (15%) and (5%) quarterly. This showed that quite a few Government Ministries and Departments do their planning after every five years and the plans cover a period of five years as indicated by most of the respondents (50%).

Further, the survey sought to know the drivers that are useful for creating government planning processes. The result showed that various government interventions are the key drivers (50%) followed by vision (25%), then development goals (16,67%) and constitution (8.33%) respectively.

To understand whether there was an external requirement that requires government to perform planning, the respondents indicated “yes” by citing legislation (60%), constitution (20%) order and act (10%). This means that planning is a very important process in the monitoring and evaluation process in government entities.

The planning process takes place through the input from departmental heads (31.25%), the government and the public (25%) each, and the stakeholders (18.75%). This is an indication that it is a participatory process that involves all stakeholders in the planning process. Each of them plays a crucial role in the planning process indicated by (42.11 %), coordinating and validation of the processes (36.84 %) and budgeting for the process (15,79%).

A few keys to the successful planning process were cited by the respondents, key among them was doing plans on the planning process and carrying out a monitoring and evaluation process indicated by a (30%) response, followed by the allocation of sufficient resources to perform the process (20%) and the coordinating of goodwill to effect the process respectively.

**Table 7** below shows the descript statistic on the use of M&E in the development of plans measured on a Likert scale of 1 to 5, where 5- Strongly Agree (SA), 4- Agree (A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD).

**Table 7: Responses on the use of M&E in the development of plans in the government ministries**

<b>Statement</b>	<b>Mean</b>	<b>STD</b>
i. Plans used in government ministries are useful in assessing the future, setting goals and proposing implementation action plan.	4.67	0.58
ii. National economic development plan analyzes all the objectives and priorities of the ministries/sectors before allocation of its resources.	3.33	0.58
iii. The government sectors are guided by the planning process in its decision making and resource allocation.	4.33	0.58
iv. To strengthen planning, the five-year integrated plans must be adopted by the government ministries.	4.33	1.15
v. The significance of entrenching planning in national economy practices in government sectors, is pivotal in enhancing the levels of employment.	2.67	1.15
vi. Uncertainty in the economy and government operations in general is because of poor planning.	3.67	1.15
vii. I can attribute poor planning to rigidity, misdirection and resistance to change.	3.67	.58
viii. National Assembly Policies help in monitoring budget spending.	3.67	0.58
ix. The National Appropriation Bill passed in the financial year determines the National Government performance in that particular year.	3.67	1.53
x. Planning ensures the accuracy and reliability of the information generated by the government	4.33	0.58

xi.	Planning clarifies the scope of the assessment in any project where the main purpose of the evaluation is identified.	4.00	0.00
xii.	The government has a well-defined planning structure that includes a monitoring and evaluation unit.	4.00	1.00
xiii.	M&E planning plays a major role and thereby improves the financial performance most government projects.	4.33	0.57
<b>Composite Index Value</b>		<b>4.500</b>	<b>0.500</b>

**Table 7** above shows responses on the use of M&E in the development of plans in the government ministries. A Composite index value (mean=4.500 and STD = 0.500), from the responses it implies that the respondents agree significantly with the role and use of planning systems in government ministries and departments. Most respondents strongly agreed with the statement: Plans used in government ministries and county government are useful in assessing the future, setting goals and proposing implementation action plans as indicated by the (mean= 4.67 and STD= 0.57). To a great extent they also agreed on the statements; government ministries and sectors are guided by planning processes in their decision making and resource allocation to strengthen planning. The five-year integrated plans must be adopted by the ministries at all levels. Planning ensures the accuracy and reliability of the information generated by the county government and M&E planning plays a major role in providing indicators for planning and improves the financial performance of most government projects (Mean= 4.33 and STD 0.577).

**3.6 Survey Finding on whether Monitoring and Evaluation informs Development Planning Process in County Government.**

**Table 8** below shows descriptive analysis on whether M&E provides useful information for planning in county governments. The measurement was done on a Likert scale of 1 to 5, where 5- Strongly Agree (SA), 4- Agree (A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD).

**Table 8: Binary analysis on whether M&E informs planning in county governments.**

Statements	Mean	STD
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i. Plans used in county government and ministries are useful in assessing the future, setting goals and proposing implementation action plan	4.67	.577
ii. National economic development plan analyzes all the objectives and priorities of counties before allocation of its resources.	3.00	.560
iii. The county government sectors are guided by the planning process in its decision making and resource allocation.	4.00	.577
iv. To strengthen planning, the five-year integrated plans must be adopted by the ministries at the county level.	4.33	1.155
v. The significance of entrenching planning in national economy practices in government sectors, is pivotal in enhancing the levels of employment	3.00	1.155
vi. Uncertainty in the economy and county government operations in general is as a result of poor planning.	3.67	1.155
v. I can attribute poor planning to rigidity, misdirection and resistance to change.	3.60	.577
vi. County Assembly Policies help in monitoring budget spending.	3.67	.577
vii. County Appropriation bill passed in the financial year determines the county government performance in that particular year.	3.67	1.528
viii. Planning ensures the accuracy and reliability of the information generated by the county government.	4.33	.577
ix. Planning clarifies the scope of the assessment in any project where the main purpose of the evaluation is identified	4.00	.000
x. The county government has a well-defined planning structure that includes a monitoring and evaluation unit.	4.00	1.000
xi. M&E planning plays a major role and thereby improves the financial performance of most county projects.	4.33	.577
<b>Composite Index Value</b>	<b>4.5000</b>	<b>.50000</b>

