



# Application of Budgeting as a Tool for Implementing Urban Physical Development Plans (Case Study: Kenya)

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## ABSTRACT

A country's national budget is one of its most important public documents. However, it is unclear whether they consider urban planning given that urban physical development planning should come before economic planning as it provides a spatial framework within which economic decisions are implemented. This article therefore investigated the prioritization of urban physical planning by examining the budget procedures employed by the Kenyan Government and the County Government of Kisii. It was framed on the theory of public finance and exploratory research design. Data on budget implementation by the Government of Kenya was sourced from the Budget Statements covering the 2021/2022 to 2023/2024 fiscal years, while that of the County Government of Kisii was obtained from the Integrated Development Plans for 2013-2017 to 2003-2027, and the Annual Development Plans for the 2019/2020 to 2022/2023 fiscal years. Deductive content analysis was used to determine if the two tiers of government were prioritizing urban planning within their annual budgets. The results revealed that the Government of Kenya did not incorporate urban planning when budgeting. Regarding the County Government of Kisii, the department accountable for planning received the least funding therefore making it unable to prepare new plans or finish those that were already underway, nor could it implement those already completed. The article concludes that urban physical development planning was not prioritized by both government levels. Consequently, most urban areas in Kenya are growing without the spatial frameworks required for long-term development.

**KEYWORDS:** Budgeting; Economic development; Urban planning; Kenya

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## INTRODUCTION

Public sector budgeting involves the creation of budgets for economic development (Global Innovative Module, 2015) and thus represents a cornerstone in the framework of trust between governments and their citizens (Pattaro, 2016). This allows governments to prioritize and achieve their economic development goals (World Bank, 2013). In addition to financing new and existing programs, the budget is a tool for implementing fiscal policy and therefore influences economic development (Government of Kenya, 2022). An effective public budget execution process should ensure the achievement of planned priorities and policies, operational effectiveness, effective service delivery, transparency and a corruption-free environment (Mitchell, 2022; The Economic Times, 2022; Shard & David, 2010; Green, 2007). Budgeting should therefore involve all levels of government and not just be the responsibility of central or decentralized governments. This is because the government's budget systems and practices at all levels should remain coordinated, consistent and logical (Giovanna et al., 2023; Manes-Rossi et al., 2023; Guerrero et al., 2022). Furthermore, good financial management should be supported by the various pillars of modern governance such as openness, participation and the achievement of national goals (Jung, 2022; OECD, 2015; United Nations, 2005). It should as well be guided by a sound institutional, legal and spatial framework that supports its implementation for the common good (Government of Kenya, 2023). Since the outcome of a successful budget is confirmed by its impact on the physical space in which economic decisions are made, physical planning should precede economic development planning. In this case, it should be among the highest priority items in a country's development budget (UN-Habitat, 2022). Therefore, to accelerate the economic development of a country, a planned and orderly physical space should be mandatory. This supports the central argument of this article that urban spatial development planning must be an integral part of a country's budgeting process as it organizes and regulates the space in which the results of economic decisions are implemented. Although the Government of Kenya (GOK) and the County Government of Kisii (CGOK) have statutory responsibilities for physical development planning, no attempts have been made to determine whether it is a priority in their annual budgets. As a result, this article evaluated whether their budgets emphasized urban physical development planning. To achieve this, the budget planning and implementation processes of GOK and CGOK, one of Kenya's 47 decentralized regional governments, are examined. The central question was: "Does