Just like in table 7 above, the responses on the use of M&E in the development of plans in the government ministries, the same statements were subjected to various county officers. The responses showed a composite index value (mean=4.500 and STD = 0.500), this indicated that the

respondents agree significantly with the role and use of the planning system in county government ministries. Most respondents strongly agreed with the statement: Plans used in county government are useful in assessing the future, setting goals and proposing implementation action plans as indicated by the (mean= 4.67 and STD= 0.57) to a great extent. They also agreed on the statements; The county ministries and sectors are guided by the planning process in its decision making and resource allocation. To strengthen planning, the five-year integrated plans must be adopted by the counties. In general, the findings point out that planning is key for accurate and reliable processes by the county government and that M&E planning plays a major role in providing indicators for planning, thereby improving the financial performance of most county projects (Mean= 4.33 and STD 0.577).

**Table 9** below shows the responses on role and use of planning systems in government ministries, budgeting using the Likert scale of 1 to 5, 5- Strongly Agree (SA), 4- Agree (A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD).

**Table 9: Descriptive responses on the use of planning in budgeting in counties**

<b>Statements</b>	<b>Mean</b>	<b>STD</b>
i. The public and employees are involved in the budget planning process in the counties	4.67	.577
ii. There is proper communication during the process of budget planning at the county level.	4.33	.577
iii. The use of IFMIS helps county governments to gain effective control over their finances and enhances transparency and accountability and acts as a deterrent to corruption and fraud.	3.00	1.000
iv. The Ministry budget planning process is informed by the medium-term development plan and sector development plan of the Ministry	4.33	.577
<b>Composite Index Value</b>	<b>4.5000</b>	<b>.50000</b>

The composite index value (Mean =4.5 and STD = 0.500), suggests that planning is an inclusive process. The respondents agreed strongly with the statement; The public and employees are involved in the budget planning process in the counties (mean =4.67) and STD = .58), and agreed to some extent that there is proper communication during the process of budget planning at the

county level and that the Ministry Budget planning process is informed by the medium-term development plan and sector development plan of the Ministry (mean = 4.33) and (STD =0.577). They were neutral when asked to respond to the use of IFMIS in helping county governments to gain effective control over their finances and enhancing transparency and accountability and acting as a deterrent to corruption and fraud.

**Table 10:Thematic responses on the use of planning in budgeting process in counties**

<b>Question</b>	<b>Theme</b>	<b>Proportion in %</b>
How frequently is planning undertaken	<ul style="list-style-type: none"> <li>- Five years</li> <li>- Annual</li> </ul>	<ul style="list-style-type: none"> <li>- 80</li> <li>- 20</li> </ul>
What is the period (time in years) that is covered by the planning	<ul style="list-style-type: none"> <li>- Five</li> <li>- Annual</li> </ul>	<ul style="list-style-type: none"> <li>- 50</li> <li>- 50</li> </ul>
What are the drivers for creating the county government planning process	<ul style="list-style-type: none"> <li>- Constitution</li> <li>- Acts</li> </ul>	<ul style="list-style-type: none"> <li>- 50</li> <li>- 50</li> </ul>
Is there an external requirement for government planning to be performed e.g., state legislation or is it an internal planning decision	<ul style="list-style-type: none"> <li>- Constitutional orders</li> <li>- Acts of parliament</li> <li>- Legislations</li> </ul>	<ul style="list-style-type: none"> <li>- 10</li> <li>- 10</li> <li>- 80</li> </ul>
Who are involved in the County Government Planning processes	<ul style="list-style-type: none"> <li>- County Officers</li> <li>- Stakeholders</li> <li>- Public</li> <li>- Departmental heads</li> </ul>	<ul style="list-style-type: none"> <li>- 28.57</li> <li>- 14.29</li> <li>- 14.29</li> <li>- 42.86</li> </ul>

<p>What are the roles of those involved in the government planning process</p>	<ul style="list-style-type: none"> <li>- Planning</li> <li>- Coordinating&amp; Validation</li> <li>- Implementation</li> </ul>	<ul style="list-style-type: none"> <li>- 40</li> <li>- 50</li> <li>- 10</li> </ul>
<p>What are the keys to a successful planning process</p>	<ul style="list-style-type: none"> <li>- Resource Allocation</li> <li>- Planning</li> <li>- Qualified staff Support</li> <li>- Goodwill</li> </ul>	<ul style="list-style-type: none"> <li>- 30</li> <li>- 10</li> <li>- 40</li> <li>- 10</li> <li>- 10</li> </ul>

**Table 10** above shows the thematic percentage proportions of respondents on the various statements on the use of planning in the budgeting process in counties where any response above 70% was having a higher significance, 40% to 70% is significant and below 30% is an insignificant measure.

The survey sought to know the frequency of undertaking planning in the county government institutions. The findings showed that 80% indicated a frequency of 5 years, annually (20%). This implies that counties work on five-year plans and the plans cover a period of five years as indicated by the majority of the respondents (50%).

The respondents agreed equally (50%) each that the constitution and the legislative Acts are major drivers for creating the county government planning processes. 80% agreed that legislation requires government planning to be performed. Departmental heads were cited as the most involved in the county planning process (42.86%), and the least involved in county planning process are the public and the stake holders. The respondents indicated that the key to a successful planning process must be a qualified staff (40%), adequate resource allocation (30%) and support and good will (10%).

## **SECTION 4: MAPPING THE CURRENT BUDGETING PROCESS IN GOVERNMENT**

### **4.1 Introduction**

This chapter maps the current budgeting process of the government and key legal and institutional frameworks that guide these processes as well as key stakeholders therein. The chapter then examines the current role of M&E evidence in informing this budgeting process.

One can focus on M&E in managerial purposes, to reward performance inside ministries and agencies. However, a crucial element in the running of an effective public sector would be missing if M&E were not used to inform the spending of public money. This introduces the main issues surrounding M&E as a tool for budgeting, a system usually referred to as performance budgeting to help policy makers make strategic decisions about their M&E systems by outlining different design choices and their respective advantages and pitfalls.

Budgeting is said to have three aims: (1) fiscal discipline, (2) allocative efficiency, and (3) operational efficiency. The most basic question then is: what can M&E through planning do to help officials involved in the budget process achieve those aims? A well-designed M&E system has the potential to overcome some of the shortcomings of traditional budgeting. By defining indicators for public spending outputs and outcomes, governments gain the ability to monitor non-financial performance. By carrying out evaluations that turn performance information into implementable policy recommendations governments can allocate resources more efficiently to programmes with the greatest contribution to its policy priorities.

M&E can interact with all stages of the budget process and inform decision making both from the formulation to the execution of the budget. Broadly, there are three ways in which monitoring and evaluation is integrated in the budget process through various degrees of performance-based budgeting.

1) Presentational performance budgeting involves the provision of performance information in parallel with the annual budget, e.g., sector ministries can publish M&E data or attach performance reports on programmes at the end of the budget year. These reports could be used by the legislature

for budget negotiations but there is no requirement to do so without a formal process and this is used as a transparency exercise or as background information for policy makers.

2) Performance-informed budgeting presents performance information in a systematic manner alongside the financial allocations, with the objective of facilitating policy makers in taking account of this information to the extent that they may deem appropriate when deciding upon budget allocations.

3) The most rigid form of performance-based budgeting (PBB) is Direct Performance Budgeting where performance information is linked to previously stated objectives and will have direct consequences for the budget allocations. However, when funding is tied to specific performance targets, there is limited scope for evaluations and the system tends to be rigid to changing priorities or contexts.

Monitoring the budget is important to ensure that the financial, operational and capital plans that were developed and approved for implementation as part of the budget processes are being implemented. Budget monitoring is crucial for in assisting an organization to enforce accountability related to spending.

#### **4.2 Role of Budgeting**

Public budgeting is the process by which the financial policy of a government, including its monetary requirements is formulated, adopted, and carried into effect. (Buck, & Norton, 1930). Budgeting provides a systematic way of reviewing estimated costs and then comparing them with actual cost results on the implementation of the projects. It is an effective management tool and its benefits include providing a time frame required to control finances, highlight cash flow shortages and financing requirements.

A budget is simply a spending plan that takes into account estimated current and future income and expenses for a specified future time period, usually a year.

There are two essential features to the process of public budgeting:

1. A comprehensive financial plan, and
2. A procedure for devising, authorizing and executing this plan. These combined features constitute the budget system.

### **4.3 The Budgeting Process in Kenya**

Budgeting is the process of creating a plan to spend money. It is simply balancing between income and expenditure. This spending plan is called a budget. The purpose of a budget is to plan, organize, track, and improve the financial situation (e.g., of a government). The budget process happens at both the national and county levels.

### **4.4 The National Budget Preparation Process**

The formulation and preparation of the Budget involves development and submission of key documents for approval by Cabinet and Parliament. The process is guided by the budget calendar which stipulates timelines for key activities to be undertaken in order to finalize the Budget and submit it for approval by the 30<sup>th</sup> of April of each financial year. The budget calendar is usually contained in the Treasury circular issued in accordance with Section 36 of the Public Finance Management Act 2012, that provides guidelines on the processes and procedures for preparing the subsequent financial year and the Medium-Term Budget.

The steps in the budget making process in Kenya;

- Development and issue of MTEF guidelines.
- Launch of sector working groups.
- Development of medium-term budget framework.
- Preparation and submission of MTEF sector budget proposals.
- Preparation and submission of budget policy statement.
- Development and issue of guidelines in the preparation of the MTEF budget.
- Submission of draft budgets estimate and Financial Bill to parliament for approval.
- Submission of Appropriation Bill to parliament on the final budget estimates.
- Budget estimates speech.
- Budget implementation issued and in-year reviews through supplementary budgets.

## **4.5 Budget Process Calendar in Kenya**

Section 35 of the Public Finance Management Act 2012 guides the national budget process. The budget process for the national government should follow the calendar:

### **31<sup>st</sup> August**

Treasury Circulars to government departments are issued by the National Treasury, formally kicking off the budget process. These lay down the processes and deadlines all government departments have to follow including what caveats and limitations will need to be observed in light of prevailing economic and social circumstances.

### **1<sup>st</sup> September**

Annual Development Plans are tabled in the National Assembly for review and debate.

### **21<sup>st</sup> October**

Budget Review and Outlook Papers (BROP) are tabled at the National Assembly. Their purpose is to assess how budget implementation was done and is proceeding *vis-a-vis* the prevailing economic, social, environmental and political circumstances.

### **16<sup>th</sup> March**

The National Division of Revenue Bill is approved by Parliament and a separate process conducted at the national level.

### **10<sup>th</sup> – 20<sup>th</sup> April**

Period within which National Budget hearings are held with Treasury to ensure plans and budget numbers are aligned to the National economic policy and plans.

### **20<sup>th</sup> April**

Draft Budget Estimates are consolidated and submitted to the Cabinet for final approval. All ministries must finalize their budget estimates and ensure they reflect the priorities of the President/Governor within budget expenditure ceilings. If the public determines its priorities have not been adequately articulated in budget estimates, it reserves the right to directly petition the

Assembly, failing which court action may be resorted to, to stop the process until its concerns are addressed.

### **30<sup>th</sup> April**

Budget Estimates/Proposal submitted to Parliament.

### **1<sup>st</sup> – 29<sup>th</sup> June**

Budget estimate hearings are held in Parliament under the various Parliamentary committees from 20<sup>th</sup> April to 30<sup>th</sup> June, and 1<sup>st</sup> July. The Draft Budget Estimates that are consolidated and submitted to the Cabinet for final approval mirror the ministries/departments in the Executive Branch. (The public is expected (not required) to attend as part of public participation by law. Both Budget Estimates and any law can be challenged and struck down in court if it is demonstrated that no public participation occurred. The Finance Bill is also introduced at this time. It gives authority for the government to spend the monies in the Appropriations Bill and must be approved within 3 months of the Appropriations Bill

### **30<sup>th</sup> June**

Parliamentary approval of the Final Budget Estimates signals the adoption by Parliament of the Budget and that commits the government to implement it without changes.

End of Financial Year

## **4.6 County Level Budget Preparation Process**

The budget process for County Governments in Kenya is a continuous process. It begins on 30<sup>th</sup> August of the current year. The process ends on 30<sup>th</sup> December of the following year. The process is a cycle. Each cycle contains a financial quarter of three months. There is therefore the:

- The First Quarter that begins from 1<sup>st</sup> July to 30<sup>th</sup> September.
- The Second Quarter that begins from 1<sup>st</sup> October to 31<sup>st</sup> December.
- The Third Quarter that begins on 1<sup>st</sup> January to 31<sup>st</sup> March.
- The Fourth Quarter that begins from 1<sup>st</sup> April to 30<sup>th</sup> June.

### **1<sup>st</sup> Quarter (1<sup>st</sup> July to 30<sup>th</sup> September)**

30<sup>th</sup> August: This date marks the beginning of the budget process for County Governments in Kenya. On this date, every County Treasury should issue a circular to every county department (health, agriculture, environment, etc.). The circular should contain:

- the guidelines for the budget process for the coming financial year; and
- the procedures to follow to involve the public in the budget process (public participation).

The County Treasury (Department of Finance) for every county should also make the circular available to the public.

1<sup>st</sup> September: On this day, the County Planning Department should table the Annual Development Plan (ADP) to the County Assembly. The Department should then make the ADP public within seven days after tabling it before the Assembly for public input.

1<sup>st</sup> September to 15<sup>th</sup> February: The County Treasury should conduct sector hearings during this period. The sector hearings allow the public and other stakeholders to give their views at the sectoral level (e.g. health, agriculture etc.). These views are necessary to enable the County Treasury to prepare the County Fiscal Strategy Paper.

30<sup>th</sup> September: The County Treasury should produce the Budget Review and Outlook Paper by this date. It is also the deadline for the County Assembly to consider and approve the Finance Bill for the current financial year (that begins on 1<sup>st</sup> July). The Assembly should consider and approve the Finance Bill with or without amendments.

## **2nd Quarter (1<sup>st</sup> October - 31<sup>st</sup> December)**

The following take place in the second quarter of the budget process.

21<sup>st</sup> October: The County Treasury tables the County Budget Review and Outlook Paper before the County Assembly. This allows the Assembly to discuss the document.

31<sup>st</sup> October : This is the deadline for County governments to publish their first-quarter budget implementation reports. The reports cover the first quarter (the period from 1<sup>st</sup> July to 30<sup>th</sup> September) of the current financial year. They should then make the reports public, usually through their respective websites. This is usually the work of the County Treasury.

30<sup>th</sup> December: Deadline for the Auditor-General to publish and publicize the county government audit reports for the previous fiscal year.

### **3rd Quarter (1<sup>st</sup> January – 30<sup>th</sup> March)**

In the 3<sup>rd</sup> quarter the following takes place:

31<sup>st</sup> January: County governments publish and publicize their 2<sup>nd</sup> quarter budget implementation reports. The reports cover the period from 1<sup>st</sup> October to 31<sup>st</sup> December of the current financial year.

28<sup>th</sup> February: The County Treasury tables the County Fiscal Strategy Paper (CFSP) before the County Assembly by this date.

7<sup>th</sup> March: This is the deadline for the County Treasury to publish and publicize the Fiscal Strategy Paper after tabling it before the County Assembly.

14<sup>th</sup> March: The County Assembly approves the County Fiscal Strategy Paper by this date.

### **4th Quarter (1<sup>st</sup> April-30<sup>th</sup> June)**

30<sup>th</sup> April: This is the deadline for the Counties to publish their third-quarter budget implementation reports for the period from 1<sup>st</sup> January to 30<sup>th</sup> March.

The County Treasury also submits the county budget proposal (or budget estimates) to the County Assembly on this date.

Each County Assembly clerk should prepare and submit to the County Assembly on this date, the budget estimates for the County Assembly. The clerk should submit a copy of the estimates to the County Executive Committee Member for Finance (County Treasury).

1<sup>st</sup> May to 30<sup>th</sup> June:

- The Budget Committee for the County government will begin to conduct public hearings on the budget proposals or estimates.
- The County Executive Member for Finance should publicize the county budget estimates ‘as soon as practicable’ after he or she tables them before the county assembly.
- The county assembly should consider the county government budget estimates. The Assembly should then approve the estimates, with or without amendments in time for the Appropriation Bill and any other laws required to implement the budget (except the Finance Bill) and pass the estimates by 30<sup>th</sup> June.

- Not later than twenty-one days after the county assembly has approved the budget estimates, the County Treasury should consolidate the estimates, publish and publicize them respectively. (Approved Budget).
- Upon approval of the budget estimates by the County Assembly, the County Executive Member for Finance should prepare and submit an Appropriation Bill of the approved estimates to the County Assembly.

30<sup>th</sup> June: This is the deadline for the County Assembly to pass the Appropriation Bill.

31<sup>st</sup> July: The deadline for the County Government to publish and publicize the fourth quarter budget implementation report. This period covers the period from 1<sup>st</sup> April to 30<sup>th</sup> June (**The Budget Process for County Governments in Kenya (afrocave.com)**).

#### **4.7 Survey Findings on Monitoring and Evaluation, planning and Budgeting Process in government ministries.**

The main object here is to understand whether monitoring and evaluation information/evidence informs the process of budgeting for both counties and National Government in Kenya.

##### **4.7.1 Survey Findings on whether planning informs the process of budget development in Government ministries.**

**Table 11: Thematic findings on the role of planning in Budget development in government ministries.**

<b>Statement</b>	<b>THEME</b>	<b>PROPORTION in %</b>
What informs the Ministry's priority areas when developing its annual budget	- SMES	- 10
	- Government Priorities	- 60
	- Plans	- 30
Does the budget contain estimates for the coming three years or only for this year	- Yes	- 100.00
	- No	- 00.00
Move from planning to budget implementation.	- Estimates	- 40
	- Plan	- 30
	- Implementation	- 30

What are some of the significant impacts that the budgeting has had on your county's direction, goals, priorities, and programmes?	<ul style="list-style-type: none"> <li>- Accountability</li> <li>- Implementation</li> </ul>	<ul style="list-style-type: none"> <li>- 67</li> <li>- 33</li> </ul>
Does your budgeting process make use of M&E information and  Is M&E used to track the Ministry's expenditure during a financial year?	<ul style="list-style-type: none"> <li>- Yes</li> <li>- No</li> </ul>	<ul style="list-style-type: none"> <li>- 77.78</li> <li>- 22.22</li> </ul>
What are the pitfalls or obstacles that you have typically encountered in the government/Ministry budgeting process.	<ul style="list-style-type: none"> <li>- Budget rationalization budget cuts</li> </ul>	<ul style="list-style-type: none"> <li>- 100</li> </ul>

Whether the budgeting process makes use of M&E information or whether M&E is used to track the Ministry's expenditure during a financial year, the respondents replied as follows: Yes =77.78% and No =22.22%.

Respondents agreed 100% that most government ministries face budget cuts and budget rationalization, making their operation effective.

**Table 12 below** shows the descriptive finding on the role of planning in budget development measured using statements rated on a Likert scale of 1 to 5 where 5- Strongly Agree (SA), 4- Agree

(A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD). The data was analyzed using SPSS software and the descriptive statistics were tabulated to check the significance.

**Table 12: Binary findings on the role of planning in budget development**

<b>Statement</b>	<b>Mean</b>	<b>STD</b>
i. I am aware of the budget prepared by the National Treasury.	5.00	0.00
ii. I can describe the national government and Ministry budgeting systems in the country.	5.00	0.00
iii. Monitoring and evaluation information is important in informing the budgeting system in the Ministry/National Treasury.	4.50	1.00
iv. Budgeting or lack of it is synonymous with corruption in government ministries.	3.05	0.98
v. The budgeting system is based on medium-term/sector development plans.	4.00	0.00
vi. A Parliamentary Committee scrutinizes bills and ensures public funds are appropriated in a transparent and effective manner to safeguard public funds.	4.00	0.82
<b>Composite Index Value</b>	<b>4.500</b>	<b>0.41</b>

The composite index value (Mean= 4.500) and (STD= 0.41) infers that budgeting plays a great role in the governance process of government ministries. Majority of the respondents strongly agreed that they were aware of the budget prepared by the national treasury and that they can describe them thus: (Mean 5.00) and (STD=0.00) while others agreed that monitoring and evaluation information is important in informing the budgeting system in the Ministry/National Treasury (Mean =4.50) and (STD=1.00). When asked whether Budgeting or lack of it is synonymous with corruption in government ministries many were neutral (mean =3.05) and (STD= 0.98).

#### 4.7.2 Budgeting Systems in County Governments

**Table 13 below** shows the descriptive findings on the budget system in county governments measured using statements rated on a Likert scale of 1 to 5, where 5- Strongly Agree (SA), 4- Agree (A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD). The data was analyzed using SPSS software and the descriptive statistics were tabulated to check the significancy.

**Table 11: Binary findings on the budgeting system in county government**

Statement	Mean	STD
i. Monitoring and evaluation systems are helpful in the country's budgeting system process.	4.07	0.58
ii. There is an increased need for county governments' ministries and departments to develop well planned budgets that promote sustainability and ensure economic stability and growth.	5.000	0.00
iii. Proper budgeting systems that aid in controlling the economic fluctuation by ensuring effective handling of inflation and dilation.	4.00	1.00
iv. Budgeting or lack of it is synonymous with corruption in the county government ministries and departments.	3.00	1.00
v. County governments' budget is proactive in that it ensures that it is not spending more than it is collecting.	4.00	0.00
vi. The county governments have been making decisions based on their budgeting systems.	4.00	0.00
vii. The county governments have adopted an accounting standard with knowledgeable staff who are accountable and responsible for its planning and implementation.	4.00	1.00
viii. An Internal Audit Committee is very much of essence in the county governments since it ensures policies and procedures are followed.	4.33	0.58
ix. The county assemblies oversight function entails establishing a committee of its members to scrutinize bills and ensure public funds are appropriated in a transparent and effective manner to safeguard public funds.	4.00	0.00

x.	The use of IFMIS helps county governments to gain effective control over their finances and enhances transparency and accountability and acts as a deterrent to corruption and fraud.	3.00	0.48
xi.	Hiring of skilled and effective staff that are well versed on the functions they are supposed to be performing will lead to successful budget implementation	5.00	0.00
<b>Composite Index Value</b>		<b>4.50</b>	<b>0.00</b>

The composite index value (Mean =4.50) and (STD =0.00), implies that budgeting is a significant process in the management and governance of the county governments. The respondents highly rated the statements:

How can you describe the county government budgeting systems in the country;

There is an increased need for county governments’ ministries and departments to develop well planned budgets that promote sustainability and ensure economic stability and growth (Mean =5.00) and (STD =0.00).

To some extent the respondents agree with the statement; Monitoring and evaluation are helpful in the country’s budgeting system process (Mean 4.07) and STD =0.58).

Respondents were neutral on whether Budgeting or lack of it is synonymous with corruption in the county government ministries and departments (Mean =3.00) and STD = 1.00).

### 4.7.3 Budget performance against targets in the budget formulation process

**Table 14** below shows the role of budget performance targets in budget formulation measured using statements rated on a Likert scale of 1 to 5, where 5- Strongly Agree (SA), 4- Agree (A), 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD). The data was analyzed using SPSS software and the descriptive statistics were tabulated to check the significancy.

**Table 14: Budget performance against targets in the budget formulation process**

Statement	Mean	STD
i. Performance against targets is used to determine budget allocations.	2.67	0.577
ii. Performance against targets is actively used along with information on fiscal policy and policy priorities to inform but not determine county budget allocations.	3.33	1.15
iii. Performance against targets is not used in budgetary decision-making	1.67	1.15
<b>Composite Index Value</b>	<b>2.17</b>	<b>0.76</b>

The composite index value (Mean =2.17) and STD (0.76) implies that performance targets are not a significant factor when formulating the budget process in the county governments. The respondent answered on the statements; Performance against targets is used to determine budget allocations (Mean 2.67) STD= 0.58) and least to the statement; Performance against targets is not used in budgetary decision-making (Mean =1.67) and (STD = 0.76).

## SECTION 5: RECOMMENDATIONS

### 5.1 Introduction

Recommendations for augmenting the role of M&E evidence in public sector planning and budgeting processes. This chapter proffers pathways for augmenting the role of M&E evidence in the planning and budgeting processes of the national government, based on strengths and weaknesses of M&E functions identified in the planning and budgeting processes of the country in sections 3 and 4, and primary data findings.

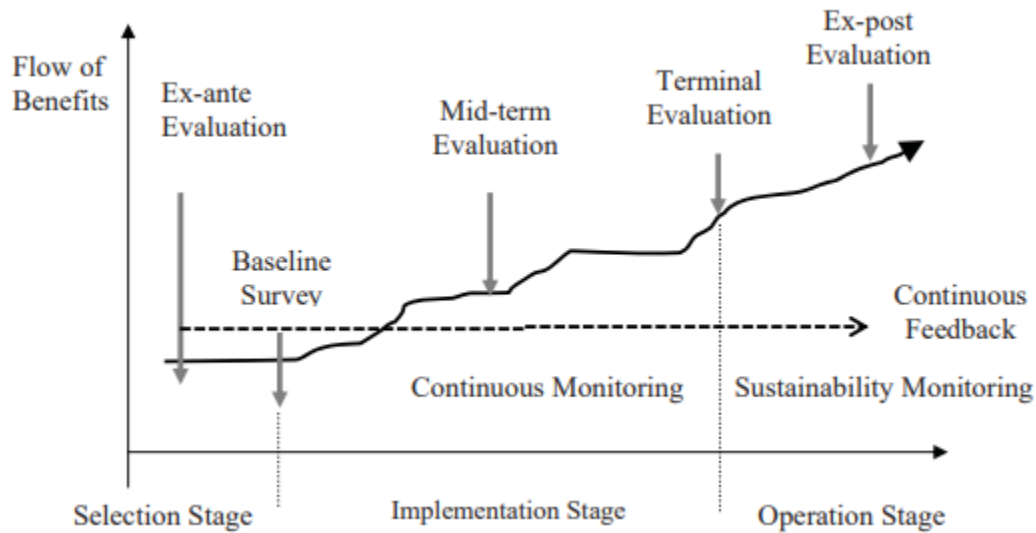
Recommendations on the explored issues about how the M&E system is useful and how it informs planning and subsequently how planning informs budgeting in the various ministries and departments of the national and county governments. This is very important in using evidence to make informed policy decisions in planning processes and budgetary allocations to foster sustainable economic development of the Kenyan economy. This process also helps in promoting learning and data-driven decision making, transparency and accountability, improved project performance, effective resource allocation and systematic management of government institutions in totality.

## **5.1 M&E, Planning and Budgeting Recommendation for National Government Institutions**

### **5.1.1. Adoption Of Continues Monitoring and Evaluation Processes**

Effective and timely decision making is an important aspect in the operation of the government and its ministries and departments. For this reason, good planning, budgeting and M&E reports are crucial. It is necessary that M&E functions be carried out continuously *vis-à-vis* development plans, visions, policies, programmes and projects through their formative, pre-completion and completion phases. Necessary reforms and modifications *vis-à-vis* the plan, vision, policy, programmes or projects can only be affected if proper M&E is undertaken. In other words, the future success of programmes should be informed by the previous identified failures and successes. A robust M&E at different stages of a development intervention *should* provide the required feedback. Plans/projects require continuous M&E at all stages of the project as shown below;

**Figure 2: Showing M&E at Various Stages of the Project**



### **5.1.2 Uniformity in Monitoring Report**

Duplications currently existing in monitoring of development activities will be avoided by consolidating and harmonizing monitoring and reporting forms and systems.

### **5.1.3 Development of Human Resources**

About 80% of respondents indicated that they lack the required expertise to carry out the implementation of M&E. Knowledge, skill and competence of human resources involved in M&E should be developed by making provision for an adequate annual budget programme. The National treasury and economic planning should support ministries to improve the capacity of their central level human resources in matters of M&E. Ministries and counties should make provision for capacity building of their staff at departmental and local levels.

### **5.1.4 Incorporate Appropriate Methods and Tools**

Appropriate new and innovative methods and tools can be incorporated into the M&E system so as to make it more systematic and effective.

### **5.1.5 Use of Information and Communication Technology (ICT)**

Information and communication technologies will be employed progressively to develop devices and networks to make M&E functions more systematic, smart and swift and to enable it to

communicate basic information as well as progress reports through its application. Digital repositories of M&E products will also make such evidence readily accessible for planning and budgeting decision-makers.

#### **5.1.6 Adequate Funding of M&E Functions**

Monitoring and evaluation functions are underfunded in the government ministries. The survey response indicated that quite a few government institutions have no budget to implement M&E systems and carry out M&E functions in their institutions. More funding is needed for them to ensure that M&E achieves its goals.

There is a need for both the National and County governments to have formal policies in place for monitoring and/or evaluation which include a set percentage of programme budgets to be allocated to M&E activities. Having an institutional policy in place can assist the programme team in making the case for M&E expenses and can be used as a guide for planning. Nevertheless, M&E activities still need to be planned and budgeted for.

There is a need to set a formula for determining the budget for M&E project/programme activities. A general rule of thumb is that the M&E budget should not be so small as to compromise the accuracy and credibility of results, but neither should it divert project/programme resources to the extent that programming is impaired. Usually an M&E budget consists of 1% to 10% of the overall project/programme's budget. Though it may not be easy to estimate the cost of the M&E activities at the early planning stage, the starting point is to include an estimated cost while developing a monitoring and evaluation plan.

#### **5.1.4. Continuous M&E (M&E cycle)**

M&E practices should be used at every level of planning and budgeting since respondents strongly agreed on the need to increase and develop more well-planned budgets to promote sustainability.

More M&E frameworks are needed to be formulated and actualized in government ministries since only 60% agreed on the existence of M&E frameworks (policy, M&E plans, results framework/indicators) in their Ministries.

1. The need for raising awareness about the value of M&E and M&E capacity building among planning and budget stakeholders.

2. The need for M&E officials in ministries to be sensitized on planning and budgeting cycles to ensure relevant M&E products are informative to planners and budget stakeholders.
3. The need to raise awareness about M&E frameworks across government ministries.
4. The need for continuous M&E capacity building among M&E officers in national government.
5. To establish intra and inter-institutional engagement/dialogue platforms where M&E information can be shared with budget and planning decision-makers. This would be a key knowledge brokering mechanism(s).

## **5.2 M&E Recommendations for County Governments**

M&E is attributed as a tool for improved county governance. This means that M&E is very important as an informative tool for effective governance. At the same time, more respondents recommend improvement of the current state of M&E as an informer of good budgets.

The analysis of performance against targets showed that programmes which do not meet the target are still maintained in the system instead of being eliminated. This is a great risk to M&E practices since the same programmes will keep on being duplicated year in year out making M&E ineffective.

On the statement that: whether the programme should be eliminated if it does not meet the targets, majority of the respondents rarely mean (2.33) Std (1.53) indicating that the programmes are rarely eliminated even if they do not meet the performance targets which is a great risk in the governance of county affairs.

## **5.3 Recommendations on the use of M&E in the Planning and Budgeting at County-Level**

### **5.3.1 Aligning the Reporting/Monitoring Cycles and Evaluations with the Planning Cycle of County Governments**

The respondents from both government ministries and county government agreed significantly on the role and use of planning systems in government ministries and county governments, with good planning being cited highly as the key to a successful planning system. On critically analyzing the data however, a lack of a proper link between planning, forecasting and management reporting emerged. The respondents disagreed on the statement: The significance of entrenching planning in

national economy practices in government sectors is pivotal in enhancing the levels of employment (mean 2.67 and STD 1.15).

### **5.3.2 Standardization of Process and Systems**

The Planning process and M&E systems should be standardized in the various government and county ministries/departments. This will bring about a harmonious use of the reports generated out of the M&E exercise for an effective planning process and consequently have better allocation of resources.

### **5.3.3 Use of M&E Information on Plan, Programme and Project Performance in Budgeting Process Development**

Targets are set during the M&E process. The respondents reported on the low use of performance evidence against targets in the budgetary decision-making process, implying that M&E information is not being used effectively in the budgeting process. This study recommends that the M&E information should be fully utilized in informing the planning process which in turn should inform the budgetary allocations in the budgeting process.

## **SECTION 6: CONCLUSIONS AND WAY FORWARD**

It is very clear from the analysis of this study that Monitoring and Evaluation has a critical role to play in informing planning and budgeting processes for a country to achieve its development objectives. Although M&E has been used to inform planning and budgeting processes, much more remains to be accomplished to reach optimal levels. This calls for continuous capacity building programmes on M&E to various key public servants in charge of development as well as implementing the provisions of the M&E policy. The policy calls for adequate allocation of resources for M&E work as well as forming strong reporting structures and M&E committees both at National and County Governments to report on progress of indicators that are used to track the implementation of both the Medium-Term Plan and the County Integrated Development Plan. The Survey findings show that M&E practices should be used at every level of planning as the majority of the respondents strongly agreed on the need to increase M&E uptake and develop more well-planned budgets to promote sustainability. M&E is a continuous process and must be carried out at both National and County Government levels.

It also emerged that more M&E frameworks needed to be developed and actualized in government ministries as findings show that it is only 60% of the ministries that have the M&E frameworks. This means that the other 40% of the Ministries lack that capacity and this therefore calls for concerted efforts and resources to enhance this capacity to cover the said remaining ministries.

Finally, guidelines to entrench the M&E function in planning and budgeting processes at both national and county level governments are being prepared to be used as an appropriate measure to assist both government and counties to make informed policy decisions and to enhance accountability in the use of public resources.

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## **Annexes**

### **ANNEX 1: List of Government Ministries and Counties Interviewed**

The data for the survey was collected using well-structured questionnaire issued to selected Government ministries/departments and counties. This includes:

#### **Government Ministries/Departments**

1. The National Treasury and Economic Planning
2. Ministry of Health
3. Ministry of Education
4. Ministry of Energy
5. Ministry of Agriculture
6. Ministry of transport and Communications
7. Ministry of Trade, Industry and Investment
8. Monitoring and Evaluation Directorate (Key Informant)

#### **Counties**

1. Nakuru County
2. Siaya County
3. Machakos County

#### **Council of Governors**

### **ANNEX 2: Documents reviewed**

- Monitoring and Evaluation annual progress reports
- Annual Public Expenditure reports
- Annual Budget Estimates
- Annual Budget outlook Papers
- Annual Budget Policy Statements



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